

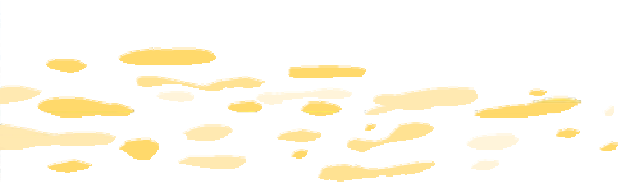
DEPARTMENT OF SPORT, ARTS, CULTURE, SCIENCE AND TECHNOLOGY
VOTE 12

REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2006



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





REPORT OF THE AUDITOR-GENERAL TO FREE STATE LEGISLATURE, ON THE FINANCIAL STATEMENTS OF VOTE – DEPARTMENT OF SPORT, ARTS, CULTURE, SCIENCE AND TECHNOLOGY FOR THE YEAR ENDED 31 MARCH 2006

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 12 to 49 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 (Act No 108 of 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 of the department. 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 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. AUDIT OPINION

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Sport, Arts, Culture, Science and Technology 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 Public Finance Management Act, 1999 (Act. No. 1 of 1999) [PFMA].

5. EMPHASIS OF MATTER

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

5.1 Non-compliance with laws rules and regulations

Expenditure

- (a) Owing to non-adherence to management procedures four bid committee members did not disclose their interests on the prescribed form as required by Treasury Regulation 16A8.4.
- (b) Management procedures were not adequately developed to ensure that expenditure is paid within 30 days of receipt of invoice as required by Treasury Regulation 8.2.3.

5.2 Internal control

(a) Various control issues

Owing to a lack of proper management procedures various internal control deficiencies were revealed during the audit. The following serves as examples of more serious deficiencies:

- **Employment administration and benefits:** Shortcomings included the safekeeping of files, approval of leave and updating of leave records and the timeous completion of performance contracts. Furthermore, the human resources plan was not updated to facilitate effective HR planning.





- **Revenue:** Lack of proper procedures and several instances of non compliance with existing procedures, render control over the collection of income from various sources insufficient. Debtors were also not always followed up and recorded timeously.
- **Expenditure:** Control over payments for goods and services appeared to be insufficient in certain instances.
- **Computer networks and control environment:** Computer user privileges were not continuously reviewed and personnel data updated due to management procedures not being developed to address the shortcomings reported in previous years.
- **Inventories and stores:** Control framework over inventory and stores management still needs further development to ensure that inventories are managed properly, store items agree to records and differences are cleared timeously.

(b) Rendering of library services

- (i) Owing to the lack of clearly defined roles and responsibilities at libraries at national level, the management of library services is considered inadequate since security controls are lacking and library materials are not maintained properly.
- (ii) In the previous year I reported that no written agreements exist between municipalities and the department rendering the library services in the province.

At time of this report, the department's efforts, which includes requests for funding to take over the administration of libraries, did not have the desired results.

5.3 Financial management

(a) Audit committee and internal audit

- (i) Owing to the resignation of the audit committee chairperson of the audit committee effective from 1 December 2005, it was only operational for a part of the financial year. The legal requirements on the constitution of the audit committee in terms of section 77 of the PFMA were therefore not complied with subsequent to the resignation of the chair person.
- (ii) The audit committee's ability to effectively discharge its responsibility outlined in the PFMA was influenced by capacity constraints.



- (iii) The Auditor-General did not place any reliance on the work of internal audit because the processes and frameworks material for determining such reliance were not in place for certain instances.

(b) Fraud prevention plan

Treasury Regulation 3.2 requires that a fraud prevention plan to be included as part of an accounting officer's risk management strategies that should be done regularly. The department's fraud prevention plan was only discussed towards the end of the financial year leaving little room for evaluating and implementing risk assessment programmes owing to the non-adherence to set policies regarding the reviewing of risks of the entity.

6. APPRECIATION

The assistance rendered by the staff of the Department of Sport, Arts, Culture, Science and Technology during the audit is sincerely appreciated.


B J K van Niekerk
for Auditor-General

Bloemfontein
31 July 2006



AUDITOR - GENERAL



**DEPARTMENT OF SPORT, ARTS, CULTURE, SCIENCE AND TECHNOLOGY
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**ACCOUNTING POLICIES
for the year ended 31 March 2006**

The 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 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), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2005.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The 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 of each year).

