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FOREWORD BY THE MEMBER OF THE EXECUTIVE COUNCIL

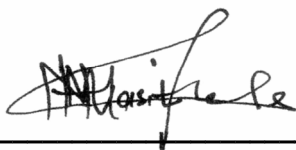
As reflected in our Annual Report for the financial year 2005/06, our priorities remain centered on addressing systemic weaknesses of the department and accelerating implementation of our programmes. We are happy to report that steady progress has been made in these areas. A significant number of critical posts have been filled, policies developed and implemented. Furthermore, management structures have been established to monitor implementation of programmes and provide strategic leadership.

We need to continue to work together with other government departments and our stakeholders to realise the goals of the Free State Growth and Development Strategy. In this regard we were able to promote this collaboration through the activities of the cluster for Economic, Employment and Investment.

As we stated in our budget speech earlier this year at the Free State Provincial Legislature, our Department is committed to respond to the challenge of broadening economic participation of all people through all the programmes and interventions developed for Tourism, Environment and Economic development. These programmes as outlined in the Programme of Action for the Economic, Employment and Investment cluster include the following:

- Ensure the development of policies and strategies that ensure that Accelerated Shared Growth Initiative of South Africa (AsgiSA) succeeds.
- Beneficiation of petro-chemicals
- Beneficiation of mining products
- Improvement of tourism marketing and business support, increase of tourism products and events and activity tourism.
- Establishment of Logistic Hub in Harrismith.
- Establishment of effective support structures for Small Medium and Micro Enterprises.

We trust that this report will give insight into what the department has been able to achieve for the financial year under review.



N. H. MASITHELA

MEMBER OF THE EXECUTIVE COUNCIL

DATE SIGNED: 31 August 2006

1. PART ONE: GENERAL INFORMATION

1.1. Submission of the Annual Report to the Executive Authority

I, **Thabo B. Khunyeli**, have the honour of submitting to the Member of the Executive Council, Mr. Neo Masithela, the 2005/2006 Annual Report of the Department of Tourism, Environmental and Economic Affairs in terms of the Public Finance Management Act No 1 of 1999, Section 40 (1)(c).



T. B. KHUNYELI

Head of Department

Accounting Officer: Department of Tourism, Environmental and Economic Affairs

Signed on this day 31 August 2006

1.2. Introduction by the head of the department

The year covered by this report saw important progress in our efforts to address systemic weaknesses and accelerate implementation of departmental programmes. There are, however, still major challenges to be overcome in our endeavours to realise the strategic objectives of the Department and the Free State Growth and Development Strategy. The revision of the organizational structure has to be completed during this financial year. In this regard, attention will be given to creation and filling of posts in the reserves, resorts and district offices.

During the period under review, there was special focus on developing and implementing measures to improve the organizational effectiveness and efficiency of the Department. These measures included the following:

- Revision of the organizational structure of the Department.
- Development of financial and supply chain management policies.
- Identification, evaluation and filling of all critical posts.
- Correct placement of officials in the organizational structure of the Department.
- Establishment of revised management structures and their terms of reference.

One of the major thrusts was to enhance the capacity of the two existing public entities to deliver on their respective mandates. The new Boards of the Gambling and Racing Board and the Free State Development Corporation (FDC) were inaugurated during the financial year. As we announced in our last budget speech, the Tourism Authority was established in September last year. We expect this body to enable us to improve tourism marketing and business development. In addition the process of amending the Free State Development Corporation Act was started and is expected to be completed during the current financial year. The Board of the FDC is already implementing strategies to reposition the Corporation so that the objective of establishing and developing sustainable SMME's is achieved. The FDC has relaxed entry requirements into business and lowered interest rates. The requirements for own contribution in setting up businesses have also been reviewed. This is the results of the restructuring and repositioning of this Corporation which was announced in the budget speech last year..

Realising all the achievements mentioned in this report required giving attention to effective and efficient administrative support from cooperate services and financial management. As a result, important progress was made in filling identified critical posts of these components in order to enhance their capacity to provide the required support to other components.

This Annual Report sets out the details of what was done by our department during the financial year 2005/2006. We have no doubt that our experiences and lessons from that year will make the current financial year become one of even greater achievements in pursuit of a better life for all.

1.3. Information on the department.

The department is comprised of five programmes ,viz;

Programme 1: Administration

Programme 2: Tourism

Programme 3: Environmental Affairs

Programme 4: Economic Development

Programme 5: Transversal functions (public entities)

“Institutions reporting to the Executing Authority:

- *Free State Development Corporation*
- *Free State Gambling & Racing Board*
- *Free State Tourism Authority*

Bills submitted to the legislature during the financial year

Free State Tourism Authority Act, 2005, (Act No. 3 of 2005) was passed by the Free State Legislature last year.

MEC'S visits abroad

Date	Venue	Description of duty	Period
7 – 17 Sep. 2005	Germany & Sweden	Sharing 2010 World Cup information and SA promotion events.	10 days
8 – 14 Oct. 2006	Japan	Reduce, reuse and recycle – study tour	5 days
16 – 26 Jan. 2006	Finland	Promoting Tourism and Investment related issues for the Province	10 days

1.4 Mission statement

To provide an economic and environmental governance system that contributes towards sustainable livelihoods together with relevant stakeholders to ensure job creation and poverty alleviation within the Free State Province.

- To promote sustainable economic activity within the province.
- To promote sustainable environmental conservation within the province
- To ensure internal departmental business process excellence.

1.5 Legislative mandate

- The department 's core mandate comes from, inter alia, the Constitution of the Republic of South Africa 1996, Tourism related Acts, Environmental Development Acts and Trade and Industry Acts.
- **The Free State Development Corporation** was established in terms of the Free State Development Corporation Act, 1995 Act No. 6 of 1995. The role of this entity is to develop business enterprise to promote urban and rural economic development with special emphasis on the promotion and development of SMMEs.
- **The Free State Gambling & Racing Board** was established in terms of the Free State Gambling & Racing Act, 1996 Act (No. 6 of 1996) . The role of this board is to promote the economy of the Free State through gambling and racing.
- **Free State Tourism Authority** was established in terms of the Free State Tourism Authority Act, 2005 (Act No. 3 of 2005) to market & promote tourism and development of sustainable tourism

2. PART TWO - PROGRAMME PERFORMANCE

Programme performance

Voted Funds

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
	R210 080 000	R 210 080 000	177 742 302	R32 337 698
Responsible MEC	MEC of Tourism, Environmental and Economic Affairs			
Administering Dept	Department of Tourism, Environmental and Economic Affairs.			
Accounting Officer	Head of Department for the Department of Tourism, Environmental and Economic Affairs.			

Aim of Vote

To provide an economic and environmental governance system that contributes towards sustainable livelihoods, together with relevant stakeholders, to ensure job creation and poverty alleviation within the Free State Province.

Key measurable objectives, programmes and achievements

Key measurable objectives

- Support the creation and sustainability of SMMEs
- Optimize tourism opportunities
- Increase the rate of investment in the Province e.g. 2010 world soccer cup competitions.
- Ensure a healthy environment.

Programmes

Programme 1: Administration

Purpose : Is to provide strategic direction and administrative support to the department, by giving political and managerial leadership for service delivery.

Programme 2: Tourism

Purpose: Is to facilitate Tourism development and manage and conserve bio-diversity in the Province.

Programme 3: Environmental Affairs

Purpose: Is the provisioning of a sound provincial environmental management system towards sustainable environmental conservation

Programme 4: Economic Development

Purpose: Is to provide an economic developmental governance system towards a better life for all in the Free State Province through :

- Promotion of business development,
- Application of an economic regulatory framework

Programme 5: Transversal functions

This programme is about different public entities whose mandates are derived from their relevant Acts as discussed earlier on.

Achievements

- The major achievements for the year were the completion of the provincial Tourism Investment Strategy and the Tourism Development Plan. Resulting from these two the tourism product Development Strategy will be ready by December 2006 to further enhance the competitiveness of the province in as far as tourism growth and development is concerned.
- The development of Integrated Management Plans in line with the Bio-Diversity Act and Protected Areas Act.
- Maloti-Drakensburg Transfrontier Project (MDTP)
- The establishment of the Xhariep Complex Initiative.
- Management of the Vredefort Dome World Heritage Site
- Co ordination of workshops and road shows for dissemination of business development information.
- Participation in trade exhibitions locally and internationally.
- Participation in international trade missions for investment promotion.

Overview of the service delivery environment for 2005/06

The service delivery for the department has been going well despite the absence of the Chief Financial Officer, however the department has appointed new managers with appropriate competencies and expertise.

Overview of the organisational environment for 2005/06

- The absence of the Chief Financial Officer
- Filling of critical posts, Chief Operations Officer, Director - HRM and other critical managerial posts.

Strategic overview and key policy developments for the 2005/06 financial year

The department has not experienced any major policy development last year except that it produced the Annual Performance Plan for the year including two outer years. The department has also managed to pass the Free State Tourism Authority Act, 2005, Act (No. 3 of 2005).

Departmental revenue, expenditure, and other specific topics

Collection of departmental revenue

	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	% deviation from target
Tax revenue				16,010	18,750	17%
(Specify)				8,519	11,242	
Non-tax revenue				5,089	5,089	
(Specify)				2,402	2,419	93%
Sales of capital assets (Capital Revenue)				8,800	16,991	93%
Financial transactions (Recovery of loans and advances)					166	
TOTAL DEPARTMENTAL RECEIPTS				24,810	35,97	45%

Departmental expenditure

Programmes	Voted for 2005/06	Roll-overs and adjustments	Virement	Total voted	Actual Expenditure	Variance
Programme 1.	40,186				39, 158	
Programme 2.	23,220				163, 136	
Programme 3	69, 900				661, 322	
Programme 4	19, 800				262, 631	
Programme 5	56, 974				114, 918	
Total	210, 080				1,241,165	

Transfer payments

- Transfers to Public Entities

NAME OF ENTITY	AMOUNT TRANSFERRED	ACTUAL EXPENDITURE
Free State Development Corporation	32, 000	30, 000
Free State Gambling & Racing Board	11, 900	9, 896
Free State Tourism Authority Board	8, 980	3, 054

Programme performance

Summary of programmes

The activities of the Department of Tourism, Environmental and Economic Affairs are organised in the following five programmes:

- Programme 1: Administration
- Programme 2: Tourism
- Programme 3: Environmental Affairs
- Programme 4: Economic Affairs
- Programme 5: Transversal Functions (Public Entities)

Programme 1: Administration

Purpose: This programme provides strategic political and management leadership to the department.

1. Sub-Sub-programme: Financial Accounting

Measurable objective:

- Preparation and monitoring of credible budget for the Department
- Effective and Efficient revenue collection
- Efficient Budget management
- Efficient Salary administration.
- To ensure effective internal risk management
- Production of annual financial statements/annual report

Service delivery objectives & indicators

In the financial year under review, financial management has achieved the following successes:

- Successful collection of game auction revenue, where no cheques were rejected and only one bidder did not pay the R28,250.00 for the lots he had won.
- Completion of financial policies with the relevant delegation.
- The successful closure of the financial year; and,
- The submission of the annual financial statements on the prescribed date

Service delivery achievements:

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Expenditure Control	Departmental budget captured in line with the Budget Statement Book.	Capturing of budgets.	By the 30th March.	Budget was captured by the 15th of April and re-captured in July to link data captured with Budget Statement 2005/2006.
	Compliance to the requirements of the policy by all officials.	Implementation of budget policy.	By the 1st April 2006.	Budget policy was implemented in April.
	Evaluation reports submitted to HOD, Provincial Treasury.	Monthly monitoring and evaluation by the budget committee.	Quarterly meetings held and resolutions around budget related issues made.	The budget committee has not yet been established. The committee will be in place as soon as staff in the Management Accounting Directorate is appointed.
	IYM report submitted to HOD and to provincial Treasury.	Reporting of actual expenditure through In-Year-Monitoring/ Early Warning Reports.	Monthly submission of IYM to HOD and the Provincial Treasury by the 15th of a month.	Calculations part of the report is submitted on the 15th of every month. The department still needs to analyze variations to projects and estimated budget to complete the reporting.
	Certificate of 100% Compliance submitted to Provincial Treasury.	Clearing of ledger accounts and reporting on Certificate of Compliance.	100% compliance and submission of Certificate of Compliance by the 20th of a month.	Compliance has ranged between 89% and 94%. Certificate of Compliance by the 20th of a month.

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Revenue Management	Full compliance to the requirements of the revenue strategy by all officials.	Implementation of approved revenue strategy.	Implementation by the April 2006.	Revenue Strategy to be drafted.
	Revenue reports submitted.	Production of accurate monthly revenue reports.	Monthly submission of IYM to HOD and the Provincial Treasury by the 15th of every month.	Calculations part of the report is submitted on the 15th of every month. The department still needs to analyze variations between projects and estimated budget to complete the reporting.
	New tariffs document.	Review of revenue tariffs.	By January 2006.	The tariffs were reviewed in January 2006.
	Increased revenue collected depending on the change in applicable tariffs.	Implementation of the new tariffs.	By April 2006	The new tariffs were received from Treasury in the second week of and immediately distributed to all revenue centres
	Increased revenue resulting from additional source of revenue.	Identification of additional revenue sources.	An on-going exercise.	One revenue source was identified: Charging a fee for environmental impact assessment done for companies and individuals who need this type of service.
	Report of actual revenue collected and projections for the remaining months of the financial year.	Revenue collection	The budget for 2005/2006 was estimated at R29 296 000.	The current legislation has no provision for administration fees. The amended legislation, to be implemented with effect from 1st July 2006, will include provision to levy a service charge. The actual revenue collection was R35 744 200.

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Budgeting	Preparation of annual budgets for the financial year 2005/06.	Departmental Budget Statement number 2 submitted to Provincial Treasury	Final draft to be submitted in January.	Final draft was submitted in January.
	-Production of Annual Financial Statements for the financial year 2004/05.	Annual Financial Statements for the financial year 2004/05 submitted to the Auditor General and to Provincial and National Treasuries.	Annual Financial Statements for the financial year 2004/05 submitted to the Auditor General and to Provincial Treasury and National Treasury by the 31st May 2005.	Annual Financial Statements for the financial year 2004/05 were submitted to the Provincial Treasury and National Treasury by the 31st May 2005.
	-Preparation of annual performance plans for the financial years 2005/06 and 2006/07.	Documented annual performance plans presented before the Legislature.	31st January, 2005.	Annual Performance Plans for 2005/06 were presented before the Legislature in September 2005.
	-Production of quarterly reports for the year 2005/06.	Documented quarterly reports submitted to Provincial Treasury.	1st, 2nd and 3rd quarter reports were submitted to Provincial Treasury one month after the end of a quarter.	Annual Performance Plans for 2006/07 were presented before the Legislature in March 2006

2. Sub-sub-programme : Supply Chain Management

Measurable Objectives:

To ensure proper implementation of policies and procedures related to supply chain management

To enhance the efficiency and effectiveness of supply chain management

Service delivery objectives and indicators:

Lack of capacity is one factor that led to some of the targeted objectives not being achieved, however commitment and competency level of the officials have resulted into reasonable achievement of the set targets.

These achievements have the positive effects on improving accountability, transparency and are cost effective.

Service delivery achievements:

Sub-sub-programme	Outputs	Outputs Performance Measures/service delivery indicators	Actual performance against indicators	
			Target	Actual
Supply Chain Management	Proper implementation of LOGIS	Monthly reconciliation of LOGIS signed off	12 monthly reconciliations signed off	12 monthly reconciliations done and signed off
	Reconciliation of BAS and LOGIS	Payments of creditors within 30 days from receiving the invoice	100% of payments must be effected within 30 days after receiving invoice	75% payments were effected within 30 days
	Annual stocktaking	Stocktaking to be completed and reports submitted	Stocktaking to be compiled and reports submitted for 64 chief-users	Stocktaking for 62 chief-users had been done and 7 reports are still outstanding
	Updated asset register	Maintenance of an accurate asset register	80% accuracy of asset register	20% is achieved
	Loss and theft control	Resolving cases around loss and theft	60% of the cases should have been finalized by the end of the financial year	66% of the targeted cases have been resolved

3. Sub-programme : Corporate services

MEASURABLE OBJECTIVES:

- Implementation of Skills Development Act
- Deliver Transversal and Occupational Training
- Maintain Training and Skills Database
- To improve work organization
- To provide and retain a well develop and competent workforce
- Implementation of Internship and Learner ship Programmes
- Develop Service Delivery Improvement Plan
- Ensure full implementation of PDMS
- Implement Labour Relations Policy
- Develop Human Resource Plan
- To develop HR Management Policies
- Promote labour peace through effective G & D procedure
- Establishment of a holistic EHWP
- Development of Effective Communication Strategy
- Maintenance of telephone communication system
- To ensure effective departmental communications
- Develop an empowering Information and Communication Technology
- Total management of departmental and subsidized vehicles
- Promote hygienic Environment
- Transfer of Fleet to Government Garage
- Reallocation of SMME staff In new offices

SERVICE DELIVERY OBJECTIVES AND INDICATORS

The major significant achievement of Chief Directorate Corporate Services was the available approved staff complement structure and the filling of 18 critical vacant posts.

All HR Draft Policies were compiled accordingly however they could not obtain approval due to the fact that they still need to be presented at the Department Bargaining Consultation Forum.

By and large the appointment of new personnel had a positive impact to the contribution of the departmental strategic goals achievement.

SERVICE DELIVERY ACHIEVEMENTS

Sub programmes	Output	Output performance measures / delivery indicators	Actual performance against target	
			Target	Actual
Human Resource Development	Implementation of Skills Development Act	Approved HRD Committee operational by September 2005	HRD Committee meets once per quarter and minutes recorded for circulation	HRD Committee approved and operational
	Deliver Transversal and Occupational Training	Document compiled per Skills Development Act	Annual and Quarterly Reports on Workplace Skills Plan	Approved Annual and Quarterly Reports on WSP Plan
	Maintain Training and Skills Database	Keep verifiable Training and Skills database	Quarterly Reports	Annual training report on skills for previous fiscal year to be submitted by June 2006
	Implementation of Internship and Learnership Programmes	Quarterly and Annual progress reports on implementation of internship and Learnership programmes	40 Interns recruited and Learnership programmes implemented	Information Technology and Conservation and Tourism Learnerships to be implemented by July 2006 Internship: 40 interns recruited.
	Develop Service Delivery Improvement Plan	SDIP Document approved by March 2006	Approved Service Delivery Improvement Plan Document	SDIP Draft document still to be ratified and finalized by June 2006
	Ensure full implementation of PDMS	All officials to have signed Job Description and all PDMS forms fully discussed and signed by June 2005	All Job Descriptions and PDMS forms to be discussed and signed by end August 2005	90 % success rate achieved on both Job Descriptions and PDMS
Employee Assistance Programme	Establishment of a holistic EHWP	Effective marketing of the Employee Health and Wellness Programme	Ensure that all employees are aware of the program	10 Departmental institutions were introduced to the programme
		Building a network of sound referral systems for EWP	Formation of partnerships for referral systems	Record of referral cases kept
		Improve employee performance	Continuous counselling of employees with various personal and work – related	All cases handled within set privacy assistance

Sub programmes	Output	Output performance measures / delivery indicators	Actual performance against target	
			Target	Actual
			problems	
		Monitoring Bereavement Incidents in the Department	Organizing support for bereaved employees and provision of grief counselling	All bereaved employees were counselled and family support afforded
Human Resource Management	To provide and retain a well develop and competent workforce	Submission of Recruitment and Selection Policy	Approved Recruitment and Selection Policy and filling of 18 vacant posts	Draft Policy awaiting approval and 18 vacant posts filled
	Develop Human Resource Plan	Draft HR Plan to be develop and submitted for approval	HR Plan to be approved and operational by March 2006	Draft HR Plan done. To be presented at the next SMS meeting on June 2006
	To develop HR Management Policies	All legislated policies to be develop	18 HR Policies to be approved by March 2006	18 Draft HR Policies compiled and awaits approval
Efficiency Studies	To improve work organization	Conduct macro organogram redesign Macro structure to be approved and all relevant job evaluations and advertisements done	Macro structure approved by MEC by September 2005	Macro structure approved during September 2005 18 posts job evaluated and advertised
	Implementation of structure on Persal	Submission of quarterly reports on HR PERSAL status	Realign structure with PERSAL for implementation	Submission completed and awaiting HOD approval
Communication and Information Technology	Development of Effective Communication Strategy	Draft Communication Strategy submitted by end September 2005	Draft document to be fully consulted at SMS level	Draft document ready to be signed already by October 2005
	To ensure effective departmental communications	Profile of departmental activities through MEC interfacing	Diary of events approved by MEC and awareness through media profiled	All activities done as per media communication plan
		Develop and implement a media relations strategy	All strategic events profiled through media briefing	Strategy fully complied with in all media relations
	Develop an empowering Information and	Develop a strategic information systems plan (MSP)	Develop IT Policy, Strategy and Disaster Recovery	SITA consulted with the dept. October 2005

Sub programmes	Output	Output performance measures / delivery indicators	Actual performance against target	
			Target	Actual
	Communication Technology		Plan	
	Maintenance of telephone communication system	Computerized account tracking telephone system implemented	100% monitoring of all individuals telephone users	System put in place and is 70% operational
Transport and Auxiliary Services	Development of Subsidized and Private Car Rental Policies	Both policies to be approved by HOD and MEC by October 2005	Both policies to be approved for implementation	Policies submitted for approval
	Transfer of Fleet to Government Garage	Approval of submission by HOD and MEC by September 2005	Fleet Management to be with GG as per Cabinet Resolution 7 of 2005	Approval not yet granted
	Training of officials on Subsidized Vehicle Policy	Quarterly report of trained officials	40 officials to be trained	Training Information Session held and 40 officials trained
	Updating of Vehicle and Plant Register	Correct inventory of Departmental Vehicles and Equipment Vehicle & Plant Register	Vehicle and Plant Register to be reviewed on a quarterly basis	Quarterly reports submitted accordingly
	Workshop Policy with all subsidized vehicle owners and inspect subsidized vehicles	All subsidized vehicles owners operate according to policy guidelines	100 % compliance to policy by all affected officials	Done and Report Submitted
	Promote hygienic Environment	Provide a Cleaning Service for the Department	Obtaining a private cleaning company by January 2006	Approval granted for the cleaning tender to be advertised by May 2006
	Reallocation of SMME staff In new offices	All staff placed in alternative offices by end 2005 financial year	Staff properly placed	Placement of staff in offices done in phases
Labour Relations	Implement Labour Relations Policy	G&D National Policy Guidelines followed	100% Compliance with labour legislation and prescripts	Quarterly incidence reports submitted
	Promote labour peace through effective G & D procedure	Train officials on grievance and disciplinary procedures	100 % trained employees on Labour Relations	Not yet done. Training scheduled to start June 2006

Sub programmes	Output	Output performance measures / delivery indicators	Actual performance against target	
			Target	Actual
		Handling of employer and employee relationship and work related conflict in a conciliatory manner.	Provision of continuous advice	Continuous advice given to employees
		Monitor Labour relations in institutions	100 % monitoring	17 Resorts and Reserves monitored for Labour Relations regulations compliance

4. Sub programme: Internal Audit

Measurable Objective

- To give assurance that with the controls that are in place the department will achieve its objectives.
- To ensure that professional standards are met by Internal Auditors

Service delivery objectives and indicators

The unit intended to conduct and report on 12 internal audits. The Ad hoc duties would be performed as the need arose. There would also be four quarterly reports by the Audit Committee on the performance of the internal auditors.