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.

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





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ACCOUNTING POLICIES
for the year ended 31 March 2006

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 Sales of goods and services other than capital assets

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

2.2.2 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.

2.2.3 Financial transactions in assets and liabilities

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

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

2.2.4 Gifts, donations and sponsorships (transfers received)

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 in the disclosure notes to the financial statements.

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

2.3 Local and foreign aid assistance

Local and foreign aid assistance is 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 are recognised as expenditure in the statement of financial performance. A receivable is recognised in the statement of financial position to the value of the amounts expensed prior to the receipt of the funds.



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

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).

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).

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 retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the Provincial Revenue Fund and not in the financial statements of the employer department.

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).



DEPARTMENT OF SPORT, ARTS, CULTURE, SCIENCE AND TECHNOLOGY
VOTE 12ACCOUNTING POLICIES
for the year ended 31 March 2006**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 for 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 underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Unauthorised 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.

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 an 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).



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ACCOUNTING POLICIES
for the year ended 31 March 2006

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.

4.3 Receivables

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

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

4.4 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 of fair value cannot be established. No revaluation or impairment of assets is currently recognized in the asset register. Projects (of construction / development) running over more than one financial year relating to assets, are only brought into the assets 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 R5 000 (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. 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. Major assets against the R1.00 value on Asset Register are due to non materiality not included in the Annual Financial Statements.





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ACCOUNTING POLICIES
for the year ended 31 March 2006

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 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final 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.

5.3 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.

5.4 Commitments

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

Commitments are not 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 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. 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.



**DEPARTMENT OF SPORT, ARTS, CULTURE, SCIENCE AND TECHNOLOGY
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**APPROPRIATION STATEMENT
for the year ended 31 March 2006**

Appropriation per programme									
	Adjusted Appropriation	Shifting of Funds	Virement	2005/06				2004/05	
				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. Programme 1: Administration									
Current payment	19 450	-	27	19 477	19 314	163	99.2 %	11 281	11 198
Transfers and subsidies	42	-	18	60	60	-	100 %	294	294
Payment for capital assets	1 104	-	(86)	1 018	994	24	97.6 %	342	322
2. Programme 2: Cultural Affairs									
Current payment	31 361	-	(1 399)	29 962	30 327	(365)	101.2 %	24 967	24 642
Transfers and subsidies	1 573	-	3	1 576	1 487	89	94.4 %	1 574	1 572
Payment for capital assets	6 145	-	532	6 677	6 105	572	91.4 %	3 252	3 195
3. Programme 3: Library and Information Services									
Current payment	25 639	-	(907)	24 732	25 001	(269)	101.1 %	21 315	21 212
Transfers and subsidies	670	-	(5)	665	665	-	100 %	544	544
Payment for capital assets	17 422	-	687	18 109	17 802	307	98.3 %	14 422	14 400
4. Programme 4: Sport and Recreation									
Current payment	11 286	-	882	12 168	12 034	134	98.9 %	6 135	6 102
Transfers and subsidies	2 767	-	264	3 031	3 031	-	100 %	2 915	2 915
Payment for capital assets	1 862	-	(16)	1 846	1 796	50	97.3 %	7 221	7 199
TOTAL	119 321	-	-	119 321	118 616	705	99.4 %	94 262	93 595
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts								62	
Actual amounts per Statements of Financial Performance (Total revenue)				119 321				94 324	
Add:									816
Local and foreign aid assistance					-				
Actual amounts per Statements of Financial Performance (Total expenditure)					118 616				94 411





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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	59 302	-	(6 769)	52 533	52 509	25	100 %	44 833	44 730
Goods and services	28 386	-	5 420	33 806	34 124	(316)	100.9 %	18 686	18 245
Financial transactions in assets and liabilities	48	-	(48)	-	45	(45)	0 %	179	179
Transfers and subsidies									
Provinces and municipalities	203	-	(19)	184	183	1	99.5 %	157	155
Public corporations and private enterprises	2 515	-	263	2 778	2 778	-	100 %	2 363	2 363
Non-profit institutions	2 300	-	-	2 300	2 212	88	96.2 %	2 500	2 500
Households	34	-	36	70	70	-	100 %	307	307
Payments for capital assets									
Buildings and other fixed structures	22 916	-	266	23 182	23 182	-	100 %	23 143	23 112
Machinery and equipment	3 617	-	442	4 059	3 138	921	77.3 %	1 993	1 904
Software and other intangible assets	-	-	409	409	377	32	92.2 %	101	100
Total	119 321	-	-	119 321	118 616	705	99.4 %	94 262	93 595



**DEPARTMENT OF SPORT, ARTS, CULTURE, SCIENCE AND TECHNOLOGY
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**DETAIL PER PROGRAMME 1 - ADMINISTRATION
for the year ended 31 March 2006**

Programme per subprogramme	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
1.1 Office of the MEC (including Management)									
Current payment	5 944		157	6 101	6 138	(37)	100.6 %	4 754	4 730
Transfers and subsidies	15		3	18	18	-	100 %	280	280
Payment for capital assets	375		(68)	307	117	190	38.1 %	229	210
1.2 Corporate Support									
Current payment	13 506		(130)	13 376	13 176	200	98.5 %	6 527	6 468
Transfers and subsidies	27		15	42	42	-	100 %	14	14
Payment for capital assets	729		(18)	711	877	(166)	123.3 %	113	112
TOTAL	20 596	-	(41)	20 555	20 368	187	99.1 %	11 917	11 814

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 payment									
Compensation of employees	14 397	-	(1 628)	12 769	12 758	11	99.9 %	7 780	7 779
Goods and services	5 045	-	1 663	6 708	6 556	152	97.7 %	3 383	3 300
Financial transactions in assets and liabilities	8	-	(8)	-	-	-	0 %	119	119
Transfers and subsidies to:									
Provinces and municipalities	40	-	4	44	44	-	100 %	26	26
Households	2	-	14	16	16	-	100 %	268	268
Payment for capital assets									
Machinery and equipment	1 104	-	(263)	841	826	15	98.2 %	331	312
Software and other intangible assets	-	-	177	177	168	9	94.9 %	10	10
Total	20 596	-	(41)	20 555	20 368	187	99.1 %	11 917	11 814





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DETAIL PER PROGRAMME 2 – CULTURAL AFFAIRS for the year ended 31 March 2006

Programme per subprogramme	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
2.1 Management									
Current payment	3 572	-	618	4 190	4 211	(21)	100.5 %	-	-
Transfers and subsidies	1 101	-	3	1 016	1 016	88	92 %	-	-
Payment for capital assets	170	-	488	650	614	44	93.6 %	-	-
2.2 Arts and Culture									
Current payment	14 284	-	(1 059)	13 225	13 299	(74)	100.6 %	14 373	14 103
Transfers and subsidies	417	-	(10)	407	406	1	99.8 %	1 540	1 539
Payment for capital assets	2 883	-	146	3 029	2 857	172	94.3 %	1 002	953
2.3 Museum Services									
Current payment	12 192	-	(653)	11 539	11 800	(261)	102.3 %	9 519	9 466
Transfers and subsidies	52	-	10	62	62	-	100 %	31	30
Payment for capital assets	3 048	-	(106)	2 942	2 634	308	89.5 %	2 221	2 221
2.4 Language and Translation Services									
Current payment	1 313	-	(305)	1 008	1 017	(9)	100.9 %	1 075	1 073
Transfers and subsidies	3	-	-	3	3	-	100 %	3	3
Payment for capital assets	44	-	4	48	-	48	0 %	29	21
TOTAL	39 079	-	(864)	38 215	37 919	296	99.2 %	29 793	29 409

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 payment									
Compensation of employees	26 126	-	(3 230)	22 896	22 887	9	100 %	21 259	21 161
Goods and services	5 235	-	1 831	7 066	7 440	(374)	105.3 %	3 648	3 421
Financial transactions in assets and liabilities	-	-	-	-	-	-	0 %	60	60
Transfers and subsidies to:									
Provinces and municipalities	95	-	(14)	81	80	1	98.8 %	76	74
Public corporations and private enterprises	365	-	-	365	365	-	100 %	463	463
Non-profit institutions	1 100	-	-	1 100	1 012	88	92 %	1 000	1 000
Households	13	-	17	30	30	-	100 %	35	35
Payment for capital assets									
Buildings and other fixed structures	4 713	-	(313)	4 400	4 400	-	100 %	2 534	2 525
Machinery and equipment	1 432	-	645	2 077	1 528	549	73.6 %	706	658
Software and other intangible assets	-	-	200	200	177	23	88.5 %	12	12
Total	39 079	-	(864)	38 215	37 919	296	99.2 %	29 793	29 409