The unit could perform three assurance activities. A risk assessment for 2005/2006 was also finalized on 15 May 2006 and facilitated the assessment for 2006/2007 on 27 March 2006.

The audit committee produced four quarterly reports as planned. It also produced one internal quality report.

The target could not be fully met because of the shortage of staff. The planning was based on the number of the auditors that unit thought would be appointed during the financial year.

The three assurance reports produced helped the Department to have the picture of the financial position at some of its institutions. The Advisory services helped the Department with the placement of officials, PDMS issues, the compilation of the Budget, responses to PROPAC Resolutions and the preparation and presentation at MTEC hearing at Treasury.

Service delivery achievements

Sub-program	Outputs	Output performance measures/Service delivery indicator	Actual performance against target	
			Target	Actual
Internal Audit	Assurance/Audit reports	Audit report issued and discussed with Manager.	12 Assurance Activities	3 Assurance activity performed
	Consultancy and Management Advisory Services	Consulting with programmes	Ad-hoc duties as per request	Rendered 15 Management Advisory Services
	Risk assessment report	Risks assessment report	Finalized risk of assessment report by end May 2005	Risk assessment finalized on 15 May 2005 and facilitated risk assessment for 2006 on 27 March 2006
	Audit Committee reports	Quarterly report	4 Quarterly reports	4 Quarterly reports
	Internal quality assurance report	Internal quality assurance report.	1 Internal quality assurance report	1 Internal quality assurance report

5. Sub programme: Special programme unit

Sub-sub programme: Disability

Measurable objectives

- Co-ordinate and monitor the implementation of strategic plan commitments with regard to people with disabilities
- Departmental Disability Awareness Programmes

Service delivery objectives and indicators

- Draft Departmental Disability Policy Developed.
- 1200 People with disabilities integrated during Departmental Activities
- Departmental Disability Awareness were organized and support given during commemoration days.
- Consultative meetings held with Disabled People South Africa and information disseminated to different organizations of people with disabilities as the forum has not yet been formed

Service delivery achievements

Sub-Sub Programme	Outputs	Output performance measures/service delivery indicators	Actual Performance against target	
			Target	Actual
Disability	Approved Departmental Disability Policy	Draft Departmental Disability Policy developed	Draft Disability Policy developed	Draft Disability Policy developed
	Well informed Departmental Officials on Disability issues	Number of awareness programmes to be conducted Number of disability commemoration days to be supported	6 Awareness programmes to be conducted 6 Disability commemoration days to be supported	5 Awareness programmes were conducted 6 Disability commemoration days supported
	Positive impact on the lives of people with disabilities	Number of consultative meetings held with forum of people with disabilities	1 Meeting with forum of people with disabilities per quarter to be held	Meetings held with Disabled People South Africa

Sub-sub programme ; Gender & Women Empowerment

Measureable objective

To develop and monitor the implementation South African National Policy Frame work for Women's Empowerment and Gender Equality, International, National and Provincial commitments for the promotion of economic development of women

Service delivery objectives and indicators

- Draft Departmental Policy at finalized.
- 50 % Departmental policies gender sensitive
- 100 Women assisted to attend National Strategic Framework on Gender and Women's Economic Empowerment workshop and 2006 National Consultative Workshop on "Engendering the Accelerated and Shared Growth Initiative of South Africa" (ASGISA)
- 45 Women assisted to participate in **South African Women in Mining Association** workshops and 2 conferences
- 27 Women participated in the Annual National **Technology for Women in Business**
- 53 Women mobilized to participate in **South African Women Entrepreneurs Network**
- Women's month and Day celebrations were successfully carried out
- 16 Days of Activism Against Women and Children was celebrated.
- Children's Month and Day march celebration constituted effectively
- A satisfactory number of women participated and benefited in the departmental workshops, conferences, seminars, exhibitions and trade missions

Developing and empowering women economically, reduces the level of dependency and abuse, also increases women's participation in the first economy

Service delivery objectives and indicators

Sub-Sub Programme Gender & women empowerment	Outputs	Output performance measures/service delivery indicators	Actual Performance against target	Deviation
			Target	Actual
	Policy compliance	Department policy compliance to Gender Equity	100% policy sensitive to gender issues	50 % achieved
	Awareness programmes	Relevant workshops and information sessions arranged Arranged women's Imbizo's and marches	5 campaigned per District Promotion of National / Provincial celebrations and activism days	All campaigns done Successfully done
	Promote Provincial BEE structures targeting women	Mobilized women participation for SAWEN, SAWIMA and TWIB	Established forums in 5 regions & facilitate district nominations for TWIB awards	Forums established in 4 district 5 women became finalist for TWIB awards

6. Sub Programme: Security Services

Measurable Objective

Co-ordinate and monitor the implementation of Minimum Information Security Standards as well as the protective function of security in the department.

Service delivery objectives and indicators

- The security services have developed draft security as well as anti-fraud and anti-corruption policies.
- The emergency preparedness plan has also been developed, also awaiting approval.
- The conduct of physical security appraisal of the departmental premises has also been realized as well as rendering of events security.

A process to identify vulnerabilities and recommended actions in terms of the components of the fraud-corruption prevention plan has also been realized.

Service delivery achievements

Sub-programmes	outputs	Output performance measures	Actual performance against target	Deviation
			Target	Actual
Personnel security	Improvement in the security competence and integrity of individuals vetted	Number of personnel have undergone training.	30 Officials	7 Officials
Information security	Information security audit	Handling of sensitive and confidential material/information	Adoption and approval of information security policy	Policy developed & waiting approval
Physical security	Provision of access and egress control	24 hourly patrolling of departmental premises	Invitation for tendering of physical security services	Tender finalized
Physical security appraisal	Identification of vulnerabilities and weaknesses	Provision of a plan to improve security measures standards	Security plan developed.	Plan developed & waiting approval.
Emergency preparedness plan	Limit the extent of damage during emergency	Emergency preparedness plan developed	Approved plan	Plan approved

Sub-programmes	outputs	Output performance measures	Actual performance against target	Deviation
			Target	Actual
Events security	Good working relationship with other law enforcement agencies	Successful hosting of departmental events	Successful hosting of departmental events	Successful hosting of departmental events
Anti-fraud/Anti-corruption Prevention Plan	Identification of vulnerabilities and recommended actions in terms of the components of the fraud-corruption prevention plan	Plan and policy developed	Plan & policy approved	Both approved

Programme 2: Tourism

Purpose : The purpose of the programme is as follows :-

- The promotion and expansion of tourism in the province,
- The conservation of biodiversity
- The management of provincial Protected Areas and Resorts in the Free State Province,
- The transformation of the Tourism and Game Industries in the Province.
- Conservation outside Protected Areas
- Monitor and support Free State Tourism Authority.

The Chief Directorate comprises of two Directorates, TOURISM SUPPORT and ECO – TOURISM and CONSERVATION.

1. Sub-programme : Tourism Support

The sub-programme is aimed at ensuring that provincial tourism manages quality assurance and standards of all facilities, development of human capital development within the industry and a safe tourism destination.

Measurable objectives:

1. Develop and implement a provincial tourism strategy and policy.
2. Create a conducive environment for tourism business development.
3. Facilitate tourism human capital development.
4. Develop tourism investment and development plans.
5. Facilitate broad-based BEE in the tourism industry.

Service delivery objectives and indicators:

1. One of the major achievements for the year was the completion of the Provincial Tourism Investment Strategy.
2. In line with Government's policy to grade as many establishments as possible the sub-directorate of Quality Assurance and Standards has succeeded in popularizing the grading system of accommodation establishments.
3. The Free State Province was chosen to host the Tourism Month Celebrations an honor which is bestowed on a province only once every nine years. Tourism Month was also launched in the Free State in August 2005 by means of a media tour. Forty journalists from the print media as well as

television nation wide covered the central and eastern areas of the Free State visiting the best the province has to offer for the tourist.

The Tourism Month Celebrations started with a Gala Diner on 26th September. An early morning breakfast was held on Naval Hill which was televised on Morning Live. More than 750 delegates from all over South Africa attended the festivities over the two days.

4. Several workshops were held in relation to work of the Maluti-Drakensberg-Transfrontier Park, VredefortDome World Heritage Site and Xhariep Development Initiative.
5. The Tourism Authority was established which in future will be responsible for the marketing of the province as a preferred Tourism destination.
6. The Directorate participated at INDABA during May 2005. Tourism Product Owners and Service Providers from all the districts in the province showcased their tourism products on the Free State stand. It was the first year that investment projects were exhibited at INDABA. The proposed development of an Eco Park at the Soetdoring Nature Reserve was presented to potential investors.

Service delivery achievements:

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
TOURISM SUPPORT				
Quality Assurance and Standards	Implement a communication strategy for grading of facilities in the province	Conduct 5 workshops for grading	5	3
	Grading of tourist facilities	All Provincial Resorts	4	2
		Other graded establishments	15	20
Tourism Programmes Development	To create a conducive environment for tourism business development	Route Auditing workshops	5	2
		Birding and Heritage Routes	5	4
	Implement a programme to build tourism SMME capacity	Hospitality Training	50	0
		Training of Events Managers	5	0
		SMME's trained for exhibiting at the Tourism INDABA	25	25
	To facilitate tourism human capital development in the province	Training of Facilitators	5	0
		Training of Assessors	5	0
		Training of Tourist Guides	13	0
		Training of Specialist Tourist Guides	13	13
		Training of Tour Operators	5	0
	Develop and Implement the tourism investment strategy	Develop tourism investment strategy	Completed	Completed
		Implement tourism investment strategy	FSTA	FSTA

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
TOURISM SUPPORT	Develop the Tourism Development Plan	Implement the Tourism Development Plan of the Province	Completed	Completed
	Facilitate BEE in the tourism industry	Address the charters and policies	100%	Not done
		Intensify campaign with stakeholders through workshops	100%	Not done
		Implement a procurement programme	80%	60%
Tourism Safety and Awareness	Create tourism awareness	Conduct tourism awareness workshops	5	0
	Promote tourism safety in the province	Conduct tourism safety workshops	5	3
		Develop and produce a provincial tourism safety brochure	1	0

2. Sub-programme: Conservation and Eco-Tourism

Measurable objective:

- The development of Integrated Management Plans in line with the Bio-Diversity Act and Protected Areas Act.
- The implementation of the Infrastructure Plan for maintenance, upgrading, renovation, construction of tourist facilities.
- Development and implementation of Game Management Plan.
- The increase of conservation land per 1% World Parks Congress Resolutions and transformation of the game industry.
- The management of Resorts to promote best practise hospitality management.

Service delivery objectives and indicators:

Objective	Indicators
Develop operational plan and policies for Directorate management	Plans and policies available for public scrutiny and Annual Report complied with
Manage Resorts and Reserves in line with Batho-Pele Principles	A 24 hour service is provided in all these public facilities
Submission of bio-diversity conservation management reports	All mandatory reports are submitted per the PFMA and Public Service Act
Respond to public enquiries and complaints per stipulated timeframes	Responses handled within 7 working days in line with Access to Information Act prescripts

Service delivery achievements:

- The Batho Pele Principles and Service Delivery Improvement Plan are being complied with.
- A study on how to manage Resorts and Reserves as viable business units was completed and is ready for implementation.
- Compliance with legislative framework has been institutionalised so as to comply with set administrative regulations and policies.
- Infrastructure projects have been implemented in Resorts and Reserves in compliance of excellent customer care.
- The approved Directorate budget has been spent according to the Programme approved strategic objectives in line with the Annual Performance Plan.
- Employees were managed and compensated according to the PDMS prescripts.

Sub-Programmes	Outputs	Output Performance Measures	Actual Performance against target	
			Target	Actual
Protected Areas	Develop Integrated Management Plans for Protected Areas	13 IMPs to be developed by November 2005	13	13
	Implement Game Management Plan	Game monitoring, reduction numbers achieved and Game Auction done in April 2006 for 2005/6 financial year	100% 1 per financial year	100% 1 per financial year
	Provide support for Provincial development initiatives	100% attendance of MDTP and EPWP Meetings and quarterly reports submission	100%	80%
	Facilitate the transfer QwaQwa National Park to SANPARKS	Consultations with employees and social partners done per quarterly reports	Amalgamation of QwaQwa National Park and Golden Gate National Park	Final report to be submitted to EXCO in September 2006
	Promulgate Conservation Bill	Implementation Plan approved per quarterly reports	Bill to be to be promulgated in 2006	Process is 70% Complete Bill with State Law Advisors.
Resorts	Ensure a high standard of facilities in Resorts	6 Resort and Reserve facilities upgraded per Infrastructure Plan and quarterly reports submitted	60% delivery rate achieved but plan changed in November 2005	60% achievement rate
	Upgrading of Phillip Sanders Resort	First phase at R28 million to be complete by April 2006.	Development plan for 30 chalets approved in December 2005.	Dept of Public Works, Roads and Transport. reviewed implementation date until September 2006
	Improve service delivery and obtain STAR grading	4 Resorts to be upgraded by end March 2006	4	2
		Implement recommendations of hospitality management	6 Resorts to have electronic payments facilities	Electronic payment systems being effected

Sub-Programmes	Outputs	Output Performance Measures	Actual Performance against target	
			Target	Actual
	Develop Public Private Partnerships	Encourage private investment in Resorts and Reserves facilities	1 PPP established per Treasury Toolkit	1 PPP at Seekoeivlei 60% of development is completed
Support Services	Implement game reduction plan	Game capture, culling and monitoring done and report submitted	Game capture report done from September 2005 to March 2006	Game capture report 100% completed
	Development and monitoring of infrastructure in Resorts and Reserves	Dept. of PWRT to submit quarterly reports per R10 million Conditional Grant	100% compliance with plan by Dept. of PWRT	60% compliance to plan with 40% deviation from plan
	Support poverty alleviation projects	Game meat provided to 40 welfare institutions per Game Reduction Plan	40	40
	Job creation through various projects on game reduction, maintenance and construction	Projects to be EPWP compliant at R2.7 million 115 contract workers employed by March 2006	R2.7 million to be spent 115	R2.7 million spent 115
	Infrastructure maintenance	Quarterly reports submitted on upgrade and maintenance of existing infrastructure	7 Resorts and 13 Reserves	All work done by contract workers on maintenance was achieved.
Conservation Outside Protected Areas	Review and profile all Private Nature Reserves	Profile list of Private Nature Reserves done per National Environmental Management Act	List to be 100% complete by March 2006	250 Private Nature Reserves are on data base .
	Policy development in line with legislative reform	Transformation of Game Industry Policy developed per Bio-Diversity Act Establish BEE Game Farmers Train Black Professional Hunters	1 Policy document 6 10	Completed 2 evaluated. Infrastructure shortcomings being addressed 9

Sub-Programmes	Outputs	Output Performance Measures	Actual Performance against target	
			Target	Actual
	Increase land area under voluntary informal protection	Establish rural conservancies Establish Private Nature Reserves	2 conservancies 2 Private Nature Reserves	0 2
	Management of problem animals per Bio-Diversity Act	10 Farmworkers trained per annum	10	13
	Regulate and co-ordinate professional hunting and the Professional Hunting Schools	CITES regulations complied with and quarterly reports submitted on permits issued Conduct inspections on hunting permits	Permits are applications dependent 30	382 permits approved 28
		Conduct performance evaluation of Professional Hunters Schools	30	32
	Consult with conservation stakeholders on Game Transformation Policy	Legislative Reform and applicable conservation laws explained to Game Farmers, Private Nature Reserves owners etc.	2 Workshops	1 Workshop conducted

Programme 3: Environmental Affairs

Purpose: Provisioning of a sound provincial environmental management system towards sustainable environmental conservation thereby enhancing quality of life through programmes and sub-programmes that will:

- Ensure a protected environment that is not harmful to people's health
- Promote correct conservation and bio-diversity practises in the province.
- Ensure an effective regulatory framework for environmental management
- Provide Sustainable Development Support
- Promote Job creation and alleviate poverty
- Add value to the Free State Growth and Development Strategy(FSGDS)

Measurable objectives

The measurable objectives of the Chief Directorate are based on achieving targets as set out in the strategic plan of the Chief Directorate and are summarised as follows:

- Increased surface area under conservation in
- Urban conservancies
- Industrial conservancies
- Rural conservancies coverage – hectares (million)
- Protected areas coverage – hectares (thousands)
- Decrease in solid waste-
- Decrease in hazardous waste
- Compliance with Air quality standards
- Compliance to legislation and mandates
- Society awareness rating -
- Society education rating

In meeting the following Chief Directorate measurable objectives, the Directorates measurable objectives that contribute to the overall are as follows:

- Implementation of environmental management legislation, policies, norms and standards.
- Provision of the scientific and ecological support to the Provincial Nature Reserves, Private Nature Reserves, Game Farmers and the general public.
- Provision of environmental education to schools and the general public.
- Execution of environmental impact assessment for sustainable development.

- Promote best practice conservation and bio-diversity programmes and interventions.
- Promotion and protection of conservation and bio-diversity.
- Facilitate introductory study to introduce predators historically found within the province, e.g. Leopard, wild dogs, cheetahs, lions, etc.
- Facilitate introduction of the Big 4 to attract more tourists to province.

SERVICE DELIVERY OBJECTIVES AND INDICATORS

- Maloti-Drakensburg Transfrontier Project (MDTP)
- The establishment of the Xhariep Complex Initiative.
- Management of the Vredefort Dome World Heritage Site
- Waste management
- Standard Development and Legislation Reform
- Environmental management
- Enhancing Economic Development and Job Creation.
- Providing and Facilitating Sustainable Infrastructure Development.
- Investing in the Development of the People of the Province.
- Ensuring a Safe and Secure Environment.
- Good / Co-Operation Governance with Sustainable use of Resources and the Environment.

Service delivery achievements

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Environmental Impact Management	Review of EIA applications	Number of EIA applications received		374
		Number of record of decisions issued	187	150
		Number of site inspections	70	60
	Review of mining applications	Number of mining applications reviewed	60	41
	Review of subdivision of land applications	Number of subdivision of land applications reviewed	50	45
	Guidelines on Environmental Impact Assessment, EIA Appeal Framework and Section 24G	Guideline documents developed to assist applicants and developers	Develop 8 guidelines for use by March 2006	3 guidelines developed by March 2006
	2 nd Edition EIP Report compiled	Compliance by departments and municipalities	Compile one report	No report compiled
Pollution Control and Waste Management	Implementation Polokwane declaration	Support for the recycling initiative in the province	50	55: Municipality involvement boasted target.
	Provides solid waste disposal authorization and permits	Give guidance and inputs related to the development of waste disposal sites	80	80: Guidance and inputs of waste disposal site development were done
	Ensuring the participation of all municipality in the cleanest town competition on an annual basis	Reports on all the inspection undertaken in all the municipalities	75	86 Municipal involvement boasted target
	Development of air pollution management strategy	Database of APPA registration certificate and the declaration of priority area air quality management plans to enforce the plan prescribed	10	3: The consultant appointed to develop the air quality strategy failed to produce even draft strategy. The order has been cancelled.
	Development of provincial waste management implementation plan within the NWMS	Provincial Waste Information System linked to Municipalities	-	70 One municipality was targeted to participate in the waste information system pilot project. Decision where taken to include all the municipalities in

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
				the province. There is a very good response by the municipalities and the private facilities
	Development of policy for the hazardous material in the Free State	Policy developed	50	50 Policy was developed.
	Creation of recycling	Recycling centres established through out the province	30	20: Target was not achieved because it was not feasible in some of the municipalities to start recycling
Maloti-Drakensberg Transfrontier Project (MDTP)	<ul style="list-style-type: none"> • A log frame was drafted for the Free State • The task team has been re-established. • The implementation protocol has been drafted and awaits comments. 	Contribution towards the development of the of the MDTP bioregional plan.	-	40 There is a need for the appointment of an official to manage the project with the nominated coordinator.
Vredefort Dome World heritage site	<ul style="list-style-type: none"> • The inter-provincial steering committee has been established. • The boundaries around the satellite sites have been surveyed. • A sense of Place Study has been initiated. • A strategic Environmental Assessment study is being developed. • Designs for the information centre near Vredefort are finalized and construction is expected to start in September. 	<ul style="list-style-type: none"> • Boundaries around the satellite sites legalized. • The development of the integrated management plan. 	30	20 The submission for advertisement of a tender for the development of the Integrated management plan must still be approved. There is a need to appoint an official to manage the project with the nominated coordinator.