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**DETAIL PER PROGRAMME 3 – LIBRARY AND INFORMATION SERVICES
for the year ended 31 March 2006**

Programme per subprogramme	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
3.1 Management									
Current payment	2 024	-	(227)	1 797	1 875	(78)	104.3 %	462	461
Transfers and subsidies	2	-	(1)	1	1	-	100 %	-	-
Payment for capital assets	35	-	65	100	20	80	20 %	-	-
3.2 Library Services									
Current payment	21 498	-	(591)	20 907	21 054	(147)	100.7 %	19 192	19 129
Transfers and subsidies	62	-	(3)	59	59	-	100 %	40	40
Payment for capital assets	17 234	-	595	17 829	17 646	183	99.0 %	14 216	14 194
3.3 Archive Services									
Current payment	2 117	-	(89)	2 028	2 072	(44)	102.2 %	1 661	1 622
Transfers and subsidies	6	-	(1)	5	5	-	100 %	4	4
Payment for capital assets	153	-	27	180	136	44	75.6 %	206	206
3.4 Technology Services									
Transfers and subsidies	600	-	-	600	600	-	100 %	500	500
TOTAL	43 731	-	(225)	43 506	43 468	38	99.9 %	36 281	36 156

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 payment									
Compensation of employees	12 837	-	(1 488)	11 349	11 346	3	100 %	12 372	12 368
Goods and services	12 762	-	621	13 383	13 655	(272)	102 %	8 942	8 844
Financial transactions in assets and liabilities	40	-	(40)	-	-	-	0 %	-	-
Transfers and subsidies to:									
Provinces and municipalities	51	-	(10)	41	41	-	100 %	44	44
Non-profit institutions	600	-	-	600	600	-	100 %	500	500
Households	19	-	5	24	24	-	100 %	-	-
Payment for capital assets									
Buildings and other fixed structures	16 682	-	405	17 087	17 087	-	100 %	13 503	13 503
Machinery and equipment	740	-	269	1 009	702	307	69.6 %	851	829
Software and other intangible assets	-	-	13	13	13	-	100 %	69	68
Total	43 731	-	(225)	43 506	43 468	38	99.9 %	36 281	36 156





DEPARTMENT OF SPORT, ARTS, CULTURE, SCIENCE AND TECHNOLOGY VOTE 12

DETAIL PER PROGRAMME 4 – SPORT AND RECREATION for the year ended 31 March 2006

Programme per subprogramme	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
4.1 Management									
Current payment	517	-	58	575	572	3	99.5 %	-	-
Transfers and subsidies	1	-	-	1	1	-	100 %	-	-
Payment for capital assets	60	-	(60)	-	-	-	0 %	-	-
4.2 Sport									
Current payment	10 769	-	824	11 593	11 462	131	98.9 %	6 135	6 102
Transfers and subsidies	616	-	1	617	617	-	100 %	1 015	1 015
Payment for capital assets	1 802	-	44	1 846	1 796	50	97.3 %	7 221	7 199
4.3 Phakisa Major Sport Events and Development Corporation									
Transfers and subsidies	2 150	-	263	2 413	2 413	-	100 %	1 900	1 900
TOTAL	15 915	-	1 130	17 045	16 861	184	98.9 %	16 271	16 216

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 payment									
Compensation of employees	5 942	-	(423)	5 519	5 518	1	100 %	3 422	3 422
Goods and services	5 344	-	1 305	6 649	6 471	178	97.3 %	2 713	2 680
Financial transactions in assets and liabilities	-	-	-	-	45	(45)	0 %	-	-
Transfers and subsidies to:									
Provinces and municipalities	17	-	1	18	18	-	100 %	11	11
Public corporations and private enterprises	2 150	-	263	2 413	2 413	-	100 %	1 900	1 900
Non-profit institutions	600	-	-	600	600	-	100 %	1 000	1 000
Payment for capital assets									
Buildings and other fixed structures	1 521	-	174	1 695	1 695	-	100 %	7 106	7 084
Machinery and equipment	341	-	(209)	132	82	50	62.1 %	105	105
Software and other intangible assets	-	-	19	19	19	-	100 %	10	10
Total	15 915	-	1 130	17 045	16 861	184	98.9 %	16 271	16 216