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
	<ul style="list-style-type: none"> • A land Use Management Scheme study has been initiated and the first draft will be presented in the meeting of 21 June 2006. • Discussions have been held with Working for Water to initiate mapping studies for the removal of the alien invasive species. 			
Xhariep Complex Initiative	<ul style="list-style-type: none"> • A concept document to serve as a discussion document between Free State and Eastern Cape has been developed. • Prioritization of land to be procured has been determined. 	<ul style="list-style-type: none"> • Conservation plan for the entire Xhariep Complex area developed. 	20	20 Arrangements are being made to meet with the Department of Public Works for the procurement of the land. There is a need for an official to manage the project together with the nominated coordinator.
Environmental Awareness & Capacity Building	Greening: Well planned indigenous landscapes	<ul style="list-style-type: none"> • Plant 20 000 indigenous plants per year in landscapes. Planting after landscaping by horticulturists at; • Schools • Governmental institutions • Conservancies • Arbour week celebrations 	20 000 indigenous plants	30349
	Conservation of indigenous plants	<ul style="list-style-type: none"> • Cultivate 30 000 plants per year • Harvesting seeds • Prepare seeds for planting • Plant seeds and manage • Transplant seedlings twice • Establish in 	Cultivate 30 000 plants per year	35372

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
		containers • Pruning • Distributing plants		
		• Promote water wise gardening by planting hardier plants and succulents	Cultivate & Plant 5000 succulents	4344 plants were cultivated in during the year . 2345 plants were planted in landscapes during the year. Examples can be seen at the chalets at Tussen die Riviere
	Enhancement of bio – diversity	• Initiate greening sites	Initiate 120 greening sites in the Free State	Total of 160 new sites for year:
	Enhance biodiversity and food security with indigenous fish to the Free State	Breed indigenous fish and distribute	Breed 80 000 indigenous fish per year and distribute	Manage to breed 55 000 barbel <i>Clarias garipinus</i> 8000 barbel and 150 smallmouth yellow fish were sold.
	Environmental Education programmes at four Environmental Education centres	• Prepare environmental programmes as requested • Present environmental programmes to EE groups	120 programmes per year	144 programs were presented.
	Environmental Education and awareness programmes at schools & other places	Visit schools & institutions	Visit 250 schools & institutions per year.	216 schools visited during report period.
	ENVIRO clubs	Establish environ-clubs at all schools	50 existing ENVIRO clubs assisted and monitored per year. Establish environ-clubs at all schools	Total Environ-clubs in the Free State = 129
	Development of resource materials	Developed programmes/activities, brochures and pamphlets	Ten new programmes/activities per year and five new brochures and	12 new programs + 6 brochures on Eco-schools, EE centers,

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
			pamphlets per year 120% of target	conservancies & Hatchery 6 Information leaflets on the provincial Mammal, bird, flower, tree and fish of the Free State were produced and placed at strategic places in the Chief Directorate. The same type of information leaflet was produced for the 2006 trees of the year.
	Environmental days and weeks	Focus on Water Week, Environmental Week and Arbour Week	Awareness campaigns and celebrations per environmental week per year.	Focus on Water Week, Environmental Week and Arbour Week All the activities were done and biodiversity day and world wetland day were added to the programs. Awareness actions and programs were worked out and a large amount of people were reached through the programs.
	Eco-schools International from 2005/06	Promote and establish eco-schools	10 schools per year	32 schools were registered as eco-schools in the Free State.
	Environmental projects	Empower people to clean their environment while earning an income through recycling and other environmental related projects.	4 projects per year	Assisting with the waste management projects in Thabo Mofutsanyane, Reitz, Bethlehem, Ficksburg and Mangaung. This is a poverty relief project on recycling and waste management. At the landfill at

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
				Bultfontein, Sasolburg and Parys the recycling projects are on the go.
	Establish Conservancies	Establish conservancies to empower communities to manage their own environment.	Establish 5 conservancies in townships and 1 industrial conservancy	5 Urban conservancies established in townships and 1 industrial conservancy
	Train rangers	Capacitate community members in environmental management	2 Urban ranger training sessions 4 Rural ranger training sessions per year	5 urban ranger courses were given to 380 community members from the Motheo District Municipality. 3 in-house training sessions were given to rural rangers of the Vredefort Dome Conservancy.
	Develop manuals	Produce manuals to capacitate community members and others (Educators, learners etc.)	Develop 3 manuals	Manual for conservancies Urban, Township, Industrial & Rural. And manual (Toolkit) for Echo-Schools
	Establishment of environmental forums	Establish forums in communities to enable communities to act as environmental "watchdogs"	3 forums per year	Environmental forums were established during this report period.
	Awareness workshops & Sessions	Environmental awareness to enable communities to understand the environment	12 workshops & sessions per year	25 workshops
Environmental Coordination and Monitoring	Sustainable Development Programmes	Participate in; EMC, EAC and SEA	<ul style="list-style-type: none"> Attend to matters as it comes in. 	<ul style="list-style-type: none"> EMC not well attended SEA & SDF for Clarens done – needs to be adopted and implemented
Biodiversity Research	Biodiversity monitoring	Monitoring of bird species:	<u>Coordinated Avifaunal Road count (CAR) Project:</u> This is a	For the summer 2005 count, observers (mostly volunteers,

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
			national, long-term, biannual monitoring project being coordinated by the Avian Demography Unit (ADU); large terrestrial birds, several of which (e.g. cranes and bustards) are Red Data species are censused along set routes through grassland, karoo and other open habitats, by volunteers in their vehicles.	travelling at their own expense) surveyed 114 routes, covering a total distance of 7 550.5 km, and with 23 routes (1 303 km) in the North-western precinct, 25 (1 797 km) in the North-eastern, and 67 (5 555 km) in the Southern. A total of 8 655 birds of 16 species was counted, giving an average of 114.6 birds/100 km. In the winter survey 226 observers surveyed 112 routes and covered a total of 7 310 km in the three precincts, 26 (1 573 km) of them in the North-eastern precinct, 24 (1 566 km) in the North-western and 61 (4 171 km) in the Southern Free State. There was a grand total of 5 583 birds (of 14 species) for the three precincts, or 75 birds/100 km, somewhat fewer than recorded in the summer surveys.
			<u>Coordinated Water bird Counts (CWACs)</u> : This is another long-term, biannual monitoring project being coordinated by the ADU in the Department of Statistical Sciences, University of Cape Town, on behalf of the national Department of	For the 2005 summer censuses, 50 258 water birds were counted on 31 wetlands, and 96 515 on 33 wetlands ("one" of which consists of five adjacent mine evaporation dams) for the winter ones.

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
			Environmental Affairs and Tourism, which is in turn doing this project for Wetlands International (formerly the International Waterfowl and Wetlands Research Bureau).	
			Monitoring and conservation of Red Data birds in the Free State	<ul style="list-style-type: none"> • Attended Birds of Prey Working Group (BoPWG) workshop in Northwest Province, and gave PowerPoint presentation on raptors in the Province. • Attended a Maccoa Duck "Species Action Plan" workshop in Mpumalanga Province (An official of the Dept wrote the text for this species for the seventh edition of <i>Roberts' Birds of Southern Africa</i>). <p>As a consequence of the Maccoa Duck workshop, monthly checks were started of wetlands in the Goldfields area (where large numbers of this species concentrated periodically in the past). Only small numbers have so far been recorded, but large numbers (80 000+) of another Red Data species, the Lesser Flamingo, were seen.</p>

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
				<p>With the majority of the Palaearctic migrant Lesser Kestrels spending summer in the Free State, a reasonably successful attempt was made to organise censuses at all of the roosts here. Once all of the results have been received, the total for the Free State in mid-summer will probably exceed 100 000, far greater, and far more reliable than the results obtained c.10 years ago (from town clerks). (This was done in conjunction with the Migrating Kestrel Project of the Endangered Wildlife Trust.)</p> <p>About 70 White-backed Vulture nests (or trees previously used) were checked in the Boshof District and in Sandveld Nature Reserve, and ringed 25 chicks in the Boshof District (no nests or birds were found in Sandveld).</p>
		Biodiversity monitoring on provincial nature reserves	Vegetation monitoring:	<ul style="list-style-type: none"> • Point surveys were conducted in three nature reserves. • Fixed point photographs were taken in 9 nature reserves.
			Game population monitoring:	<ul style="list-style-type: none"> • Aerial game census was

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
				<p>conducted in 8 nature reserves and the results of the counts were used to plan the game reduction for the 2006/2007 financial year.</p> <ul style="list-style-type: none"> • Reserve managers were advised on the game reduction strategy for each nature reserve.
			Species of special concern:	<ul style="list-style-type: none"> • Cyber tracker technology was used to monitor species of special concern on four nature reserves.
	Biodiversity research and scientific investigations	Avifaunal research	<u>Birds in Reserves Project (BIRP)</u> <u>Surveys in Provincial Nature Reserves:</u> (part of a national project coordinated by the ADU, to assess the effectiveness of existing protected areas in conserving our birds).	Successful surveys were done in conjunction with most of the CWAC surveys, while a few additional ones were done to fill in for months not covered so far; a few new species were recorded in some of the reserves.
		Mammal research	Mammals of Tussen Die Riviere Nature Reserve	Data were collected at TDR over the past 13 years and a species list of all mammals observed were compiled and submitted to the scientific journal Koedoe for possible publication.
			Delineation of the bat species <i>Cistugo</i>	Two field trips were done to Klein Pella and Henkries to collect specimens of <i>C. seabrai</i> for genetic analysis. Only 5 specimens were collected and

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
				the material will be analysed by a geneticist of Stellenbosch University. The intention is to publish the results. A comparison between material from the Fs and Cape will also be made.
			Tsessebe / Red hartebeest / Blesbok hybridization project:	Continued supervising the hybridization project in 3 nature reserves.
		Wetland research	<u>Wetland plant classification</u> Research continued on the classification of the wetlands of the Free State province at the plant community level. This consisted mostly of collecting data by visiting pan and valley bottom wetlands during which information was collected on the vegetation, soils and soil water where present.	A total of 277 relevés have been sampled to date. This data will be analyzed using multivariate analysis techniques. The data of the first season collection was subjected to analysis which produced the following results: Pans: <ul style="list-style-type: none"> • 8 Major plant communities subdivided into • 14 Minor plant communities • Valley bottom wetlands: • 9 Major plant communities subdivided into • 13 minor plant communities
			Wetland functional assessment	The responsible official was the co-author on developing a wetland functional assessment system. This system allows the user to determine the efficiency at which different wetlands perform

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
				various functions. The results can then be compared from which various judgements can be made, i.e. which wetlands are most important for which functions, which wetlands are the most important for rehabilitation etc.
			Wetland inventory	Participated in mapping the wetlands of the Free State as part of the National Wetland Inventory process. Field verification of the results obtained from satellite imagery was done, with subsequent recommendations for improvements.
			Wetland scientific publications	The official co-authored scientific publication entitled "The Weatherley catchments: soil organic matter and vegetation baseline study" was released (WRC report No. KV 170/05).
		Veterinary research	Research on sarcoids occurring in Cape Mountain Zebra	The official is in the process of writing two scientific articles for publication about the epidemiology and pathology of equine sarcoids in the cape mountain zebra population at Gariep NR. In collaboration with Faculty of Veterinary Science, tests are being

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
				conducted to determine the strain/-s of papilloma virus responsible for the tumours.
		Alien Invasive Species Research	Ground-trotting & collection of scientific information: Collecting, dissemination and studying of existing information from various sources (literature, databases etc.): Building strategy and policy; prevention; early detection; assessment and management; guidelines for the prevention of biodiversity loss caused by alien invasive species.	<p>72 alien invasive species in South Africa including; description; habitat description; general impacts; uses; geographical range; invasion pathways to new locations; local dispersal methods; management information; reproduction; general references.</p> <p><u>Initial assessment:</u> Surveys of alien species at:</p> <ul style="list-style-type: none"> • 32 Pet shops • 1 Nursery • Game breeder • Bird breeder • Survey of alien species by: • Extracting information from 350 permit applicants. • Extracting information from the files on 70 exotic game breeders in the Free State Province. • Details from 10 permit applications. <p>Expanding the draft white list and combined black list of fish species by adding species to these lists. Compiling the following lists from the fish base organisation:</p> <ul style="list-style-type: none"> • List of commercial

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
				aquarium fishes <ul style="list-style-type: none"> • List of Introduced Fishes for South Africa • List of freshwater fishes of South Africa
	Biodiversity conservation projects	Maloti-Drakensberg Transfrontier Project	Participation in the activities of the biodiversity task team	A best fire burning plan is intended for the highland mountainous grasslands. A project involving all aspects of biodiversity was started Three surveys were done one before the burn and two after the burn. Data was captured and the change in species composition and population density will be determined and also the succession of the species after a fire
		Conservation planning in the Free State	After attending the annual biodiversity planning forum in February 2006, this department initiated a similar process.	Progress thus far consists of acquiring the necessary software, and the production of a very coarse scaled irreplaceability map based the existing sensitive area atlas data. More detailed information will be collected during the following financial year to enable the production of the final maps.
		Vredefort Dome World Heritage Site	Biodiversity in the Vredefort Dome	A list of small mammal species occurring in the area was compiled for the Vredefort Dome and submitted to the managing committee.

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
	Biodiversity management	Rendering support to Compliance and Law Enforcement Sub directorate	Evaluation of large predator management plans	A total of 23 management plans for the keeping of large predators were evaluated and the comments forwarded to Law Enforcement
			Recommendations on the issuing of biodiversity related permits	Permit Evaluation Committee meetings were attended and inputs were given in the evaluation of the permit applications. Where necessary permit applications were forwarded to the relevant specialists for recommendations
		Rendering support to Protected Area Management Sub directorate	Contribute to Integrated Management Plans for protected areas In terms of the National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 2003) all Protected Areas had to develop an Integrated Management Plan by October 2005. These had to be developed in collaboration with all relevant stakeholders.	Officials from the Biodiversity Research Sub directorate were involved in the process of compiling the IMP's for the provincial nature reserves by either compiling the baseline documents for some of the protected areas or providing inputs during the process.
			Rendering a specialised veterinary support service	<u>Summary of animals treated for injury or disease:</u> Black rhino Buffalo Cat(stray WPW) Cheetah Dog Eland Gemsbok Horses Lion

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
				<p>Mountain reedbuck Mountain zebra Sable Springbok White rhinoceros</p> <p><u>Disease control:</u> 22 Giraffe were vaccinated against botulism at Willem Pretorius Game Reserve by darting from helicopter. 24 Giraffe vaccinated against botulism at Sandveld Nature Reserve by darting from helicopter. Vaccines and anti-parasitic drugs are provided to Reserves for disease control in patrol horses.</p> <p><u>Post mortems</u> Black rhinoceros Black wildebeest Blesbok Blue wildebeest Buffalo Eland Gemsbok Giraffe Kudu Mountain Reedbuck Red Hartbeest Sable Springbok Warthog</p>

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
				<p>White Rhinoceros</p> <p><u>Rescue:</u> Rhinoceros stuck in mud at Willem Pretorius Game Reserve</p>
			Rendering a specialised veterinary support service for game capture	<p><u>Captive game</u> Penn inspection WPW – buffalo for auction.</p> <p><u>Immobilization</u> Animals which cannot be captured by other means are given an anaesthetic using a remote injection device (dart). This is done either for translocation purposes or treatment of injury/ disease. Black rhino Black wildebeest Buffalo Cheetah Eland Gemsbok Giraffe Grey rhebok Kudu Lion</p> <p>Mountain reedbuck Mountain zebra Red Hartebeest Sable Springbok Tsessebe Waterbuck</p>

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
				<p>White rhino Zebra</p> <p><u>Game tranquilization</u> During mass capture, animals undergo a huge amount of stress which can lead to death and increase capture related losses. Most species are tranquillized after capture to reduce stress and increase post-release survival.</p> <p>Summary of animals tranquillized: Black wildebeest Blesbok Blue wildebeest Buffalo Cheetah Eland Gemsbok Impala</p> <p>Kudu Mountain Reedbuck Red Hartebeest Reedbuck Sable Springbok Tsessebe Warthog Zebra</p>
		Rendering a support service to Environmental Impact Management Sub directorate for Environmental Impact	Recommendations on the issuing of Records of decision	Meetings of the Environmental management Committee were attended where inputs were

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
		Assessments		provided with regard to the issuing of Records of Decision. Where necessary applications were referred to specialists for their inputs and recommendations
		Rendering support to Environmental Awareness Sub directorate	Contributing to awareness environmental programmes	In addition to organizing World Wetland Day celebrations on 2 February 2006, a general wetland information manual was produced (to be released during March 2006; ISBN: 0-86886-708-X). This document will be distributed interdepartmental and to all local governments and other selected institutions to assist at creating wetland awareness. It will also be distributed to environmental consultants to increase their sensitivity towards wetlands, and to improve their understanding during assessment of these systems.
		Wetland management	Development of a Wetland Information Management System (WIMS)	Based on the methods and procedures of the wetland functional assessment, the development of a WIMS was initiated. Progress was unfortunately not satisfactory due to various constraints, e.g. the lack of GIS facilities. It will be attempted to

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
				incorporate the idea into the Free State Biodiversity plan.
			Wetland rehabilitation	Various wetland rehabilitation projects to the value of approximately R6 million were implemented. This included the continued rehabilitation of the Seekoeivlei wetland, wetland rehabilitation on privately owned land, as well as wetland rehabilitation in Phuthaditjhaba, QwaQwa. The latter project also served as the department's pilot project as part of its contribution towards the MDTP. The remainder of the wetland in Phuthaditjhaba was surveyed and additional wetland rehabilitation work was identified.
		Policy development	Contributing to policy development	Draft policies were compiled and circulated in-house for comments: Management of Blesbo/Bontebok in the FS; Indigenous small mammals in the pet trade; Primates in captivity. These draft policies will be taken further in the process to finalise as policies of the department.
	Rendering support to other tiers of	Contributing to development of National legislation	Species listing (Threatened and Protected species &	Officials from the Biodiversity Research Sub

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
	government and other institutions		Alien and Invasive species) and the compilation of regulations for the National Environmental Management: Biodiversity Act (Act No. 10 of 2004) (NEMBA) Biodiversity Act.	<p>directorate participated in various manners in compiling of the schedules and compiling of regulations, either by attending workshops or giving written inputs in their respective fields of expertise.</p> <p>The Department of Environmental Affairs and Tourism is in the process of compiling lists of species as well as regulations which would facilitate the implementation of the National Environmental Management:</p>
		Dissemination of information	Information to Northern Cape Province	After the surveys at Klein Pella and Henkries lists of the small mammal species which were collected were compiled for the areas and provided to Northern Cape Conservation for their records
		Rendering support for Malignant katahr research	Logistical support on request	A veterinarian from Onderstepoort is doing research on malignant katahr occurring in wildebeest. The necessary logistics were arranged for the person to collect the necessary samples from animals culled in nature reserves.
Biodiversity Compliance and Law Enforcement	Permit administration	Considering, processing and issuing of permits for activities related to biodiversity	Processing of all applications for permits within a reasonable time	<ul style="list-style-type: none"> • All applications for permits were tabled at the Permit

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
				<p>Evaluation Committee which met 50 times. All applications were processed and on recommendation of the Permit Evaluation Committee 4 139 permits were issued. A total of 251 CITES permits were issued.</p> <ul style="list-style-type: none"> • A new improved computer programme for the processing of permits was installed, but cannot be connected to the system whereas a new computer programme for the processing of CITES permits is being awaited from DEAT.
	Law enforcement	Law enforcement with regard to biodiversity	The successful prosecution of perpetrators	<p>A total of 140 different animals being kept illegally or which were causing problems were removed and released on protected areas, if fit to survive. Otherwise they were transferred to rehabilitation centres. Investigations of the illegal import of, trading in and hunting of animals are done continuously and assistance is received from the SA Police Services in various possible cases. A total of 22 perpetrators were</p>

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
				<p>prosecuted for a variety of offences. Twenty four court cases were attended to give evidence, of which six were finalised and the rest postponed</p> <p>Various meetings with the Special Investigation Teams of the SA Police Services took place with regard to the sudden flare up of trade in rhino horns.</p> <p>Assistance was rendered to the Special Investigations Teams by two officials with regard to trade in rhino horn and ivory. Rhino horn to the value of R1,5 million was confiscated in three different busts where four persons were arrested, with court cases still pending.</p> <p>Twelve very scarce Cape Parrots were confiscated in Welkom by two officials. These birds were all tested positive for avian beak and feather sickness. This is a very serious case and the SAPS have been brought on board.</p>
		Application of Environmental Law		<p>Investigations of perpetrations with regard to Environmental Impact Assessments, waste and pollution</p>

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
				<p>are ongoing. Twenty directives were issued and served. Ten pollution and waste related cases are under investigation. One case on oil pollution is being rounded off with advice being rendered by the Green Scorpions of DEAT. Professional witnesses are needed for two pending court cases. Approximately 100 statements have been taken down, whereas the forensics section of the SA police services does the necessary tests.</p>
	Personnel management	Personnel training	Training of personnel to equip them better for their tasks	<p>Eight officials attended a fire-arm training course. A training course in the capture and handling of dangerous reptiles was arranged. An information session with a demonstration of the recycling of oil where the company showed the latest American rehabilitation methods was attended. Twelve officials attended a two week training course to qualify as Environmental Management Inspectors. Two officials attended a computer training course.</p>

Sub programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
				One official attended a GIS training course.
	Financial management	Revenue collection	Correct management of revenue	The issuing of permits rendered an amount of R292 300 which was collected strictly according to Treasury Regulations

Programme 4: Economic Affairs

Purpose:

To provide an economic developmental governance system towards a better life for all in the Free State Province through :

- Promotion of business development,
- Application of an economic regulatory framework

Measurable objectives

- Increased levels of investment in the economy,
- Promotion of business development,
- Monitoring and evaluation of compliance with legislation,
- Elimination of unfair business practices,
- Acceleration of complaints handling mechanisms,
- Expansion of advocacy of consumerism,
- Enhancement of consumer awareness,
- Enhancement of effective processes within the Liquor Board,
- Facilitation of access into the liquor trade,
- Facilitation of access into markets,
- Facilitation of access to funding sources.
- Facilitation of establishment of Small Enterprise Information Centres to communicate economic opportunities to SMMEs
- Facilitation of establishment of Provincial Cooperatives in line with the cooperatives framework.
- Development and implementation of provincial integrated SMME Development and Support Strategies.
- Development of a monitoring and evaluation system to evaluate SMME development across all sectors
- Development of enabling Provincial policy for SMME development.
- Development of a monitoring and evaluation system for evaluation of support strategies to SMME's.
- To facilitation of establishment and management of SMME database in the Province.

Service delivery indicators

- Co ordination of workshops and road shows for dissemination of business development information.
- Participation in trade exhibitions locally and internationally.
- Participation in international trade missions for investment promotion.
- Facilitation of establishment of SEDA structures in the Province.
- Resuscitation of incubator models for identified SMME development structures.
- Co ordination of awareness workshops for establishment of Co-operatives in the Province.
- Co ordination of workshops for capacitation of SMME's.
- Monitoring of procurement of goods and services from SMME's.
- Establishment of a sectoral co ordination forum to ensure access to funding.
- Resolution of consumer complaints lodged.
- Regular provision of topical consumer issues on radio.
- Proper regulation of sale of liquor in the Province.
- Ensuring compliance with provision of liquor legislation.

Service delivery achievements

Sub-programme	Outputs	Service delivery indicator	Actual performance against target	
			Target	Actual
Trade Promotion and Development Directorate	Freight Training on VAT rules workshop for exporters.	Co ordination of Freight training workshop on handling of VAT on export.	1x Freight training session.	Training provided to 150 businesses in the Province on the 24th of November 2005 on the handling of VAT on exports.
	Export Marketing and Investment Assistance.	Co ordination of export marketing and investment assistance workshop.	1x EMIA Scheme workshop.	Training provided to 180 businesses in the Province in connection with export marketing and investment assistance.
	Participation in Luxembourg and Belgium Mission	Participation in international trade missions for investment promotion.	Participate in the 10 Years Democracy Celebrations Pavilion in Luxembourg and Brussels.	Successful participation at the trade exhibition in Luxembourg on the 20th to 30th April 2005.
	Participation in the Sweden Mission.	Participation in trade exhibitions locally and internationally.	Participate at the South Africa week celebrations in Sweden.	Presentation of investment opportunities in the Province was done by the Premier.

Sub-programme	Outputs	Service delivery indicator	Actual performance against target	
			Target	Actual
	Participation at SAITEX 2005 exhibition.	Participation in trade exhibitions locally and internationally.	Participate in local trade exhibitions.	Successful showcasing of products from the Province at the South Africa week exhibition in Sweden on the 15th to the 17th of September 2005.
	Premier's Awards for Export Excellence 2005.	Participation in trade exhibitions locally and internationally.	Participate in local trade exhibitions.	Free State products were showcased at the South African International trade exhibition 2005 which was held on the 27th to the 30th of September 2005 at Gallager Estate, Midrand.
	Finland Mission (Matka Travel Fair)	Participation in trade exhibitions locally.	Participate in the Finland Mission.	Premier Awards for Export Excellence 2005 galal dinner for Free State exporters was held on the 9 th of December 2005, acknowledging outstanding performance of Free State exporters.
	African International Investment Expo 2006	Participation in trade exhibitions locally and internationally.	Participate at the African International Investment Expo 2006.	Free State products were showcased at a successful Matka Travel Fair, held on the 19 th to the 21 January 2006 in Finland. The African International Investment Expo 2006 and African Business Achiever Awards 2006 event was held on 28 th to 30 th of March 2006 for acknowledging the Free State Premier.
SMME Policy Development Directorate	Participation and support for Mangaung Cultural Festival.	Participation in trade exhibitions locally.	Participate and support Mangaung Cultural Festival.	The Dept. jointly with other departments participated in the co ordination of the Mangaung Cultural Festival during October 2005 and ensured its successful delivery.
	International Trade Group 2005	Participation in trade exhibitions locally.	Participate at the International Trade Group Exhibition 2005.	The Directorate co ordinated showcasing of SMME products at the International Trade Group Exhibition in 2005 held at Nasrec.

Sub-programme	Outputs	Service delivery indicator	Actual performance against target	
			Target	Actual
	One of a Kind 2005.	Participation in trade exhibitions locally.	Participate in the One of a Kind trade pavilion.	Successful showcasing of Free State Products at the One of a Kind exhibition held during August 2005 at Gallager Estate.
	Capacitation of SMME's in productivity, quality and costing of products.	Coordination of workshops for capacitation of SMME's	Co ordinate training workshops for capacitation of SMME's in product quality aspects.	20x Coaches have been trained and capacitated to train 10 SMME's each.
	Cooperatives formation workshops.	Co ordination of workshops and road shows for dissemination of business development information.	Co ordinate training workshops and identify community projects for incorporation into cooperatives.	4x Training sessions for coaches in co operatives formation were held during the course of the financial year.

Sub-programme	Outputs	Service delivery indicator	Actual performance against target	
			Target	Actual
				<p>Various information dissemination workshops on cooperatives were held in the 5 districts during the course of the financial year.</p> <p>Facilitated establishment of 8 co operatives in the following categories :</p> <ul style="list-style-type: none"> ▪ Brick manufacturing – Fezile Dabi ▪ Paving and Thatch making – Fezile Dabi ▪ Tourism – Motheo (Soutpan) ▪ 2x Construction – Motheo (Botshabelo) ▪ 1x Agricultural – Motheo (Botshabelo) ▪ Arts and Craft – Lejweleputswa ▪ Agricultural – Motheo (Bloemfontein) ▪ Milling – Xhariep (Petrusburg) <p>Consultations were held between SEDA nationally and the department.</p>
	Establish SEDA and SAMAF structures in the Province.	Facilitation of establishment of SEDA structures in the Province.	Facilitate development of a strategy for establishment and roll out of SEDA and SAMAF structures in the Province.	<p>Consultations were held between SAMAF nationally and the department.</p> <p>Identified SAMAF structure in Makwane Villiage.</p> <p>Evaluated capacity of the structure.</p>

Sub-programme	Outputs	Service delivery indicator	Actual performance against target	
			Target	Actual
	Launch SAMAF structure in the Province.	Facilitate access for the Free State SMME's to DFI's.	Facilitate establishment launch of APEX funding in the Province.	<p>Launch of the structure by die Deputy Minister (DTI) and the MEC occurred during March 2006.</p> <p>Successful co ordination of the IDC Investment Conference highlighting opportunities in :</p> <p>Tourism,</p> <p>Transport,</p> <p>Franchising,</p> <p>Manufacturing,</p> <p>The conference held in September 2005 highlighted risk management criteria used by both the FDC and the IDC.</p>
	Implement the MOU between IDC and the Department.	Ensure access to funding for businesses in the Province.	Finalize and implement the MOU entered between IDC and the Department.	<p>The Chief Directorate co coordinated development of terms of reference for implementation of the MOU.</p> <p>A consultative meeting between DTEEA, the FDC, SEDA and the IDC was held which resulted in establishment of a sectoral Coordinating Forum for implementation of the MOU.</p>
Liquor and Consumer Affairs	Regular Consumer Court sittings.	Resolution of consumer complaints lodged.	Ensure effective mediation and resolution of consumer complaints.	<p>Monthly Consumer Court meetings for this year occurred to adjudicate on consumer complaints lodged with office of the consumer protector.</p> <p>65% Of cases lodged were successfully resolved.</p>

Sub-programme	Outputs	Service delivery indicator	Actual performance against target	
			Target	Actual
	Media presentations.	Regular provision of topical consumer issues on radio.	Disseminate information to promote protection of consumers.	Fifteen Presentations were made on radio Lesedi on topical consumer issues eg. blacklisting and credit bureaus Purchase of second hand vehicles Drafting of WILLS, Insurance, Cash loans
	Road shows and workshops.	Co ordination of workshops to disseminate consumer protection information.	Disseminate information for promotion of consumerism.	Information workshops were held in the Province with institutions such as the MFRC (Micro Finance Regulatory Council), Advertising Standards Association, Transunion ITC, National Energy Regulator of South Africa to provide consumer protection information. 10 Liquor Board meetings per month occurred as scheduled. 498 New applications were approved and 315 disapproved.
	Regular sitting of the Liquor Board.	Ensure a legal liquor trade in the Province.	Adjudication on complaints and applications related to the liquor industry.	39 Objections were lodged against grant of applications. 25 Complaints were handled by the Board.
	Integrated compliance mechanisms.	Ensuring compliance with provision of liquor legislation.	Execute liquor inspections to enforce compliance.	109 Transfers were approved and 19 were disapproved. 16 Removals of licences were approved and 3 were disapproved.

Programme 5: Transversal functions (Public Entities)

Purpose: The role of these entities is outlined earlier on.

PART THREE - Report of the Audit Committee

Overview

We are pleased to present our report for the financial year ended 31 March 2006.

AUDIT COMMITTEE MEMBERSHIP AND ATTENDANCE OF MEETINGS

The Audit Committee consists of 3 (three) members and according to the approved terms of reference the Audit Committee should be at least 3 but not more than 5 members and will meet at least 4 times per annum. For the year ended 31 March 2006, the committee held two meetings.

Members and their meeting attendance details during 2005/2006 financial year were as follows:

Member	Number of meeting attended
Mrs. JH Van Wyk (Chairperson)	2
Mr. FP Moloi	2
Mr. MP Molotsi	2

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has adopted appropriate terms of reference as its charter. The Audit Committee further reports that the committee has regulated its affairs in accordance with the approved Audit Committee charter.

EFFECTIVENESS OF INTERNAL CONTROLS.

The Internal Audit Directorate is independent of management and reports directly to the Audit Committee. A three year rolling plan and 12 months operational plans were prepared by the Internal Audit Directorate and approved by the Audit Committee. The Audit Committee is of the opinion that the control environment needs improvement to provide reasonable assurance that the major inherent risks are appropriately managed and that applicable legislation is adhered to. Management has implemented corrective action where possible to ensure that controls are in place and operating as intended. However, there are few areas that the Department needs to focus on in order to reduce risks and achieve a better level of compliance with Departmental policies and procedures. The consultant were appointed to assist the department in designing and implementing the control to ensure that assets will be safeguarded, proper accounting records will be maintained and resources utilized efficiently in all significant respects.

The Internal Audit section of the department facilitated risk assessment exercise where risks were identified, impact and the likely hood of risks was assessed. Two meetings of risk committee took place where management was assigned to come up with the system through which these risks will be managed to the acceptable level.

EVALUATION OF FINACIAL STATEMENTS

The Audit Committee was presented and discussed the annual financial statements with the Accounting Officer and the Auditor – General. The committee had the presentation of the draft audit report and the management letter from the Office of the Auditor General. The Audit Committee recommends for approval of the annual financial statement subject to the issues raised by the Office of the Auditor General in their audit report and/ or matters of emphasis.

MATTERS OF PARTICULAR CONCERN

The Audit Committee further raised as a matter of great concern significant issues relating to lack of controls in the department relating to contracting of consultant (E&Y Makomota) and unavailability of delegation of authority. The other matter of concern was relating to internal audit unit which was unable to complete its duties as per approved internal audit annual plan due to shortage of staff which amounted to 80% vacancy rate.



JH Van Wyk

Chairperson of the Audit Committee

Date: 27/07/2006

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

PART FOUR

AUDITED ANNUAL FINANCIAL STATEMENTS

Report by the Accounting Officer to the Executive Authority and Provincial Legislature of the Free State Province.

1. General review of the state of financial affairs

The objective of the Department of Tourism, Environmental and Economic Affairs is to facilitate economic growth and development in the Free State province by creating an environment that promotes investment by the private sector.

The annual performance plan of the department links directly to the strategic objectives of the department. This plan is also informed by the FS Provincial Growth and Development Strategy.

The department successfully realigned its organisational structure during the year as detailed in the annual performance plan. The filling of critical posts was also achieved with some measure of success before year-end. The poor budgeting process, whereby the additional compensation of employees expenditure were budgeted for the full financial year and not from the expected date on which the posts would be filled, resulted in a large under spending during the year. In an attempt to correct this shifting of funds from compensation of employees to goods and services were done during the adjustment budget process. The lack of an efficient and effective procurement processes resulted in these funds not being spent at year-end. In addition, the process of establishing the Tourism Marketing Authority as planned was delayed, resulting in an under spending of transfer funds. The department entered into transfer payment agreements with all relevant public entities and successfully implemented monitoring mechanisms as required by the Act. To ensure tourism marketing services were delivered a portion of the budgeted funds for the authority was channelled towards the department. The awarding of the tender for a large capital project, the refurbishing of Philip Sanders, were detailed to such an extent that the project did not start during the year.

During the final quarter of the financial year management time was largely dedicated towards addressing these deficiencies in preparation for the 2006/07 financial year. Critical posts were filled resulting in Financial and Supply Chain Management being strengthened significantly.

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

2. Service rendered by the department

2.1 The department focuses on the following three strategic goals:

- To promote sustainable economic development within the province.
- To promote sustainable environmental development within the province.
- To ensure internal departmental business process excellence.

To achieve the above goals the following service programme categories were identified that will enable the department to achieve its mission:

- Administration. This programme encompasses all business support functions.
- Economic development and Tourism. Economic development focuses on Consumer and Liquor Affairs, Trade and Investment Promotion and SMME Development. In addition tourism is regarded as an important driver of sustainable economic development within the Free State province, as such tourism support, tourism development and resort management are included under the functions of Tourism.
- Environmental Affairs. To ensure sustainable environmental development within the Free State province four functionalities are included under this programme. These are: Planning, Impact, Pollution and Waste Management; Environmental Management and Sustainable Development: Policy, Legislation and Coordination; Ecosystem, Biodiversity and Natural Heritage Management and Environmental Management and Sustainable Enterprise.

2.2 Tariff policy

The tariffs for the 2005/06 financial year were prepared in accordance with the requirements of the Public Finance Management Act, Section 38(1)(c)(i) and Treasury Regulation 7.3

Departmental tariffs are reviewed annually. The determining factors are:

- Market value of services rendered;
- Inflation rate;
- Public demand for each service type;
- Historical information;
- Strategic objectives; and
- Environmental impact.

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

2.3 Free services

The Department issued permits, authorising free entrance into various reserves and resorts, in the past financial year. The total Rand value amounts to R. Game to the value of R was also donated to several social welfare institutions.

2.4 Inventories

The department does not have stores for keeping any stock, be it at head office or in any of its regional offices.

3. Capacity constraints

The capacity constraints experienced and reported on during the previous year surrounding strategic vacant posts were addressed during the 2005/06 financial year. The structure was finalised and critical posts was identified. Most of these posts were filled during the last quarter of the financial year. As a result, the shortage of skills reported on during the previous financial year, also had a negative impact on the performance of the department for most of the 2005/06 financial year.

4. Utilisation of donor funds

The department does not receive direct donor funding , but participates in the Maloti Drakensberg Transfrontier Project (MDTP), which is funded by the World Bank.

5. Public entities

Public Entities controlled by the department are funded via transfer payments from the department's equitable share. Transfer payment agreements are in place between the respective public entities and the department. These agreements forms the basis of the monitoring and evaluation framework put in place to effect the requirements of the PFMA.

Free State Development Corporation

The purpose of the Free State Development Corporation (FDC) is to develop business enterprise to promote urban and rural economic development in line with the Free State Development Corporation Amendment Act No 9 of 1999. Transfer payments to the value of R30 million were made during the financial year (2004/05: R86.9 million).

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

Free State Racing and Gambling Board

The purpose of the Free State Racing and Gambling Board (FSRGB) is to promote the economy of the Free State through gambling and racing. Transfer payments to the value of R9.9 million were made during the financial year (2004/05: R15.5 million).

Tourism Marketing Authority

The purpose of the Tourism Marketing Authority is to promote tourism in the Free State province through undertaking advertising promotions and planning tourism events. This public entity was not established during the year as planned. Consequently no funds were transferred to the entity during the year. A request was approved by Provincial Treasury to use R2 million of the transfer payment funds for activities relating to tourism events. At year-end the balance was requested for roll over to the 2006/07 financial year.

6. Organisations to whom transfer payments have been made

Transfer payments were made to Public Entities, to households and municipalities during the financial year. Annexures 1B, C and D shows the detail to these expenses.

Reasons for transfer payments

Public Entities	Objectives agreed and documented in annual performance plans.
Households	Employees social benefit.
Municipalities	RSC levies transferred to municipalities.

Accounting arrangements

Public Entities	In terms of Transfer payment agreement.
Households	None
Municipalities	None

7. Public Private Partnerships (PPP)

There were no PPP entered into during the last financial year.

8. Corporate governance arrangements

Both the Audit Committee and Internal Audit Unit have been functional during the financial year under review.

The department has implemented a system to manage the conflict of interest of employees by annually requesting senior managers to declare their business interest.

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

9. Discontinued activities/activities to be discontinued

No activities were discontinued during the year.

10. New/proposed activities

There are no new/proposed activities.

11. Asset management

For the period prior to 31 March 2004 all assets have been physically verified and included on manual asset listings (Excel and Word), i.e. all assets physical available were included on the list. As a result of unsystematic filing, limited record keeping and availability of sufficient staff the assets included on the lists were not traced to supporting documentation.

In addition to the reasons mentioned above, unique problems are experienced relating to assets of the Chief Directorate Economic Affairs. The correct procedure (compilation of assets list before the transferring of functions) was not followed before the function was transferred to this Department from the then Department of Finance. Supporting documentation seems to be very difficult to find in relation to these assets

12. Events after the reporting date

No reportable events after the reporting date occurred.

13. Performance information

On a monthly basis In-Year Monitoring reports are generated to compare actual with expected financial performance. Any variances are explained including the impact on program outcomes. On a quarterly basis non-financial performance is measured against the annual performance plan of the department. These plans include expected deliverables and timeframes.

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2006

14. SCOPA resolutions

Reference to previous audit report and SCOPA resolutions	Subject	Findings on Progress
Resolution 32/2003	Treasury requesting details regarding the structuring of the CEO's (of the FDC) salary package.	Details provided as requested. Resolution resolved per evaluation report of 24 May 2006
Resolution 38/2003	Treasury requests a signed copy of the performance agreement between the Executive Authority and the Accounting Officer to be submitted to their offices.	Copy of signed performance agreement submitted. Resolution resolved per evaluation report of 24 May 2006
Resolution 6/2004 Par 1	Recovery of the claims amounting to R324,210.	Matter still under investigation. Origin of amounts traced to before the BAS conversion from the FMS system. Supporting documentation currently being traced to archives.
Resolution 6/2004 Par 2	Rectifying the accounting records with regard to unauthorised and irregular expenditure.	Accounting records for unauthorised being rectified and register for irregular updated. Resolution resolved per evaluation report of 24 May 2006
Resolution 6/2004 Par 5	Recovery of fruitless and wasteful expenditure amounting to R327,795.	Matter still under investigation. Origin of amounts traced to before the BAS conversion from the FMS system. Supporting documentation currently being traced to archives.
Resolution 13/2004 Par 2	Results of the charge sheets prepared by the State Law Advisors.	Two officials were charged and dismissed. Their matters are currently in arbitration.
Resolution 13/2004 Par 3	Results of the investigation by the Public Service Commission.	Report of the Public Service Commission still awaited.
Resolution 13/2004 Par 5	Recovery of monies indicated in the	The State Attorney is currently working on the files of the cases identified in the report.

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2006

Reference to previous audit report and SCOPA resolutions	Subject	Findings on Progress
	forensic report.	The matter is currently in the process of being recovered.
Resolution 13/2004 Par 6	Investigation of vehicles rented by former accounting officer, and recovery of amounts.	This matter has been referred to the State Attorney to determine recovery of debt. The response from the State Attorney has not been received yet.
Resolution 13/2004 Par 7	The department is required to provide the Provincial Treasury with a list of all legal costs relating to the Forensic Investigation.	A list of the legal costs was provided to Treasury. The Provincial Treasury requires further detail for evaluating this expenditure. Supporting documentation will be provided to Treasury.
Resolution 25/2004	Investigation of the possible suspension of the CEO of the FDC.	The MEC for the Department dissolved the FDC board with effect from 30 September 2005. Resolution resolved per evaluation report of 24 May 2006
Resolution 33/2004	List of residential addresses of FSGB and Tourism Authorities board members.	Details provided as requested. Resolution resolved per evaluation report of 24 May 2006
Resolution 36/2004	Indicate if declarations were received from all employees with a Housing Loan Guarantees.	Details provided as requested. Resolution resolved per evaluation report of 24 May 2006
Resolution 3/2005 Par 2	Provide all approved financial policies to Treasury.	Details provided as requested. Resolution resolved per evaluation report of 24 May 2006
Resolution 3/2005 Par 8	Provide Provincial Treasury with the anticipated date of filling the Deputy	Details provided as requested. Resolution resolved per evaluation report

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3

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

Reference to previous audit report and SCOPA resolutions	Subject	Findings on Progress
	Director post within the Internal Audit Unit.	of 24 May 2006
Resolution 10/2005	Liquor licences – computerised system	The physical access control was upgraded. The computerised system is outdated and need to be redesigned completely.
Resolution 64/2005 Par 1	Progress report on the filling of vacant posts.	Progress report was provided as requested. Resolution resolved per evaluation report of 24 May 2006
Resolution 64/2005 Par 2	Fruitless, Wasteful and Irregular expenditure	The department is currently conducting an audit on these expenditures. Records have been updated with all identified cases. Recovery of identified expenditures still outstanding.
Resolution 64/2005 Par 3	Resolutions of PROPAC	The implementation of the resolutions improved from 38% to 61%.
Resolution 64/2005 Par 4	Theft and losses.	All theft and loss cases were investigated. Resolution resolved per evaluation report of 24 May 2006
Resolution 81/2005	Supporting documentation	The department does have a policy with regard to safekeeping of documents in place. Resolution resolved per evaluation report of 24 May 2006
Resolution 84/2005	Responsibility to report all fraudulent	Resolution resolved per evaluation report

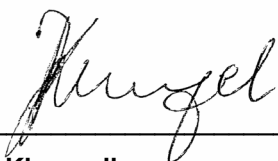
REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2006

Reference to previous audit report and SCOPA resolutions	Subject	Findings on Progress
	activities.	of 24 May 2006.
Resolution 85/2005	Schedule of qualifications and experience of the AO and CFO.	Resolution resolved per evaluation report of 24 May 2006.
Resolution 86/2005	Adherence to the requirements of TR 9 on unauthorised, irregular and fruitless expenditure.	Resolution resolved per evaluation report of 24 May 2006.
Resolution 90/2005	Payment within 30 days	Resolution resolved per evaluation report of 24 May 2006.
Resolution 91/2005	Purchasing of vehicles for members of the executive committee.	Resolution resolved per evaluation report of 24 May 2006.

Approval

The Annual Financial Statements set out on pages 11 to 59 have been approved by the Accounting Officer.



T.B. Khunyeli

Accounting Officer

31 May 2006

**REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL LEGISLATURE ON THE FINANCIAL
STATEMENTS OF VOTE 3 – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS FOR
THE YEAR
ENDED 31 MARCH 2006**

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 70 to 135 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). The fixed asset opening balances have not been audited because of the timing of guidance from National Treasury to the departments relating to the treatment, valuation and disclosure of fixed assets. 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.

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

4. QUALIFICATION

4.1 Appropriation, statement of financial performance and financial statements

Due to the following shortcomings I could not verify the correctness of the appropriation statement and the statement of financial performance:

- (a) Journals amounting to R1 611 868 were not authorised. The validity of these journals could therefore not be verified.
- (b) Journals amounting to R5 930 031 (expenditure) and R11 987 309 (revenue) respectively were not authorised in terms of the approved delegations. The validity of these journals could therefore not be verified.
- (c) Supporting documentation for several payments totalling R1 053 692 could not be submitted. The accuracy, classification and regularity of these payments could thus not be verified.
- (d) A reconciliation of all liquor licence fees receivable with the fees actually received from the South African Revenue Service (SARS) could not be submitted for audit purposes. The completeness of revenue amounting to R2 419 507 (2004-05: R2 453 139) as received from SARS in respect of liquor licences could therefore not be verified.
- (e) The adjusted appropriation amounts disclosed in the appropriation statements does not correspond with the adjustment estimate.

 - (i) The adjusted appropriation in respect of compensation of employees is understated by R5 020 000, while the adjusted appropriation for goods and services is overstated with the same amount.
 - (ii) The adjusted appropriation in respect of transfers and subsidies to provincial and local governments is understated by R1 500 000, while the adjusted appropriation in respect of transfers and subsidies to public corporations and private enterprises is overstated with the same amount.

As a result of the incorrect disclosure of the adjustment estimate in the appropriation statements the shifting applied in certain instances were not necessary.

4.2 Fruitless, wasteful and irregular expenditure

Owing to policies and procedures that were not followed fruitless, wasteful and irregular expenditure amounting to R3 484 831 was not disclosed in the financial statements. This amongst others includes:

- (a) A payment of R503 541 that was made during the financial year to a former chief director who was suspended during September 1999. Based on the lack of evidence of steps taken by the former Department of Finance and Economic Affairs and the Office of the Premier to timeously resolve the matter as required in terms of section 38(1)(h) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the fact that the expenditure could have been avoided had reasonable care been taken, the expenditure of R503 541 (12 months outstanding salary and benefits as from August 2000 in terms of section 195 of the Labour Relations Act, 1995) incurred during the year under review is regarded as fruitless and wasteful expenditure.
- (b) A payment amounting to R172 925 that was made in respect of a cancelled event without sufficient explanations. The payment was not recovered and is regarded as fruitless expenditure.
- (c) An overpayment amounting to R124 470 that was made for the arrangement of the accommodation and transport for a 5-day Indaba held in Durban. The overpayment was not recovered and is regarded as fruitless expenditure.
- (d) A joint contract totaling R1 496 364 that was awarded to perform financial services as per a signed contract. Proof that the correct tender procedures were followed could not be obtained and the expenditure is therefore regarded as irregular expenditure.
- (e) Insurance premium cost may not exceed R250 000 a year on a vote, unless otherwise approved by the relevant treasury. Contrary to the above payments for insurance premiums of R584 590 were identified. As treasury approval could not be submitted for these payments, the amount of R334 590 is regarded as irregular expenditure.
- (f) No written agreement between the department and the service provider could be provided for security and cleaning services totalling R782 272. Proof that the tender process was followed could also not be submitted. The expenditure is therefore regarded as irregular expenditure.

5. QUALIFIED AUDIT OPINION

In my opinion, except for the effect on the financial statements of the matters referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of Department of Tourism, Environmental and Economic Affairs 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 accounting policy 1.1 in the financial statements, and in the manner required by the PFMA.

6. EMPHASIS OF MATTER

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

6.1 Irregularities and losses

Policies and procedures were not followed, resulting in the following irregularities in respect of log sheets:

- (a) In several cases trips travelled according to the log sheets appear to be abnormally high.
- (b) The fuel consumption of certain vehicles appears to be abnormally high.

6.2 Financial management

6.2.1 Bursary administration

Management controls were not followed, resulting in the following control weaknesses with regard to bursaries:

- (a) Evidence that the academic results for the 2005 academic year were obtained in respect of several bursary holders could not be submitted for audit purposes.
- (b) The bursary contract submitted for payments to the amount of R38 557 for the year under review was not signed.
- (c) A bursary of R41 696 was paid for the studies undertaken by a non- South African citizen during the previous academic year.
- (d) Various students completed their studies during the year under review. Their bursaries amounting to R294 562 were, however, not repaid nor were the bursaries recorded in a debtor account.

6.2.2 Financial statements

As a result of policies and procedures that were not followed, certain disclosure and allocation errors were identified. Although these errors are not regarded as material they indicate that the financial statements were not compiled with the necessary care and that adequate systems to prevent and detect these errors were not in place.

6.2.3 Reconciliation and monitoring

As a result of management policies and procedures that were not adequately followed, the following shortcomings were identified:

- (a)** Adequate general controls surrounding the information systems of the department to ensure an effective and continuous data processing function were not in place. This included the lack of a business continuity and disaster recovery plan as well as a security and user account management policy.
- (b)** Several shortcomings were also noted with regard to the advertising and filling of vacant posts, providing employees with written employment contracts and paying of overtime to employees.
- (c)** Debtor accounts amounting to R468 004 were identified that showed no movement during the year under review. Therefore the validity of these receivables as disclosed in note 13 to the financial statements could not be verified.
- (d)** Proof that quarterly reports were obtained from the Free State Development Corporation (FDC) to verify the validity of the transfer payments amounting to R30 million made in terms of an agreement between the department and the FDC could not be obtained.
- (e)** Supporting documentation could not be submitted for R351 922 of the total commitments of R3 501 000 disclosed in disclosure note 20 to the financial statements.
- (f)** A reconciliation between the asset counts at the resorts and the asset register (head office) for the financial year was not done. The asset register was also not fully maintained, while certain asset items could not be physically verified. A similar situation was reported during the previous financial year. The relevant reconciliation between fixed assets purchased and the fixed assets recorded as additions in the assets register was also not performed.

6.2.4 Policies and procedures

- (a) Due to policies and procedures not followed in certain instances, as well as the lack of adequate policies and procedures, several internal control shortcomings and weaknesses were identified at resorts and reserves.
- (b) As indicated below the department also did not have adequate policies and procedures in place:

 - (i) Several human resource policies were still in draft format and not yet approved.
 - (ii) No asset maintenance policy was implemented.
- (c) Contrary to the requirements of paragraph D.1(c) of Part III of Chapter 1 of the Public Service Regulations, an approved human resource plan could not be submitted for auditing purposes. An analysis of the organisational structure and the filled positions was performed and it was determined that the department's vacancy rate for the 2005-06 financial year was 34% (356 posts), which is in excess of the acceptable norm of 5%. The department thus did not define in the form of an HR plan the posts necessary to perform the relevant functions, based on the strategic plan of the department.
- (d) It is evident from the number of approvals to deviate from the tender procedure that the procurement and provisioning system is not operating effectively as required in terms of section 38 of the PFMA. The policy framework for the supply chain management is inadequate. As indicated in paragraph 4.3 above, evidence could not be submitted that a bidding process was followed in certain instances, thus it could not be established whether contracts were awarded in a fair, equitable, transparent, competitive and/or cost-effective manner.

6.3 Matters in the public interest

- (a) Supporting documents to verify purchases amounting to R18 644 on a credit card during the year under review could not be submitted.
- (c) A total amount of R500 162 was spent on renovations at the Phillip Sanders Resort by the departmental renovation team during the year under review. The resort is scheduled to be upgraded at a total estimated cost of R131 100 000 over four phases. Although the resort was
- (d) closed for renovations from January 2006, no construction work had been started at the time of finalisation of the report.
- (e) A large quantity of building material for capital projects was purchased during the year under review although these capital projects were suspended indefinitely.

6.4 Non-compliance with laws and regulations

6.4.1 Overtime

Contrary to section 10(1)(b) of the Basic Conditions of Employment Act, 1977 (Act No. 75 of 1997) several cases were identified where more than 40 hours overtime per month (10 hours per week) were claimed.

6.4.2 Chief financial officer

Treasury Regulation 2.1.1 states that unless directed otherwise by the relevant treasury, each institution must have a chief financial officer (CFO) serving on the senior management team. The department terminated the services of the acting chief financial officer on 31 January 2006 and the post is still vacant.

6.4.3 Theft of money not reported

Two cases of theft of money occurred during the year under review amounting to R18 800. Contrary to the requirements of Treasury Regulation 4.2.1 no proof could however be submitted that the accounting officer advised the executive authority, relevant treasury and the Auditor-General of any criminal charges laid against any person in terms of section 86 of the PFMA.

6.4.4 Deductions

Contrary to Treasury Regulation 23.3.6 the discretionary deductions exceeded 40 percent of certain officials' basic salaries.

6.4.5 Invoices

Contrary to Treasury Regulation 8.2.3 not all invoices were paid within 30 days from receipt of invoice.

6.4.6 Salary payrolls

Contrary to Treasury Regulation 8.3.4 salary payrolls were in certain instances not approved by senior officials.

6.4.7 Revenue banking

Contrary to Treasury Regulation 15.5.1 revenue was in certain instances not banked daily or, for amounts less than R500, as soon as practicable.

6.4.8 Performance agreements

Performance agreements for members of senior management in terms of section 12 of the Public Service Act, 1994 (Act No.103 of 1994) and Chapter 4, Part III of the Public Services Regulations, 2001 could not be submitted.

6.4.9 Performance reporting

The strategic plan of the department for the period 1 April 2005 to 31 March 2009 does not meet all the requirements as required by Treasury Regulations 5.2.2 and 5.2.3. The measurable objectives as per the strategic plan/annual performance plan for the 2005-06 financial year and the budget and annual performance report are not aligned and not connected to a specific timeframe to measure achievement.

6.4.10 Fraud risk

Contrary to Treasury Regulation 3.2.1 a fraud prevention plan could not be submitted.

6.4.11 Virement

- (a) Contrary to section 43(4)(b) of the PFMA, virement to the amount of R2 930 000 was applied from program 5 (transfers and subsidies) to program 3 (goods and services) with the adjustment budget
- (b) The virement to the amount of R4 000 000 applied from program 4 (goods and services) to program 3 (compensation of employees and goods and services) exceeds the limit of 8% as determined in section 43(2) of the PFMA.

6.4.12 Collection of debt

In terms of section 38(1)(c)(i) of the PFMA it is the responsibility of the accounting officer of the department to take effective and appropriate steps to collect all money due to the department. Various accounts had been outstanding for a long period and it could not be ascertained what measures were taken to ensure that these debts were recovered.

6.5 Internal Audit and audit committee

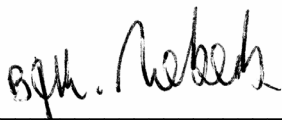
An internal audit function existed for the year under review and an audit committee was appointed. However, due to the lack of a risk assessment and various other aspects which were not complied with, as indicated in the audit charters and Treasury Regulation 3.2 full reliance could not be placed on the work performed by internal audit.

6.6 Special investigation

According to a resolution of the Public Accounts Committee of the Free State Legislature, it was recommended that the Auditor-General should conduct a special investigation into certain possible irregularities identified at resorts and reserves. This special investigation is currently under way and has not yet been finalised and therefore the effect on the financial statements could not be determined.

7. APPRECIATION

The assistance rendered by the staff of the Department of Tourism, Environmental and Economic Affairs during the audit is sincerely appreciated.



B J K van Niekerk for Auditor-General

Bloemfontein

31 July 2006



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

**REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL LEGISLATURE ON THE FINANCIAL
STATEMENTS OF VOTE 3 – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
NATURE CONSERVATION TRUST FUND 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 authority. 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

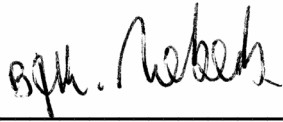
The entity's policy is to prepare the financial statements on the entity specific basis of accounting described in accounting policy 1 to the financial statements.

4. AUDIT OPINION

In my opinion, the financial statements have been prepared, in all material respects, in accordance with the basis of accounting described in accounting policy 1 to the financial statements.

5. APPRECIATION

The assistance rendered by the staff of the Department of Tourism, Environmental and Economic Affairs during the audit is sincerely appreciated.



B J K van Niekerk for Auditor-General

Bloemfontein

31 July 2006



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

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 aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Annual Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2005.

1. Presentation of the annual financial statements

1.1 Basis of preparation

The Annual Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid or when the final authorisation for payment is effected on the system by no later than 31 March 2006.

1.2 Presentation currency

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

1.3 Rounding

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

1.4 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.

ACCOUNTING POLICIES
for the year ended 31 March 2006

2. Revenue**2.1 Appropriated funds**

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

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

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund, unless approval has been given by the Provincial Treasury to rollover the funds to the subsequent financial year. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the statement of financial performance when received.

2.2.2 Sales of goods and services other than capital assets

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

ACCOUNTING POLICIES
for the year ended 31 March 2006

2.2.3 Fines, penalties & forfeits

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

2.2.4 Interest, dividends and rent on land

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

2.2.5 Sale of capital assets

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

2.2.6 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 as part of the disclosure notes to the annual financial statements.

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

2.2.7 Gifts, donations and sponsorships

All cash gifts, donations and sponsorships are paid into the Provincial Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed as part of the disclosure notes to the annual financial statements.

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

2.3 Local and foreign aid assistance

ACCOUNTING POLICIES
for the year ended 31 March 2006

Local and foreign aid assistance are recognised in the financial records when the department directly receives the cash from the donor(s). The total cash amounts received during the year is reflected in the statement of financial performance as revenue.

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements

The cash payments made during the year relating to local and foreign aid assistance projects is recognised as expenditure in the statement of financial performance. A receivable is recognised in the statement of financial position to the value of amounts expensed prior to the receipt of the funds.

A payable is raised in the statement of financial position where amounts have been inappropriately expensed using local and foreign aid assistance, unutilised amounts are recognised in the statement of financial position.

3 Expenditure

3.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of one or all of the expenditure for capital assets categories in the statement of financial performance.

All other payments are classified as current expense.

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

3.1.1 Short-term employee benefits

Short-term employee benefits comprise of leave entitlements (capped leave), thirteenth 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 authorisation for payment is effected on the system (by no later than 31 March of each year).

ACCOUNTING POLICIES
for the year ended 31 March 2006

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

3.1.2.1 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer when the final authorisation 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 department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the final authorisation 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 recognised as an expense in the statement of financial performance when the final authorisation 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 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental on the use of buildings or other fixed structures.

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under spending 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 recognised when authorisation has been granted for the recognition thereof.

ACCOUNTING POLICIES
for the year ended 31 March 2006

3.5 Unauthorized expenditure

When discovered, unauthorised expenditure is recognised 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 recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

ACCOUNTING POLICIES
for the year ended 31 March 2006

3.6 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.

3.7 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as a current asset until it is recovered or written off as irrecoverable.

3.8 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).

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (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 recognised in the statement of financial position when the payments are made.

ACCOUNTING POLICIES
for the year ended 31 March 2006

4.3 Receivables

Receivables included in the statement of financial position arise from cash payments 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 impairment loss whenever events or changes in circumstances indicate that the investments may be impaired. Any impairment loss is included in the disclosure notes.

4.5 Loans

Loans are recognised 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 registers

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 financial statements under the modified cash basis of accounting.

ACCOUNTING POLICIES
for the year ended 31 March 2006

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 recognised at historical cost in the statement of financial position.

5.2 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised 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 an invoice has been received but where final authorisation for payment has not been effected on the system.

Accruals are not recognised 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.

5.4 Contingent liabilities

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

A contingent liability is 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.

ACCOUNTING POLICIES
for the year ended 31 March 2006

5.5 Commitments

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

Commitments are not recognised 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 capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised 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.

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.

7. Related party transactions

Related parties are departments that control or significantly influence the department 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 department.

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

ACCOUNTING POLICIES
for the year ended 31 March 2006

9. Public private partnership

A public private partnership (PPP) is a commercial transaction between the department and a private party in terms of which the private party:

- Performs an institutional function on behalf of the institution; and/or
- acquires the use of state property for its own commercial purposes; and
- assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and

- receives a benefit for performing the institutional function or from utilizing the state property, either by way of:
 - consideration to be paid by the department which derives from a Revenue Fund;
 - charges fees to be collected by the private party from users or customers of a service provided to them; or
 - a combination of such consideration and such charges or fees.

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS

VOTE 3

APPROPRIATION STATEMENT

for the year ended 31 March 2006

Appropriation per programme									
		2005/06						2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	39 414	(1 398)	-	38 016	36 762	1 254	96.7%	39 790	37 148
Transfers and subsidies	-	22	-	22	58	(36)	263.6%	84	62
Payment for capital assets	772	1 376	-	2 148	832	1 316	38.7%	362	370
2. Tourism									
Current payment	22 720	(33)	-	22 687	17 097	5 590	75.4%	10 428	7 622
Transfers and subsidies	-	33	-	33	187	(154)	566.7%	17	11
Payment for capital assets	500	-	-	500	28	472	5.6%	48	6
3. Environmental affairs									
Current payment	58 948	(2 082)	-	56 866	51 205	5 661	90.0%	62 767	63 854
Transfers and subsidies	-	145	-	145	208	(63)	143.4%	146	145
Payment for capital assets	10 952	1 937	-	12 889	7 544	5 345	58.5%	10 059	8 571
4. Economic affairs									
Current payment	19 194	(20)	-	19 174	15 624	3 550	81.5%	16 831	17 060
Transfers and subsidies	-	20	-	20	29	(9)	145.0%	53	37
Payment for capital assets	606	-	-	606	85	521	14.0%	299	3
5. Transversal functions									
Current payment	4 504	3 493	-	7 997	4 825	3 172	60.3%	4 137	1 209
Transfers and subsidies	52 470	(3 493)	-	48 977	39 897	9 080	81.5%	102 355	102 355
6. Planning and research									
Current payment	-	-	-	-	-	-	-	1 671	1 666
Transfers and subsidies	-	-	-	-	-	-	-	3	3
7. Special functions									
Current payment	-	-	-	-	167	(167)	-	-	939
TOTAL	210 080	-	-	210 080	174 548	35 532	83.1%	249 050	241 061
Reconciliation with statement of financial performance									
Add:									
Prior year unauthorised expenditure approved with funding				-				1 335	
Departmental receipts				8 154				-	
Local and foreign aid assistance				300				-	
Actual amounts per statements of financial performance (Total revenue)				218 534				250 385	
Add:									
Prior year unauthorised expenditure approved				-					1 335
Actual amounts per statements of financial performance (Total expenditure)					174 548				242 396

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS

VOTE 3

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 expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	95 955	(5 511)	-	90 444	77 987	12 457	86.2%	76 240	79 060
Goods and services	48 825	5 471	-	54 296	47 526	6 770	87.5%	59 384	49 499
Financial transactions in assets and liabilities	-	-	-	-	167	(167)	-	-	939
Transfers and subsidies									
Provinces and municipalities	-	143	-	143	255	(112)	178.3%	303	258
Public corporations and private enterprises	52 470	(3 493)	-	48 977	39 897	9 080	81.5%	102 355	102 355
Households	-	77	-	77	227	(150)	294.8%	-	-
Payments on capital assets									
Buildings and other fixed Structures	-	10 817	-	10 817	6 091	4 726	56.3%	9 974	8 571
Machinery and equipment	12 830	(7 504)	-	5 326	2 398	2 928	45.0%	794	379
Total	210 080	-	-	210 080	174 548	35 532	83.1%	249 050	241 061

VOTE 3

DETAIL PER PROGRAMME 1 - Administration
for the year ended 31 March 2006

Programme per sub programme	2005/06							2004/05	
	Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure as % of	Final	Actual
	appropriation	funds		appropriation	expenditure		Final appropriation	appropriation	expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the MEC									
Current payment	2 929	85	-	3 014	2 829	185	93.9%	600	1 535
Transfers and subsidies	-	-	-	-	5	(5)	-	-	-
Payment for capital assets	140	376	-	516	507	9	98.3%	-	-
1.2 Office of the HOD									
Current payment	5 639	(617)	-	5 022	4 926	96	98.1%	13 917	13 428
Transfers and subsidies	-	7	-	7	7	-	100.0%	22	19
Payment for capital assets	127	400	-	527	14	513	2.7%	31	181
1.3 Security services									
Current payment	733	-	-	733	338	395	46.1%	-	-
Transfers and subsidies	-	-	-	-	1	(1)	-	-	-
Payment for capital assets	17	-	-	17	-	17	-	-	-
1.4 Special programmes unit									
Current payment	2 458	(1 010)	-	1 448	1 054	394	72.8%	-	-
Transfers and subsidies	-	-	-	-	2	(2)	-	-	-
Payment for capital assets	52	300	-	352	96	256	27.3%	-	-
1.5 Internal audit unit									
Current payment	2 359	(8)	-	2 351	1 040	1 311	44.2%	1 361	883
Transfers and subsidies	-	8	-	8	3	5	37.5%	2	2
Payment for capital assets	241	-	-	241	58	183	24.1%	175	189
1.6 Executive management									
Current payment	2 200	(330)	-	1 870	1 997	(127)	106.8%	2 250	1 945
Transfers and subsidies	-	7	-	7	5	2	71.4%	-	-
1.7 Financial management									
Current payment	12 106	-	-	12 106	11 524	582	95.2%	12 385	9 031
Transfers and subsidies	-	-	-	-	17	(17)	-	34	15
Payment for capital assets	185	-	-	185	61	124	33.0%	156	-
1.8 Corporate services									
Current payment	10 990	482	-	11 472	13 054	(1 582)	113.8%	9 277	10 326
Transfers and subsidies	-	-	-	-	18	(18)	-	26	26
Payment for capital assets	10	300	-	310	96	214	31.0%	-	-
TOTAL	40 186	-	-	40 186	37 652	2 534	93.7%	40 236	37 580

Economic classification	2005/06							2004/05	
	Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure as % of Final	Final	Actual
	appropriation	funds		appropriation	expenditure		appropriation	appropriation	expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	25 525	(1 616)	-	23 909	17 270	6 639	72.2%	18 941	18 372
Goods and services	13 889	218	-	14 107	19 492	(5 385)	138.2%	20 849	18 776
Transfers and subsidies									
Provinces and municipalities	-	22	-	22	58	(36)	263.6%	84	62
Payment for capital assets									
Machinery and equipment	772	1 376	-	2 148	832	1 316	38.7%	362	370
Total	40 186	-	-	40 186	37 652	2 534	93.7%	40 236	37 580

VOTE 3

DETAIL PER PROGRAMME 2 - Tourism
for the year ended 31 March 2006

	2005/06							2004/05	
Programme per sub programme	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of Final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Management									
Current payment	1 105	-	-	1 105	832	273	75.3%	-	-
Transfers and subsidies	-	-	-	-	2	(2)	-	-	-
Payment for capital assets	15	-	-	15	15	-	100.0%	-	-
2.2 Tourism support									
Current payment	3 865	(48)	-	3 817	1 843	1 974	48.3%	7 317	6 100
Transfers and subsidies	-	4	-	4	2	2	50.0%	-	-
Payment for capital assets	235	-	-	235	-	235	-	24	5
2.3 Tourism development									
Current payment	3 939	37	-	3 976	2 661	1 315	66.9%	3 111	1 522
Transfers and subsidies	-	7	-	7	88	(81)	1 257.1%	17	11
Payment for capital assets	211	-	-	211	-	211	-	24	1
2.4 Resort management									
Current payment	13 811	(22)	-	13 789	11 761	2 028	85.3%	-	-
Transfers and subsidies	-	22	-	22	95	(73)	431.8%	-	-
Payment for capital assets	39	-	-	39	13	26	33.3%	-	-
TOTAL	23 220	-	-	23 220	17 312	5 908	74.6%	10 493	7 639

	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 expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	18 500	(2 000)	-	16 500	13 337	3 163	80.8%	3 294	2 597
Goods and services	4 220	1 967	-	6 187	3 760	2 427	60.8%	7 134	5 025
Transfers and subsidies									
Provinces and municipalities	-	33	-	33	43	(10)	130.3%	17	11
Households	-	-	-	-	144	(144)	-	-	-
Capital									
Machinery and equipment	500	-	-	500	28	472	5.6%	48	6
Total	23 220	-	-	23 220	17 312	5 908	74.6%	10 493	7 639

VOTE 3

DETAIL PER PROGRAMME 3 – Environmental Affairs
for the year ended 31 March 2006

Programme per sub programme	2005/06							2004/05	
	Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure as % of	Final	Actual
	appropriation	funds		appropriation	expenditure		Final appropriation	appropriation	expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Administration									
Current payment	890	-	-	890	1 059	(169)	119.0%	1 324	1 210
Transfers and subsidies	-	-	-	-	3	(3)	-	1	1
Payment for capital assets	10	-	-	10	1	9	10.0%	-	-
3.2 Planning, impact, pollution and waste management									
Current payment	6 232	(1 329)	-	4 903	2 668	2 235	54.4%	5 517	5 160
Transfers and subsidies	-	4	-	4	5	(1)	125.0%	13	13
Payment for capital assets	-	32	-	32	29	3	90.6%	85	-
3.3 Environ mng. and sustainable dev: policy, legislation and coordination									
Current payment	6 838	(484)	-	6 354	5 297	1 057	83.4%	7 990	2 331
Transfers and subsidies	-	11	-	11	14	(3)	127.3%	22	4
Payment for capital assets	-	189	-	189	187	2	98.9%	-	-
3.4 Ecosystem, biodiversity and natural heritage management									
Current payment	8 321	(131)	-	8 190	8 785	(595)	107.3%	43 479	45 237
Transfers and subsidies	-	13	-	13	24	(11)	184.6%	106	106
Payment for capital assets	-	118	-	118	8	110	6.8%	9 974	8 571
3.5 Environ mng and sustainable enterprise									
Current payment	36 667	(138)	-	36 529	33 396	3 133	91.4%	4 457	9 916
Transfers and subsidies	-	117	-	117	162	(45)	138.5%	4	21
Payment for capital assets	10 942	1 598	-	12 540	7 319	5 221	58.4%	-	-
TOTAL	69 900	-	-	69 900	58 957	10 943	84.3%	72 972	72 570

Economic classification	2005/06							2004/05	
	Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure as % of Final	Final	Actual
	appropriation	funds		appropriation	expenditure		appropriation	appropriation	expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation of employees	42 864	(1 895)	-	40 969	38 085	2 884	93.0%	43 645	47 021
Goods and services	16 084	(187)	-	15 897	13 120	2 777	82.5%	19 122	16 833
Transfers and subsidies									
Provinces and municipalities	-	68	-	68	125	(57)	183.8%	146	145
Households	-	77	-	77	83	(6)	107.8%	-	-
Capital									
Buildings and other fixed Structures	-	10 817	-	10 817	6 091	4 726	56.3%	9 974	8 571
Machinery and equipment	10 952	(8 880)	-	2 072	1 453	619	70.1%	85	-
Total	69 900	-	-	69 900	58 957	10 943	84.3%	72 972	72 570

DETAIL PER PROGRAMME 4 – Economic Affairs
for the year ended 31 March 2006

	2005/06							2004/05	
Programme per sub programme	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of Final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Management									
Current payment	1 400	-	-	1 400	250	1 150	17.9%	1 683	1 811
Transfers and subsidies	-	-	-	-	-	-	-	7	7
Payment for capital assets	100	-	-	100	-	100	-	-	-
4.2 Sector development									
4.3 Consumer and liquor affairs									
Current payment	5 469	(14)	-	5 455	4 994	461	91.5%	5 718	7 088
Transfers and subsidies	-	14	-	14	14	-	100.0%	17	17
Payment for capital assets	132	-	-	132	71	61	53.8%	246	-
4.4 Trade and investment promotion									
Current payment	8 000	(6)	-	7 994	6 332	1 662	79.2%	4 843	3 997
Transfers and subsidies	-	6	-	6	7	(1)	116.7%	4	4
Payment for capital assets	200	-	-	200	-	200	-	-	-
4.5 SMME development									
Current payment	4 325	-	-	4 325	4 048	277	93.6%	4 587	4 164
Transfers and subsidies	-	-	-	-	8	(8)	-	25	9
Payment for capital assets	174	-	-	174	14	160	8.0%	53	3
TOTAL	19 800	-	-	19 800	15 738	4 062	79.5%	17 183	17 100

	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 expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation of employees	9 066	-	-	9 066	9 295	(229)	102.5%	9 255	9 965
Goods and services	10 128	(20)	-	10 108	6 329	3 779	62.6%	7 576	7 095
Transfers and subsidies									
Provinces and municipalities	-	20	-	20	29	(9)	145.0%	53	37
Capital									
Machinery and equipment	606	-	-	606	85	521	14.0%	299	3
Total	19 800	-	-	19 800	15 738	4 062	79.5%	17 183	17 100

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DETAIL PER PROGRAMME 5 – Transversal Functions
for the year ended 31 March 2006

	2005/06							2004/05	
Programme per sub programme	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of Final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 FS development corporation									
Transfers and subsidies	32 000	-	-	32 000	30 000	2 000	93.8%	86 855	86 855
5.2 FS gambling and racing board									
Transfers and subsidies	11 900	-	-	11 900	9 897	2 003	83.2%	15 500	15 500
5.3 Tourism marketing authority									
Current payment	1 910	1 993	-	3 903	3 017	886	77.3%	-	-
Transfers and subsidies	7 070	(1 993)	-	5 077	-	5 077	-	-	-
5.4 Skills levy									
Current payment	1 080	(50)	-	1 030	729	301	70.8%	634	305
5.5 HIV/AIDS									
Current payment	1 014	-	-	1 014	15	999	1.5%	190	2
5.6 Internship programme									
Current payment	-	1 000	-	1 000	27	973	2.7%	60	20
5.7 Bursaries - External									
Current payment	500	550	-	1 050	1 037	13	98.8%	647	691
5.8 Special projects									
Current payment	-	-	-	-	-	-	-	2 606	191
5.9 Micro – Enterprise and local dev.									
Transfers and subsidies	1 500	(1 500)	-	-	-	-	-	-	-
TOTAL	56 974	-	-	56 974	44 722	12 252	78.5%	106 492	103 564

	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 expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Goods and services	4 504	3 493	-	7 997	4 825	3 172	60.3%	4 137	1 209
Transfers and subsidies									
Public corporations and public enterprise	52 470	(3 493)	-	48 977	39 897	9 080	81.5%	102 355	102 355
Total	56 974	-	-	56 974	44 722	12 252	78.5%	106 492	103 564

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
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DETAIL PER PROGRAMME 6 – Planning and Research
for the year ended 31 March 2006

	2005/06							2004/05	
Programme per sub programme	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of Final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Management									
Current payment	-	-	-	-	-	-	-	450	439
Transfers and subsidies	-	-	-	-	-	-	-	1	1
6.2 Planning and policy development									
Transfers and subsidies	-	-	-	-	-	-	-	2	2
6.3 Planning and research									
Current payment	-	-	-	-	-	-	-	1 221	1 227
TOTAL	-	-	-	-	-	-	-	1 674	1 669

	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 expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation of employees	-	-	-	-	-	-	-	1 105	1 105
Goods and services	-	-	-	-	-	-	-	566	561
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	3	3
Total	-	-	-	-	-	-	-	1 674	1 669

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
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DETAIL PER PROGRAMME 7 – Special Functions
for the year ended 31 March 2006

	2005/06							2004/05	
Programme per sub programme	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of Final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 Theft and losses	-	-	-	-	167	(167)	-	-	939
Current payment	-	-	-	-	167	(167)	-	-	939
TOTAL	-	-	-	-	167	(167)	-	-	939

	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 expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current	-	-	-	-	167	(167)	-	-	939
Financial transactions in assets and liabilities	-	-	-	-	167	(167)	-	-	939
Total	-	-	-	-	167	(167)	-	-	939

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 7 (Transfers and subsidies) and Annexure 1 c to the Annual Financial Statements.

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

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 6 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

4. Explanations of material variances from amounts voted (after Virement):

4.1 Per programme	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Variance as a % of final appropriation
Tourism	23 220	17 312	5 908	25.4%

The under spending in Program 2 occurred as a result of post not filled as planned. Post were budgeted for the full financial year but only filled during the last quarter of the financial year. Funds were shifted from Compensation of Employees to Goods and Services.

Environmental affairs	69 900	58 957	10 943	15.7%
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The under spending in Program 3 occurred as a result of posts not filled as planned and infrastructure contracts not been awarded. Post were budgeted for the full financial year but only filled during the last quarter of the financial year. Infrastructure plans for upgrading Philip Sanders Resort did not realise during the 2nd/3rd quarter as planned. A roll over for the infrastructure funds was requested.

Economic affairs	19 800	15 738	4 062	20.5%
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The under spending occurred with Current expenditure: Goods and services and is the result of lack of adequate staff.

Transversal functions	56 974	44 722	12 252	21.5%
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The delay in the establishment of the Tourism Marketing Authority resulted in an under spending in relation to transfer payments not being made to this public entity. A roll over for these funds was requested.

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 MARCH 2006

Per economic classification	2005/06 R'000	2004/05 R'000
Current payment:		
Compensation of employees	77 987	79 060
Goods and services	47 526	49 499
Financial transactions in assets and liabilities	167	939
Transfers and subsidies:		
Provinces and municipalities	255	258
Public corporations and private enterprises	39 897	102 355
Households	227	-
Payments for capital assets:		
Buildings and other fixed structures	6 091	8 571
Machinery and equipment	2 398	379

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	210 080	249 050
Appropriation for unauthorised expenditure approved		-	1 335
Departmental revenue	2	8 154	-
Local and foreign aid assistance	3	300	-
TOTAL REVENUE		218 534	250 385
EXPENDITURE			
Current expenditure			
Compensation of employees	4	77 987	79 060
Goods and services	5	47 526	49 499
Financial transactions in assets and liabilities	6	167	939
Unauthorised expenditure approved	9	-	1 335
Total current expenditure		125 680	130 833
Transfers and subsidies	7	40 379	102 613
Expenditure for capital assets			
Buildings and other fixed structures	8	6 091	8 571
Machinery and equipment	8	2 398	379
Total expenditure for capital assets		8 489	8 950
TOTAL EXPENDITURE		174 548	242 396
SURPLUS/(DEFICIT)		43 986	7 989
Add back unauthorised expenditure	9	-	2 210
Add back irregular expenditure		-	-
SURPLUS/(DEFICIT) FOR THE YEAR		43 986	10 199
Reconciliation of net surplus/(deficit) for the year			
Voted funds	14	35 532	10 199
Departmental revenue	15	8 154	-
Local and foreign aid assistance	3	300	-
SURPLUS/(DEFICIT) FOR THE YEAR		43 986	10 199

STATEMENT OF FINANCIAL POSITION

at 31 March 2006

	<i>Note</i>	2005/06 R'000	2004/05 R'000
ASSETS			
Current assets		44 848	14 740
Unauthorised expenditure	9	11 650	11 967
Fruitless and wasteful expenditure	10	-	-
Cash and cash equivalents	11	30 734	24
Prepayments and advances	12	20	243
Receivables	13	2 444	2 506
TOTAL ASSETS		<u>44 848</u>	<u>14 740</u>
LIABILITIES			
Current liabilities		44 510	14 215
Voted funds to be surrendered to the revenue fund	14	44 647	12 883
Departmental revenue to be surrendered to the revenue fund	15	(437)	(3 767)
Bank overdraft	16	-	5 099
Local and foreign aid assistance unutilised	3	300	-
TOTAL LIABILITIES		<u>44 510</u>	<u>14 215</u>
NET ASSETS		<u>338</u>	<u>525</u>
Represented by:			
Recoverable revenue		338	525
TOTAL		<u>338</u>	<u>525</u>

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		525	77
Transfers:		(187)	448
Debts recovered (included in departmental revenue)		(214)	(128)
Debts raised		27	576
		<hr/>	<hr/>
Closing balance		338	525
		<hr/>	<hr/>
TOTAL		<u>338</u>	<u>525</u>

VOTE 3

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		246 125	269 144
Annual appropriated funds received	1.1	210 080	238 376
Appropriation for unauthorised expenditure received	9	-	1 335
Departmental revenue received		35 745	29 433
Local and foreign aid assistance received	3	<u>300</u>	<u>-</u>
Net (increase)/decrease in working capital		602	(1 302)
Surrendered to revenue fund		(36 183)	(30 960)
Current payments		(125 680)	(130 833)
Transfers and subsidies paid		<u>(40 379)</u>	<u>(102 613)</u>
Net cash flow available from operating activities	17	<u>44 485</u>	<u>3 436</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	<u>(8 489)</u>	<u>(8 950)</u>
Net cash flows from investing activities		<u>(8 489)</u>	<u>(8 950)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		<u>(187)</u>	448
Net cash flows from financing activities		<u>(187)</u>	<u>448</u>
Net increase/(decrease) in cash and cash equivalents		35 809	(5 066)
Cash and cash equivalents at the beginning of the period	18	(5 075)	(9)
Cash and cash equivalents at end of period	18	<u><u>30 734</u></u>	<u><u>(5 075)</u></u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2006

1. Annual appropriation**1.1 Annual appropriation**

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

Programmes	Final appropriation	Actual Funds received	Funds not requested /not received	Appropriation received 2004/05
	R'000	R'000	R'000	R'000
Administration	40 186	40 186	-	34 895
Tourism	23 220	23 220	-	7 639
Environmental affairs	69 900	69 900	-	72 570
Economic affairs	19 800	19 800	-	17 100
Transversal functions	56 974	56 974	-	103 564
Planning and research	-	-	-	1669
Special functions	-	-	-	939
Total	210 080	210 080	-	238 376

An application for the rollover of unspent funds to the value of R19,353 million was made to treasury. The amount requested is made up of current expenditure (R4,035m), transfer payments (R8,963m) and capital expenditure (R6,355m).

1.2 Conditional grants

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
Total grants received	<i>Annex 1A</i>	10 000	10 000
Provincial grants included in total grants received		10 000	10 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2006

2. Departmental revenue to be surrendered to revenue fund**Description****(Specify material amounts separately)**

		2005/06	2004/05
	<i>Notes</i>	R'000	R'000
Tax revenue		18 753	16 203
Sales of goods and services other than capital assets	2.1	16 930	12 408
Interest, dividends and rent on land	2.2	14	20
Financial transactions in assets and liabilities	2.3	48	802
Total revenue collected		35 745	29 433
Less: Departmental revenue budgeted	15	27 591	29 433
Departmental revenue collected		8 154	-

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	16 930	12 408
Administrative fees	614	716
Other sales	16 316	11 692
Total	16 930	12 408

2.2 Interest, dividends and rent on land

Interest	14	20
Total	14	20

2.3 Financial transactions in assets and liabilities nature of loss recovered

Receivables	42	663
Other receipts	6	139
Total	48	802

3. Local and foreign aid assistance**3.1 Assistance received in cash: other****Local**

Opening balance	-	-
Revenue	300	-
Closing balance	300	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	2005/06	2004/05
	R'000	R'000
Total		
Opening balance	-	-
Revenue	300	-
Closing balance	<u>300</u>	<u>-</u>
Analysis of balance		
Local and foreign aid unutilised	300	-
Closing balance	<u>300</u>	<u>-</u>
4. Compensation of employees		
4.1 Salaries and wages		
Basic salary	51 445	50 731
Performance award	796	1 647
Service based	43	108
Compensative/circumstantial	2 316	2 167
Periodic payments	4 044	5 273
Other non-pension allowances	9 769	8 681
	<u>68 413</u>	<u>68 607</u>
4.2 Social contributions		
4.2.1 Employer contributions		
Pension	6 607	7 509
Medical	2 946	2 923
Bargaining council	19	21
Insurance	2	-
	<u>9 574</u>	<u>10 453</u>
Total compensation of employees	<u>77 987</u>	<u>79 060</u>
Average number of employees	<u>693</u>	<u>688</u>
5. Goods and services		
	<i>Notes</i>	
Advertising	1 881	1 238
Attendance fees (including registration fees)	107	174
Bank charges and card fees	55	54
Bursaries (Employees)	1 206	935
Communication	4 936	5 189
Computer services	57	276
Consultants, contractors and special services	18 087	18 876
Courier and delivery services	334	401
Drivers' licenses and permits	234	99
Entertainment	807	1 301
External audit fees	5.1 2 342	2 505
Equipment less than R5 000	436	1 617
Inventory	5.2 8 228	6 092

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	<i>Notes</i>	2005/06	2004/05
		R'000	R'000
Legal fees		231	574
Operating leases		1 563	1 000
Printing and publications		15	-
Resettlement cost		108	19
Subscriptions		6	-
Translations and transcriptions		16	24
Travel and subsistence	5.3	6 800	6 748
Venues and facilities		67	2 363
Protective, special clothing & uniforms		10	14
		<u>47 526</u>	<u>49 499</u>
5.1 External audit fees			
Regulatory audits		1 761	1 868
Performance audits		-	-
Other audits		581	637
Total external audit fees		<u>2 342</u>	<u>2 505</u>
5.2 Inventory			
Domestic consumables		1 175	443
Agricultural		570	20
Fuel, oil and gas		3 165	2 574
Other consumables		74	98
Parts and other maintenance material		1 460	1 333
Stationery and printing		1 486	1 507
Veterinary supplies		298	117
		<u>8 228</u>	<u>6 092</u>
5.3 Travel and subsistence			
Local		6 768	5 991
Foreign		32	757
Total travel and subsistence		<u>6 800</u>	<u>6 748</u>
6. Financial transactions in assets and liabilities			
Other material losses written off	6.1	-	939
Debts written off	6.2	5	-
Theft	6.3	162	-
		<u>167</u>	<u>939</u>
Debts are written off where the State attorney's office has indicated that they may be irrecoverable			
6.1 Other material losses			
Unauthorised expenditure written off		-	939
		<u>-</u>	<u>939</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2006

		2005/06 R'000	2004/05 R'000
6.2 Debts written off			
Nature of debts written Off			
Losses written off		5	-
		<u>5</u>	<u>-</u>
6.3 Theft			
Losses cases		162	-
		<u>162</u>	<u>-</u>
7. Transfers and subsidies			
	<i>Notes</i>		
Provinces and municipalities	<i>Annex 1B</i>	255	258
Public corporations and private enterprises	<i>Annex 1C</i>	39 987	102 355
Households	<i>Annex 1D</i>	227	-
		<u>40 379</u>	<u>102 613</u>
8. Expenditure for capital assets			
Buildings and other fixed structures	<i>Annex 4</i>	6 091	8 571
Machinery and equipment	<i>Annex 4</i>	2 398	379
Heritage assets	<i>Annex 4</i>	-	-
Biological or cultivated assets	<i>Annex 4</i>	-	-
Land and subsoil assets	<i>Annex 4</i>	-	-
Software and other intangible assets	<i>Annex 5</i>	-	-
Total		<u>8 489</u>	<u>8 950</u>
The following amount for compensation of employees has been included in expenditure for capital assets		<u>-</u>	<u>-</u>
9. Unauthorised expenditure			
9.1. Reconciliation of unauthorised expenditure			
Opening balance		11 967	12 031
Unauthorised expenditure – current year		-	2 210
Amounts approved by parliament/legislature (with funding)		-	(1 335)
Current expenditure		<u>-</u>	<u>(1 335)</u>
Amounts approved by parliament/legislature (without funding)		-	(939)
Current expenditure		<u>-</u>	<u>(939)</u>
Transfer to receivables for recovery (not approved)		(317)	-
Unauthorised expenditure awaiting authorisation		<u>11 650</u>	<u>11 967</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

		2005/06 R'000	2004/05 R'000
10.	Fruitless and wasteful expenditure		
10.1	Reconciliation of fruitless and wasteful expenditure		
	Opening balance	-	9
	Transfer to receivables for recovery	-	(9)
	Fruitless and wasteful expenditure awaiting condonement	-	-
11.	Cash and cash equivalents		
	Domestic		
	Consolidated paymaster general account	30 719	-
	Cash receipts	-	9
	Cash on hand	15	15
		30 734	24
12.	Prepayments and advances		
	Description		
	Travel and subsistence	20	21
	Advances paid to other entities	-	222
		20	243
13.	Receivables		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

13. Receivables (Cont.)		2005/06 R'000	2004/05 R'000
13.1 Staff debt			
S & T debt		88	827
Tel/Cell phone debt		250	362
Bursaries		-	258
Other		415	585
		<u>753</u>	<u>2 032</u>
13.2 Other debtors			
Dishonoured cheques		-	77
Thefts and losses		-	373
Other		-	24
Supplier		82	-
Ex-employee		653	-
Breach of contract		139	-
Disallowed damages and losses		207	-
Salary ACB recalls		(4)	-
Salary tax debt		1	-
Debt receivable interest		(124)	-
Irregular expenditure		317	-
		<u>1 271</u>	<u>474</u>
14. Voted funds to be surrendered to the revenue fund			
Opening balance	<i>Notes</i>	12 883	13 328
Transfer from statement of financial performance		35 532	10 199
Voted funds not requested/not received	<i>14.1</i>	-	(12 884)
Paid during the year		<u>(3 768)</u>	<u>2 240</u>
Closing balance		<u>44 647</u>	<u>12 883</u>
14.1 Voted funds not requested/not received			
Funds to be rolled over		-	12 884
Funds not to be requested		<u>-</u>	<u>12 884</u>
15. Departmental revenue to be surrendered to the revenue fund			
Opening balance		(3 767)	-
Transfer from statement of financial performance		8 154	-
Departmental revenue budgeted	<i>2</i>	27 591	29 433
Paid during the year		<u>(32 415)</u>	<u>(33 200)</u>
Closing balance		<u>(437)</u>	<u>(3 767)</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2006

	2005/06 R'000	2004/05 R'000
16. Bank overdraft		
Paymaster general account	-	5 099
	<u>-</u>	<u>5 099</u>
17. Net cash flow available from operating activities		
Net surplus/(deficit) as per statement of financial performance	43 986	10 199
Non-cash movements		
(Increase)/decrease in receivables – current	62	(599)
(Increase)/decrease in prepayments and advances	223	(226)
(Increase)/decrease in other current assets	317	73
Increase/(decrease) in payables – current	-	(550)
Surrenders to revenue fund	(36 183)	(30 960)
Expenditure on capital assets	8 489	8 950
Voted funds not requested/not received	-	(12 884)
Other non-cash items	<u>27 591</u>	<u>29 433</u>
Net cash flow generated by operating activities	<u>44 485</u>	<u>3 436</u>
18. Reconciliation of cash and cash equivalents for cash flow purposes		
Consolidated paymaster general account	30 719	(5 099)
Cash and cash receipts	-	9
Cash on hand	<u>15</u>	<u>15</u>
	<u>30 734</u>	<u>(5 075)</u>

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>Notes</i>	2005/06 R'000	2004/05 R'000
19. Contingent liabilities			
Liable To:	Nature		
Housing loan guarantees	Employees	<i>Annex 3A</i> 439	639
Other departments (Interdepartmental unconfirmed balances)		<i>Annex 7</i> -	164
		<u>439</u>	<u>803</u>
20. Commitments			
Current expenditure			
Approved and contracted		2 436	2 855
Approved but not yet contracted		215	614
		<u>2 651</u>	<u>3 469</u>
Capital expenditure			
Approved and contracted		782	41
Approved but not yet contracted		68	50
		<u>850</u>	<u>91</u>
Total commitments		<u>3 501</u>	<u>3 560</u>
21. Accruals			
Listed by economic classification			
	30 Days R'000	30+ Days R'000	Total R'000
Goods and services	-	109	109
Machinery and equipment	-	35	35
	<u>-</u>	<u>144</u>	<u>144</u>
Listed by programme level			
Administration		23	253
Tourism		58	544
Environmental affairs		45	132
Economic affairs		18	62
		<u>144</u>	<u>991</u>
22. Employee benefits			
Capped leave		1 099	-
Leave entitlement		5 003	11 341
Thirteenth cheque		2 192	2 143
		<u>8 294</u>	<u>13 484</u>

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

23. Lease commitments**23.1 Operating leases**

	Land	Buildings and other fixed structures	Machinery and equipment	2005/06 Total	2004/05 Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	1 111	1 111	4 273
Later than 1 year and not later than 5 years	-	-	2 402	2 402	772
Total present value of lease liabilities	-	-	3 513	3 513	5 045

23.2 Finance leases

Total value of finance leases	-	-	687	687	925
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Finance leases consist of: a Jaguar motor vehicle (amount outstanding R 416 860) and Ericsson digital control cabinet (amount outstanding R 270 023).

24. Irregular expenditure**24.1 Reconciliation of irregular expenditure**

Opening balance	4 522	-
Irregular expenditure – current year	608	4 522
Irregular expenditure awaiting condonement	5 130	4 522
Analysis		
Current	608	4 522
Prior years	4 522	-
	5 130	4 522

24.2 Irregular expenditure

Incident	Disciplinary steps taken/criminal proceedings		
Exceeding budget – compensation of employees	None	229	4 522
Finance lease agreement	None	229	-
Salary increase not authorised	None	12	-
Tender process not followed	None	138	-
		608	4 522

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2006

25. Related party transactions

In terms of the accounting policies there are no related parties.

26. Key management personnel

The aggregate compensation of the senior management of the department and the number of individuals determined on a full time equivalent basis receiving compensation within this category for the current period and the comparative period.

	No. of Individuals	2005/06 R'000	2004/05 R'000
Political office bearers	2	588	669
Officials			
Level 15 to 16	2	609	791
Level 14	2	1 070	1 713
Family members of key management personnel	4	-	288
Family members of key management personnel	3	162	-
		<u>2 429</u>	<u>3 461</u>

27. Write offs**Potential irrecoverable debts**

Staff debtors	466	-
Other debtors	867	-
Claims recoverable	48	-
	<u>1 381</u>	<u>-</u>

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS

VOTE 3

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2006

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2004/05	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount Received by Department	Amount Spent by Department	% of Available Funds Spent by Department	Division of Revenue Act	Amount Spent by Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provincial Grants										
F/State Prov Treasury	10 000	-	-	-	10 000	10 000	6 091	60.9%	10 000	8 603
	10 000	-	-	-	10 000	10 000	6 091	60.9%	10 000	8 603

The grant was under spent as a result of a delay in the awarding of the tender for improvements at the Philip Sanders Resort. Application for rollover was made.

ANNEXURE 1B

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2004/05
	Amount	Roll Overs	Other Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount Received by Municipality	Amount Spent by Municipality	% of Available Funds Spent by Municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Motheo (RSCL)	143	-	-	143	210	146.9%	210	210	100.0%	202
Northern Free State (RSCL)	-	-	-	-	4	0.0%	4	4	100.0%	5
Eastern Free State (RSCL)	-	-	-	-	16	0.0%	16	16	100.0%	19
Lejweleputswa (RSCL)	-	-	-	-	13	0.0%	13	13	100.0%	16
Xhariep (RSCL)	-	-	-	-	12	0.0%	12	12	100.0%	16
	143	-	-	143	255		255	255	100.0%	258

ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				TRANSFER				2004/05	
	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	R'000
Public Corporations										
Transfers										
F/S Development Corporation	32 000	-	-	32 000	30 000	93.8%	-	30 000		86 855
F/S Racing & Gambling Board	11 900	-	-	11 900	9 897	83.2%	-	9 897		15 500
Tourism Marketing Authority	7 070	-	(1 993)	5 077	-	0.0%	-	-		-
Micro-enterprise and Local development	1 500	-	(1 500)	-	-	0.0%	-	-		-
Total	52 470	-	(3 493)	48 977	39 897	81.5%	-	39 897		102 355
TOTAL	52 470	-	(3 493)	48 977	39 897	81.5%	-	39 897		102 355

The transfer payment to the Tourism Marketing Authority was under spent as a result of the authority not being established on time. Application for rollover was made.

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS

VOTE 3

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2006

ANNEXURE 1D

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2004/05
	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
Transfers							
Employees social benefit	-	-	77	77	227	294.8%	-
	-	-	77	77	227	294.8%	-
Total	-	-	77	77	227	294.8%	-

ANNEXURE 1E

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

	NATURE OF GIFT, DONATION OR SPONSORSHIP	2005/06	2004/05
		R'000	R'000
Received in Cash			
		-	-
Received in Kind			
Rotocraft	Veterinary treatment	-	25
Rotocraft	Office furniture for reserves	-	24
Brian Earle	X-Rays for Game	-	3
		-	52

ANNEXURE 1F

STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

NAME OF ORGANISATION	PURPOSE	2005/06	2004/05
		R'000	R'000
Received in Cash			
National Department of Environmental Affairs and Tourism	Appropriation of application expenses in terms of section 24G of the National Environmental Management Act of 1998, as amended	300	-
		300	-

ANNEXURE 1G

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

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2005/06	2004/05
		R'000	R'000
Paid in Cash			
Contribution towards tourism unit for the Nedcor foundation		-	250
Bethlehem air show		50	-
Gala dinner for Tourism month		33	-
Two nations marathon advertising campaign		55	-
		138	250
Made in Kind**			
White rhino to MLM/Bloemfontein Zoo		-	50
Butchery meat for various social welfare institutions		164	44
Permits issued for free entrance at resorts and reserves		-	92
		164	186
TOTAL		302	436

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3

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

ANNEXURE 2A

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES AS AT 31 MARCH 2006

Name of Public Entities	Nature of Business	Relevant Act	State Entity's PFMA Schedule type (schedule) year end if not 31 March	% Held 05/06	% Held 04/05	Number of Shares		Cost of Investment		Profit/(Loss) for the year		Are the Losses Guaranteed
						05/06	04/05	05/06	04/05	05/06	04/05	
								R'000	R'000	R'000	R'000	Yes/No
Controlled Entities												
FDC	Develops business enterprise	Free State Development Corporations Amendment Act 9 of 1999	Schedule 3	100.0%	100.0%	100	100	-	-	-	-	No

TOTAL

-	-	-	-
-	-	-	-

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							
Standard Bank		49	49	-	-	-	49	-
Firststrand FNB		185	173	-	68	-	105	-
ABSA		229	57	-	31	-	26	-
People's Bank		30	24	-	18	-	6	-
First National Bank		63	63	-	12	-	51	-
Old Mutual		240	203	-	26	-	177	-
FDC		46	53	-	45	-	8	-
Nedbank		17	17	-	-	-	17	-
		859	639	-	200	-	439	-
Total		859	639	-	200	-	439	-

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3

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 R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDING AND OTHER FIXED STRUCTURES	-	6 091	-	-
Dwellings	-	-	-	-
Non-residential Buildings	-	-	-	-
Other Fixed Structures	-	6 091	6 091	-
Heritage Assets	-	-	-	-
MACHINERY AND EQUIPMENT	942	2 398	-	3 340
Transport Assets	-	-	-	-
Specialised Military Assets	-	-	-	-
Computer equipment	738	542	-	1 280
Furniture and Office equipment	93	510	-	603
Other Machinery and Equipment	111	1 346	-	1 457
LAND AND SUBSOIL ASSETS	-	-	-	-
Land	-	-	-	-
Mineral and Similar Non-regenerative Resources	-	-	-	-
CULTIVATED ASSETS	12 256	-	-	12 256
Cultivated assets	12 256	-	-	12 256
TOTAL CAPITAL ASSETS	13 198	8 489	6 091	15 596

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3

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

ANNEXURE 4.1

ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash	Capital	In-Kind	Total
	R'000	WIP R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	6 091	-	-	6 091
Dwellings				
Non-residential Buildings				
Other Fixed Structures	6 091	-	-	6 091
Heritage Assets				
MACHINERY AND EQUIPMENT	2 398	-	-	2 398
Transport Assets				
Specialised Military Assets				
Computer equipment	542	-	-	542
Furniture and office equipment	510	-	-	510
Other Machinery and Equipment	1 346	-	-	1 346
TOTAL CAPITAL ASSETS	8 489	-	-	8 489

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3

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 2005

	Additions	Disposals	Total
	R'000	R'000	Movement
			R'000
BUILDING AND OTHER FIXED STRUCTURES	8 571	-	8 571
Dwellings	-	-	-
Non-residential Buildings	-	-	-
Other Fixed Structures	8 571	-	8 571
Heritage Assets	-	-	-
MACHINERY AND EQUIPMENT	379	-	379
Transport Assets	-	-	-
Computer equipment	361	-	361
Furniture and office equipment	18	-	18
Specialised Military Assets			
Other Machinery and Equipment			
TOTAL CAPITAL ASSETS	8 950	-	8 950

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3

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

ANNEXURE 5

SOFTWARE AND OTHER INTANGIBLE ASSETS MOVEMENT SCHEDULE AS AT 31 March 2006

	Opening Balance R'000	Additions	Disposals R'000	Transfers In R'000	Transfers Out R'000	Closing Balance R'000
Patents, Copyrights, Brand Names & Trademarks	-	-	-	-	-	-
Computer Software	35	18	-	-	-	53
Mastheads and Publishing Titles	-	-	-	-	-	-
Recipes, Formulas, Prototypes, Designs and Models	-	-	-	-	-	-
Service and Operating Rights	-	-	-	-	-	-
Airport Landing Rights	-	-	-	-	-	-
Import/Export Licences	-	-	-	-	-	-
Fishing Quotas	-	-	-	-	-	-
Utility Rights	-	-	-	-	-	-
Mineral Extraction Rights	-	-	-	-	-	-
Capitalised Development Costs	-	-	-	-	-	-
	35	18	-	-	-	53

ANNEXURE 5.1

ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash R'000	In-Kind R'000	Total R'000
Patents, Copyrights, Brand Names & Trademarks	-	-	-
Computer Software	-	18	18
Mastheads and Publishing Titles	-	-	-
Recipes, Formulas, Prototypes, Designs and Models	-	-	-
	-	18	18

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS

VOTE 3

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2006

ANNEXURE 6

INTER-GOVERNMENT RECEIVABLES

GOVERNMENT ENTITY	Confirmed Balance Outstanding		Unconfirmed Balance Outstanding	
	31/03/2006 R'000	31/03/2005 R'000	31/03/2006 R'000	31/03/2005 R'000
Departments				
FSGP Health	-	-	-	30
FSGP Premiers Office	-	-	-	69
	-	-	-	99
Other Government Entities				
Public entities	-	-	136	-
Western cape	-	-	71	-
Free state government	-	-	210	-
Pension recoverable	-	-	3	-
	-	-	420	-
TOTAL	-	-	420	99

ANNEXURE 7

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed Balance Outstanding		Unconfirmed Balance Outstanding	
	31/03/2006 R'000	31/03/2005 R'000	31/03/2006 R'000	31/03/2005 R'000
Department				
Amounts not Included in Statement of Financial Position				
Current				
National Dept. of Environmental Affairs & Tourism	-	-	-	5
National Department of Justice & Constitutional Development	-	-	-	114
Free State Department of Education	-	-	-	12
Free State Department of the Premier	-	-	-	33
Total	-	-	-	164

ACCOUNTING POLICIES
for the year ended 31 March 2006

Mandate or purpose of the entity

The trust account was opened on 31 March 1984. The initial balance consisted of a donation made to the Provincial Government. No additional money were invested in the trust, any subsequent increases are the result of accumulated interest. Money was donated for the establishment and development of Provincial nature reserves for the Free State.

Legislative framework or Act within which the entity operates


Nature conservation, (Ordinance 8 of 1969).

Future strategic direction

The total balance (capital + interest) will be used to purchase land for the development of the Xhariep reserve. The proposed Xhariep reserve, a Transfrontier Park involving the Eastern Cape, will ultimately be the largest nature reserve in central South Africa. The amount available (R 359,909.25 on 2060228) is insufficient, as a result the largest portion of the estimated purchase price would be budgeted funds. A total of +/- R 6 million was budgeted from the Department's equitable share for this purpose. The transaction is expected to occur during the 3rd quarter of the 2006/07 financial year.

Approval

The Annual Financial Statements set out on pages 5 to 10 have been approved by the Accounting Officer.



T.B. Khunyeli
Accounting Officer
31 May 2006

ACCOUNTING POLICIES
for the year ended 31 March 2006

The financial statements have been, unless otherwise indicated, prepared in accordance with the following policies, which have been applied consistently in all material respects. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements. Deviances from the basis of preparation must be clearly stated and if possible the effect of non-compliance should be disclosed in the notes to the financial statements.

1. Basis of preparation

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statements. Treasury Regulations 14.3 requires the financial statements to be prepared according to general accepted accounting practice.

2. Revenue

Revenue is the gross inflow of economic benefits for services delivered during the period arising in the course of the ordinary activities of the entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants.

Revenue comprises all interest and dividend revenue received for the period under review.

3. Equity

Equity is the net difference between assets and liabilities. It is represented by Trust Fund Capital Account.

The Capital Account represents the net carrying value of assets. As such all decreases or increases with regard to assets, are to be debited or credited to this account, with a contra entry to the relevant asset accounts.

4. Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures reasonable expected to be available.

TRUST FUNDS NATURE CONSERVATION

Statement of Financial Performance
For the year ended 31 March 2006

		ENTITY	
	Notes	2006	2005
		Actual R'000	Actual R'000
REVENUE		-	-
EXPENDITURE		-	-
SURPLUS/(DEFICIT) FROM OPERATIONS		-	-
Income from investments	1	24	24
SURPLUS BEFORE TAX		24	24
SURPLUS AFTER TAX FROM CONTINUING OPERATIONS		24	24
SURPLUS FROM OPERATIONS		24	24
Net asset holders of the controlling entity		24	24
Surplus for the year		24	24

TRUST FUNDS NATURE CONSERVATION

Statement of Financial Position
as at 31 March 2006

		ENTITY	
	Notes	2006	2005
		Actual	Actual
		R'000	R'000
ASSETS			
Current assets		362	338
Cash and cash equivalents	4	362	338
TOTAL ASSETS		362	338
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Retained Earnings	3	24	24
Other reserves	3	338	314
Total Equity		362	338
TOTAL EQUITY AND LIABILITIES		362	338

Statement of Changes in Net assets
for the year ended 31 MARCH 2006

		ENTITY	
	Notes	2006	2005
		Actual	Actual
		R'000	R'000
Share Capital			
Accumulated Surplus			
Balance at 1 April as originally stated		-	-
Net profit for the year		24	24
Balance at 31 March		24	24
Other reserves			
Balance at 1 April as originally stated		338	314
Balance at 31 March		338	314
Total Equity			
Balance at 1 April as originally stated		338	314
Net profit for the year		24	24
Balance at 31 March		362	338

Cash Flow Statement
for the year ended 31 MARCH 2006

		ENTITY	
		2006	2005
		Actual	Actual
		R'000	R'000
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		24	24
Net cash inflows from operating activities		24	24
Net increase in cash and cash equivalents		24	24
Cash and cash equivalents at the beginning of the year			
	4	338	314
Cash and cash equivalents at the end of the year			
	4	362	338

		ENTITY	
		2006	2005
		Actual	Actual
		R'000	R'000
1	Income from investments		
	Interest income	24	24
	- Investments	24	24
2	Trade and other receivables		
	Other receivables	362	338
	Total	362	338
3	Capital and reserves		
	Retained earnings		
	Balance at 1 April as originally stated	24	24
	Balance at 31 March	24	24
	Other reserves		
	Balance at 1 April as originally stated	338	314
	Balance at 31 March	338	314
4	Cash and cash equivalents		
	Cash and cash balances with banks	362	338
	Total	362	338

5. PART FIVE - HUMAN RESOURCE MANAGEMENT

Public Service Regulations

The statistics and information published in this part of the annual report are required in terms of Chapter 1, Part III J.3 of the Public Service Regulations, 2002 and have been prescribed by the Minister for the Public Service and Administration for all departments within the Public Service.

The statistical tables provide high-level information on key human resource issues. The information aims to empower legislatures, the media, the public and other key stakeholders to monitor whether departments:-

- Are exercising the powers granted under Public Service and Public Finance legislation in a responsible manner,
- Are achieving national transformation priorities established by the Cabinet, for example, affirmative action.

Annual reports are produced after the end of the financial year. This is aimed at strengthening the accountability of departments to key stakeholders.

5.1 Service Delivery

All departments are required to develop a Service Delivery Improvement (SDI) Plan. The following tables reflect the components of the SDI plan as well as progress made in the implementation of the plans.

Table 1.1 – Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
SMME promotion package	Service providers	Public	Develop investment promotion package for SMME	Package developed
Tourism	Tourists	Public	Capacity building	Training done
Promote environmental quality for the province	Stakeholders	Public	Monitor compliance	Monitoring done.
Promote sustainable economic activities within the province	Service providers	Public	Monitor economic strategies	Monitoring strategies developed

Table 1.2 – Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Meetings and workshops	Service providers	Public	Meetings were held
Surveys and interviews	Service providers	Public	Interviews conducted

Table 1.3 – Service delivery access strategy

Access Strategy	Actual achievements
Establishment of website	Active

Table 1.4 – Service information tool

Types of information tool	Actual achievements
Exhibitions	Exhibitions done
Brochures & leaflets	Brochures & leaflets are available in other directorates

Table 1.5 – Complaints mechanism

Complaints Mechanism	Actual achievements
Customer care centre	Centre available
Suggestion box	No suggestion box

5.2 Expenditure

TABLE 2.1 – Personnel costs by programme, 2005/06

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
1. Administration	39, 158	17, 272			44, 1	
2. Tourism	163, 136	13, 336			8,1	
3. Environmental Affairs	661, 322	38,084			5,7	
4. Economic Affairs	262, 631	9, 295			3,5	
Total	1,126,247	77, 987			61.4	

TABLE 2.2 – Personnel costs by salary bands, 2005/06

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	18, 090	0.23	52
Skilled (Levels 3-5)	7, 544	0.16	119
Highly skilled production (Levels 6-8)	24, 241	0.31	148
Highly skilled supervision (Levels 9-12)	15, 225	0.20	251
Senior management (Levels 13-16)	6, 734	0.08	481
Total	71, 834	0.98	1,051

TABLE 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2005/06

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
1. Administration	11,514	66	9,470.64	54	158,554.00	9.17	703,921.63	40.75
2. Tourism	9,167	68	375,525.83	28.15	257,252.00	19.29	391,097.74	29.32
3. Environmental Affairs	24,741	64	843,628.80	22.15	562,255.00	14.76	1,435,528.65	37.69
4. Economic Affairs	6,020	64	12,440.26	1.33	77,407.00	8.32	415,743.27	44.72
Total	51,442	262	1,241,064.91	105.63	1,055,468	51.54	2,946,292.29	152.48

TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2005/06

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	13662	74.4	513	2.8	491	2.7	451	2.5
Skilled (Levels 3-5)	5510	70.6	211	2.7	122	1.6	384	4.9
Highly skilled production (Levels 6-8)	16445	60.8	501	1.9	308	1.1	1304	4.8
Highly skilled supervision (Levels 9-12)	10660	64	21	0.1	131	0.8	568	3.4
Senior management (Levels 13-16)	3905	56.7	0	0	4	0.1	192	2.8
Total	39,522	326.5	1,246	7.5	1,056	6.3	2,899	18.4

5.3 Employment and vacancies

Table 3.3 provides establishment and vacancy information for the key critical occupations of the department.

The vacancy rate reflects the percentage of posts that are not filled.

TABLE 3.1 – Employment and vacancies by programme, 31 March 2006

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
1. Administration	124	97	21, 77	0
2. Tourism	684	446	34, 80	0
3. Environmental Affairs	141	90	36,17	0
4. Economic Affairs	97	59	39, 18	0
Total	1046	692	131, 92	0

TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2006

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	547	357	34,74	0
Skilled (Levels 3-5)	158	104	34,18	0
Highly skilled production (Levels 6-8)	227	159	29,96	0
Highly skilled supervision (Levels 9-12)	95	61	35,79	0
Senior management (Levels 13-16)	18	10	44,44	0

TABLE 3.3 – Employment and vacancies by critical occupation, 31 March 2006

Critical Occupations	Number of posts	Number of posts filled	Vacancy rate%	Number of posts filled additional to establishment
Admin. Related	22	14	36.36	0
Agric. Animal forestry & other science	20	8	60	0
Agric. Related	16	14	12.5	0
All artisans in building etc.	4	1	75	0
Auxiliary & related workers	37	26	29.73	0
Biochemistry & life science	8	5	37.50	0
Building & property caretakers	73	49	32.88	0
Bus & heavy vehicle drivers	1	1	0	0
Cleaners	67	54	19.40	0
Communication & information related	3	2	33.33	0
Conservation labourers	346	219	36.71	0
Farm labourers	2	0	106	0
Finance & economic related	25	11	56	0
Financial & related professionals	3	3	0	0
Financial clerks & credit controller	25	22	12	0
Food services aids & waiters	10	6	4	0
Horticulturists & forestry technicians	1	1	0	0
Human resources & org. devel. & related professions	5	5	0	0
Human resources clerks	9	8	11.11	0
Human resources related	9	6	33.33	0
Language practitioners & other communications	5	3	40	0
Librarians & related professionals	2	1	50	0
Mail & related clerks	1	1	0	0
Light vehicle drivers	4	4	0	0
Messengers & deliverers	8	3	62.50	0
Nature conservation & related technicians	4	2	50	0
Other admin. & related clerks	76	61	19.74	0
Other admin. Policy & related officers	84	48	42.86	0
Other information technology personnel	2	2	0	0
Other occupations	1	1	0	0
Printing management	3	2	33.33	0
Regulatory inspectors	12	9	25	0
Secretaries & keyboard operating clerks	20	15	25	0
Security guards	82	51	37.81	0
Security officers	5	1	80	0
Senior managers	16	12	25	0
Trade labourers	2	1	50	0
Trade / industry advisers & related	32	19	40.63	0

Critical Occupations	Number of posts	Number of posts filled	Vacancy rate%	Number of posts filled additional to establishment
professions				
Veterinarians	1	1	0	0
Total	1046	692	33.84	0

5. 4 Job evaluation

TABLE 4.1 – Job Evaluation, 1 April 2005 to 31 March 2006

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	546	0	0	2	0	0	0
Skilled (Levels 3-5)	1	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	1	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	2	8	8.7	0	0	0	0
Senior Management Service Band A	14	2	14.3	0	0	0	0
Senior Management Service Band B	5	0	0	0	0	0	0
Senior Management Service Band C	1	1	100	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0

TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2005 to 31 March 2006

Beneficiaries	African	Asian	Coloured	White	Total
Female	3	0	0	0	3
Male	0	0	0	0	0
Total	3	0	0	0	3
Employees with a disability					0

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation.

TABLE 4.3 – Employees whose salary level exceed the grade determined by job evaluation, 1 April 2005 to 31 March 2006 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2004/05				0
Percentage of total employment				0

TABLE 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2005 to 31 March 2006 (in terms of PSR 1.V.C.3)

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

Employees with a disability

[If there were no cases where the remuneration bands exceeded the grade determined by job evaluation, use the following table as TABLE 4.3]

Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2004/ 05

None

5.5 Employment changes

This section provides information on changes in employment over the financial year.

TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2005 to 31 March 2006

Salary Band	Number of employees per band as on 1 April 2005	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	357	2	14	3.92
Skilled (Levels 3-5)	104	5	3	2.89
Highly skilled production(Levels 6-8)	159	14	9	5.66
Highly skilled supervision(Levels 9-12)	61	9	7	11.48
Senior Management Service Band A	6	4	1	16.67
Senior Management Service Band B	4	0	2	50
Senior Management Service Band C	0	1	0	0
Senior Management Service Band D	0	1	0	0
Total	692	37	37	

TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2005 to 31 March 2006

Occupation:	Number of employees per occupation as on 1 April 2005	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Elementary 1-2	357	2	14	3,92
Agricultural related & services 3-5	104	5	3	2,89
Administrative related, line function 6-8	159	14	9	5,66
Junior, middle & senior managers 9-16	71	15	10	14,09
Total	692	37	37	5,35

Table 5.3 – Reasons why staff are leaving the department

Termination Type	Number	% of total
Death	13	1,88
Resignation	12	1,73
Expiry of contract	0	0
Dismissal – operational changes	2	0,29
Dismissal – misconduct	4	0,58
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	2	0,29
Transfers to other Public Service Departments	4	0,58
Other	0	0
Total	37	
Total number of employees who left as a % of the total employment		5,35

Table 5.4 – Promotions by critical occupation

Occupation	Employees as at 1 April 2005	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Elementary 1-2	357	0	0	357	100
Agricultural related & services 3-5	104	3	2,89	97	93,27
Administrative related, line function & management 6-8	159	1	0,63	151	94,97
Junior, middle & senior managers 9-16	71	7	9,86	60	84,51
Total	692	11	1,59	665	96,10

Table 5.5 – Promotions by salary band

Salary Band	Employees 1 April 2005	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	357	0	0	357	100
Skilled (Levels 3-5)	104	3	2,89	97	93,27
Highly skilled production (Levels 6-8)	159	1	0,63	151	94,97
Highly skilled supervision (Levels 9-12)	61	4	6,56	60	98,36
Senior management (Levels 13-16)	10	3	30	0	0
Total	692	11	1,59	665	96,10

5.6 Employment equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

Table 6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2006

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	39	1	0	18	15	0	0	4	77
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	55	4	0	38	56	3	0	30	186
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	62	2	0	3	15	0	0	2	84
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	262	3	0	3	74	3	0	0	345
Total	418	10	0	62	160	6	0	36	692
Employees with disabilities	1	0	0	1	1	0	1	0	4

Table 6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	1	0	0	1	4
Senior Management	7	0	0	0	3	0	0	0	10
Professionally qualified and experienced specialists and mid-management	14	0	0	5	6	0	0	0	25
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	47	3	0	48	29	1	0	18	146
Semi-skilled and discretionary decision making	86	4	0	6	47	2	0	17	162
Unskilled and defined decision making	262	3	0	3	74	3	0	0	345
Total	418	10	0	62	160	6	0	36	692

Table 6.3 – Recruitment for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	4	0	0	0	1	0	0	0	5
Professionally qualified and experienced specialists and mid-management	6	0	0	0	3	0	0	0	9
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	12	0	0	0	14
Semi-skilled and discretionary decision making	2	0	0	0	3	0	0	0	5
Unskilled and defined decision making	0	0	0	0	2	0	0	0	2
Total	15	0	0	0	21	0	0	0	36

Employees with disabilities

Table 6.4 – Promotions for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	1	0	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management	3	0	0	0	1	0	0	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	1	0	0	0	1
Semi-skilled and discretionary decision making	0	0	0	0	3	0	0	0	3
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	5	0	0	0	6	0	0	0	11

Employees with disabilities	0	0	0	0	0	0	0	0	0
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Table 6.5 – Terminations for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	3	0	0	0	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management	3	0	0	1	2	0	0	1	7
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	2	0	1	4	0	0	0	9
Semi-skilled and discretionary decision making	2	0	0	0	0	0	0	1	3
Unskilled and defined decision making	12	0	0	0	1	1	0	0	14
Total	22	2	0	2	7	1	0	2	36

Employees with disabilities	0	0	0	0	0	0	0	0	0
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Table 6.6 – Disciplinary action for the period 1 April 2005 to 31 March 2006

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	0	0	0	0	0	0	0	0	0

6.7 – Skills development for the period 1 April 2005 to 31 March 2006

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	10	0	0	0	3	0	0	1	14
Professionals	19	0	0	13	7	0	0	1	40
Technicians and associate professionals	10	1	0	6	4	1	0	4	26
Clerks	32	2	0	35	25	0	0	15	109
Service and sales workers	16	2	0	3	10	1	0	13	45
Skilled agriculture and fishery workers	6	0	0	0	8	0	0	2	16
Craft and related trades workers	63	2	0	0	18	2	0	0	85
Plant and machine operators and assemblers	231	3	0	0	62	2	0	0	298
Elementary occupations	40	0	0	1	10	2	0	1	52
Total	427	10	0	58	147	8	0	37	687
Employees with disabilities	1	0	0	0	2	0	0	2	5

7. Performance rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 6.1), salary bands (table 6.2) and critical occupations (Table 6.3).

TABLE 7.1 – Performance Rewards by race, gender, and disability, 1 April 2005 to 31 March 2006

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	58	417	13.9	258	4.447
Female	26	159	16.4	137	5.275
Asian					
Male	0	0	0	0	0
Female	0	0	0	0	0
Coloured					
Male	2	10	20	20	10.118
Female	0	6	0	0	0
White					
Male	32	61	52.5	312	9.749
Female	16	35	45.7	106	6.630
Employees with a disability	0	0	0	0	0
Total	134	692	19.4	833	6.219

TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2005 to 31 March 2006

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	24	357	6.72	48016.26	2000.68	0.06%
Skilled (Levels 3-5)	25	97	25.77	68820.87	2752.83	0.88%
Highly skilled production (Levels 6-8)	60	151	39.74	378980.47	6316.34	0.48%
Highly skilled supervision (Levels 9-12)	25	60	41.67	288828.39	11553.14	0.37%
Total	134	665	20.15	784645.99	22622.99	1.79%

TABLE 7.3 – Performance Rewards by critical occupations, 1 April 2005 to 31 March 2006

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Admin. Related	5	10	50	23041.02	4608.20
Agric. Animal forestry & other science	4	8	50	39009.78	9752.44
Agric. Related	0	14	0	0	0
All artisans in building etc.	2	2	100	23692.50	11846.25
Auxiliary & related workers	8	27	29.63	16803.45	2100.43
Biochemistry & life science	0	2	0	0	0
Building & property caretakers	4	45	8.89	8835.15	2208.78
Bus & heavy vehicle drivers	0	1	0	0	0
Cleaners	8	50	16	15216.00	1902.00
Communication & information related	0	1	0	0	0
Conservation labourers	7	45	15.56	10648.35	1521.19
Farm labourers	23	176	13.07	45839.47	1993.02
Finance & economic related	0	11	0	0	0
Financial & related professionals	1	4	25	7282.35	7282.35
Financial clerks & credit controller	4	23	17.39	18206.55	4551.63
Food services aids & waiters	1	6	16.67	2638.95	2638.95
Horticulturists & forestry technicians	1	6	16.67	6283.65	6283.65
Human resources & org. devel. & related professions	2	9	22.22	24663.15	12331.57
Human resources clerks	2	7	28.57	8910.93	4455.46
Human resources related	1	2	50	16690.32	16690.32
Language practitioners & other communications	0	1	0	0	0
Librarians & related professionals	0	1	0	0	0
Mail & related clerks	0	5	0	0	0
Light vehicle drivers	0	2	0	0	0
Messengers & deliverers	0	2	0	0	0
Nature conservation & related technicians	26	58	44.83	325086.54	12503.32
Other admin. & related clerks	14	38	36.84	48018.84	3429.91
Other admin. Policy & related officers	4	6	66.67	42550.29	10637.57
Other information technology personnel	0	2	0	0	0
Other occupations	0	1	0	0	0
Printing management	0	1	0	0	0
Printing planners	1	1	100	6474.15	6474.15
Regulatory inspectors	1	9	11.11	9792.90	9792.90
Secretaries & keyboard	9	13	69.23	33577.50	3730.83

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
operating clerks					
Security guards	1	47	2,13	1997.10	1997.10
Security officers	0	0	0	0	0
Senior managers	0	9	0	0	0
Trade labourers	0	1	0	0	0
Trade / industry advisers & related professions	4	18	22,22	29124.63	7281.15
Veterinarians	1	1	100	20262.42	20262.42
Total	134	665	20.15	784645.99	5855.56

TABLE 7.4 – Performance related rewards (cash bonus), by salary band, for Senior Management Service

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A (13)	0	9	0	0	0	0
Band B (14)	0	2	0	0	0	0
Band C (15)	0	1	0	0	0	0
Band D (16)	0	1	0	0	0	0
Total	0	13	0	0	0	0

8. Foreign workers (The dept. does not have these workers)

The tables below summarise the employment of foreign nationals in the department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

TABLE 8.1 – Foreign Workers, 1 April 2005 to 31 March 2006, by salary band

Salary Band	1 April 2005		31 March 2006		Change	
	Number	% of total	Number	% of total	Number	% change
Total	0	0	0	0	0	0

TABLE 8.2 – Foreign Worker, 1 April 2005 to 31 March 2006, by major occupation

Major Occupation	1 April 2005		31 March 2006		Change	
	Number	% of total	Number	% of total	Number	% change
Total	0	0	0	0	0	0

9. Leave utilisation for the period 1 January 2005 to 31 December 2005

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

TABLE 9.1 – Sick leave, 1 January 2005 to 31 December 2005

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	1724	96.3	213	56.2	8	164
Skilled (Levels 3-5)	406	90.9	56	14.8	7	52
Highly skilled production (Levels 6-8)	453.5	91.1	74	19.5	6	95
Highly skilled supervision (Levels 9-12)	147	90.5	28	7.4	5	203
Senior management (Levels 13-16)	36	88.9	8	2.1	5	57
Total	2766.50	94.3	379	100	7	571

TABLE 9.2 – Disability leave (temporary and permanent), 1 January 2005 to 31 December 2005

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Highly skilled production (Levels 6-8)	19	100	1	100	19	9
Total	19	100	1	100	19	9

Table 9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

TABLE 9.3 – Annual Leave, 1 January 2005 to 31 December 2005

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	8178.16	23
Skilled Levels 3-5)	2103	20
Highly skilled production (Levels 6-8)	335	21
Highly skilled supervision (Levels 9-12)	608	22
Senior management (Levels 13-16)	1324	16
Total	12548	

TABLE 9.4 – Capped leave, 1 January 2005 to 31 December 2005

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2005
Lower skilled (Levels 1-2)	229	6	28
Skilled Levels 3-5)	41	5	42
Highly skilled production (Levels 6-8)	54	5	48
Highly skilled supervision(Levels 9-12)	107	13	50
Senior management (Levels 13-16)	6	6	37
Total	437	7	37

TABLE 9.5 – Leave payouts for the period 1 April 2005 to 31 March 2006

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

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2005/06 due to non-utilisation of leave for the previous cycle	0	0	0
Capped & current leave payouts on termination of service for 2005/06	266, 029.08	33	8061, 49
Total	266,029.08	33	8061.49

10. Hiv and aids & health promotion programmes

TABLE 10.1 – Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Employees at resorts and reserves who stay away from the family units	Introduction of family units and subsidized vehicle.

TABLE 10.2 – Details of Health Promotion and HIV and AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Mr Slemela Director HRMD
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		1 Official R500 000
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		Comprehensive Employee Health and Wellness Programme.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		No	The Committee still needs to be established.
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.		No	HIV and Aids Policy is still on Draft form.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		The Employee Health and Wellness Programme Unit maintains confidentiality to the clients.

Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.		No	
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		No	

11. Labour relations

The following collective agreements were entered into with trade unions within the department.

TABLE 11.1 – Collective agreements, 1 April 2005 to 31 March 2006

Subject Matter	Date
None	

If there were no agreements, then use the following table

Total collective agreements

None

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

TABLE 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2005 to 31 March 2006

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	3	33
Suspended without pay	1	11
Fine	0	0
Demotion	0	0
Dismissal	4	45
Not guilty	0	0
Case withdrawn	1	11
Total	9	100

If there were no disciplinary hearings, then use the following table

Disciplinary hearings – 2005/06	None
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TABLE 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Theft of money	3	50
Forgery	1	17
Insubordination	2	33
Total	6	100

TABLE 11.4 – Grievances lodged for the period 1 April 2005 to 31 March 2006

	Number	% of Total
Number of grievances resolved	12	25
Number of grievances not resolved	36	75
Total number of grievances lodged	48	100

TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2005 to 31 March 2006

	Number	% of Total
Number of disputes upheld	3 pending	50
Number of disputes dismissed	3	50
Total number of disputes lodged	6	100

TABLE 11.6 – Strike actions for the period 1 April 2005 to 31 March 2006

1. Total number of person working days lost	102
Total cost (R'000) of working days lost	R 12 198.56
Amount (R'000) recovered as a result of no work no pay	R 12 198.56

TABLE 11.7 – Precautionary suspensions for the period 1 April 2005 to 31 March 2006

Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	40
Cost (R'000) of suspensions	R 73 431.00

12. Skills development

This section highlights the efforts of the department with regard to skills development.

Table 12.1 – Training needs identified 1 April 2005 to 31 March 2006

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	4	0	Financial Mgt. Course Project Mgt. Course. Computer Skills Performance Mgt. Course Admin. Justice Act.	Conferences / Seminars	4
	Male	10	0	Financial Mgt. Course Project Mgt. Course Computer Skills Performance Mgt. Course Admin. Justice Act.	Conferences / Seminars	10
Professionals	Female	8	0	Financial Mgt. Course Project Mgt. Course Computer Skills Performance Mgt. Course Admin. Justice Act. Mentor / Coaching Skills Fire Arms Course Mgt. Development	Conferences / Seminars	8
	Male	32	0	Financial Mgt. Course Project Mgt. Course Computer Skills Performance Mgt. Course Interpretation of Law Skills Mentor / Coaching Skills Fire Arms Course Mgt. Development	Conferences / Seminars	32
Technicians and associate professionals	Female	9	0	Financial Mgt. Course Computer Skills Performance Mgt. Course Mentor / Coaching	0	9

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
				Skills Fire Arms Course Mgt. Development Skills		
	Male	17	0	Financial Mgt. Course Computer Skills Performance Mgt. Course Mentor / Coaching Skills Fire Arms Course Mgt. Development	0	17
Clerks	Female	40	0	Financial Mgt. Course Computer Skills Performance Mgt. Course Occupational Health and Safety Labour Relations	0	40
	Male	69	0	Financial Mgt. Course Computer Skills Performance Mgt. Course Occupational Health and Safety Labour Relations	0	69
Service and sales workers	Female	24	0	Computer Skills Performance Mgt. Course Labour Relations Occupational Health and Safety	0	24
	Male	23	0	Computer Skills Performance Mgt. Course Labour Relations Occupational Health and Safety	0	23
Skilled agriculture and fishery workers	Female	10	0	Computer Skills Performance Mgt. Course	0	10
	Male	6	0	Computer Skills Performance Mgt. Course	0	6
Craft and related trades workers	Female	20	0	Computer Skills Performance Mgt. Course	0	20

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
	Male	65	0	Computer Skills Performance Mgt. Course	0	65
	Female	64	0	Computer Skills Performance Mgt. Course	0	64
Plant and machine operators and assemblers	Male	234	0	Computer Skills Performance Mgt. Course	0	234
	Female	11	0	Computer Skills Performance Mgt. Course	0	11
Elementary occupations	Male	41	0	Computer Skills Performance Mgt. Course	0	41
	Female	190				190
Sub Total	Male	497				497
		687				687
Total						

12.2 – Training provided 1 April 2005 to 31 March 2006

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	4	0		SMS Conference SAITEX Conference	4
	Male	10	0		SMS Conference SAITEX Conference	10
Professionals	Female	8	0		SMS Conference Health Wellness Indaba SAITEX Conference	8
	Male	32	0		SMS Conference Health Wellness Indaba National Trainers Forum SAITEX Conference	32
Technicians and associate professionals	Female	9	0	Computer Course Performance Mgt. Training	0	9
	Male	17	0	Computer Course Performance Mgt. Training	0	17
Clerks	Female	40	0	Computer Course Performance Mgt. Training	0	40
	Male	69	0	Computer Course Performance Mgt. Training	0	69
Service and sales workers	Female	24	0	Computer Course Performance Mgt. Training	0	24

	Male	23	0	Computer Course Performance Mgt. Training	0	23
Skilled agriculture and fishery workers	Female	10	0	Performance Mgt. Training	0	10
	Male	6	0	Performance Mgt. Training	0	6
Craft and related trades workers	Female	20	0	Computer Course Performance Mgt. Training	0	20
	Male	65	0	Computer Course Performance Mgt. Training	0	65
Plant and machine operators and assemblers	Female	64	0	Performance Mgt. Training	0	64
	Male	234	0	Performance Mgt. Training	0	234
Elementary occupations	Female	11	0	Performance Mgt. Training	0	11
	Male	41	0	Performance Mgt. Training	0	41
Sub Total	Female	190	0			190
	Male	497	0			497
		687	0			687

13. Injury on duty

The following tables provide basic information on injury on duty.

TABLE 13.1 – Injury on duty, 1 April 2005 to 31 March 2006

Nature of injury on duty	Number	% of total
Required basic medical attention only	16	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	16	100

14. Utilisation of consultants

Table 14.1 – Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Security services	Seyathuka		380, 112.07
Accounting	Ernest & Young		1, 230,401.94
Auditing	Auditor - General		2, 482, 351. 42
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand

Table 14.2 – Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
0	0	0	0