**DEPARTMENT OF SPORT, ARTS, CULTURE, SCIENCE AND TECHNOLOGY
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**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 (A-L) to the Annual Financial Statements.
2. **Detail of specifically and exclusively appropriated amounts voted (after Virement):**
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.
3. **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	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Programme 1: Administration	20 555	20 368	187	0.9 %
Programme 2: Cultural Affairs	38 215	37 919	296	0.8 %
Programme 3: Library and Information Services	43 506	43 468	38	0.1 %
Programme 4: Sport and Recreation	17 045	16 861	184	1.1 %

General note

- a) The expenditure was budgeted in line with the allocation to the Department. Although the allocation was made on the basis of cash expenditure, the budget was aligned by the Department also to take into account commitments and projections of accruals as on 31 March 2006. The result is an underspending in cash. In other words, a major part of underspending in all the programmes is due to the commitments made and/or orders placed by the Department which could not be expedited and paid before 31 March 2006, as well as expensed incurred before 31 March 2006 and paid after this date.
- b) Overspending in Goods and Services and underspending in Machinery and Equipment by R589 000 was a result of reclassification of assets between minor and major assets.

Per Economic classification	2005/06 R'000	2004/05 R'000
Current payment:		
Compensation of employees	24	103
Goods and services	(316)	441
Financial transactions in assets and liabilities	(45)	-
Transfers and subsidies:		
Provinces and municipalities	1	2
Non-profit institutions	88	-
Payments for capital assets:		
Buildings and other fixed structures	-	31
Machinery and equipment	921	89
Software and other intangible assets	32	1





DEPARTMENT OF SPORT, ARTS, CULTURE, SCIENCE AND TECHNOLOGY
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STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
REVENUE			
Annual appropriation	1	119 321	94 262
Departmental revenue	2	-	62
TOTAL REVENUE		119 321	94 324
EXPENDITURE			
Current expenditure			
Compensation of employees	4	52 509	44 730
Goods and services	5	34 122	18 245
Financial transactions in assets and liabilities	6	45	179
Local and foreign aid assistance	3	-	809
Total current expenditure		86 676	63 963
Transfers and subsidies	7	5 243	5 325
Expenditure for capital assets			
Buildings and other fixed structures	8	23 182	23 112
Machinery and equipment	8	3 138	1 904
Software and other intangible assets	8	377	100
Local and foreign aid assistance	3	-	7
Total expenditure for capital assets		26 697	25 123
TOTAL EXPENDITURE		118 616	94 411
SURPLUS/(DEFICIT) FOR THE YEAR		705	(87)
Reconciliation of Surplus/(Deficit) for the year			
Voted Funds	13	705	667
Departmental Revenue	14	-	62
Local and foreign aid assistance	3	-	(816)
SURPLUS/(DEFICIT) FOR THE YEAR		705	(87)



DEPARTMENT OF SPORT, ARTS, CULTURE, SCIENCE AND TECHNOLOGY
VOTE 12

STATEMENT OF FINANCIAL POSITION
at 31 March 2006

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
ASSETS			
Current assets		8 657	6 892
Unauthorised expenditure	9	6 338	6 338
Cash and cash equivalents	10	6	6
Prepayments and advances	11	75	12
Receivables	12	2 238	536
TOTAL ASSETS		<u>8 657</u>	<u>6 892</u>
LIABILITIES			
Current liabilities		8 568	6 816
Voted funds to be surrendered to the Revenue Fund	13	6 722	6 114
Departmental revenue to be surrendered to the Revenue Fund	14	-	-
Bank overdraft	15	1 846	600
Payables	16	-	102
TOTAL LIABILITIES		<u>8 568</u>	<u>6 816</u>
NET ASSETS		<u>89</u>	<u>76</u>
Represented by:			
Recoverable revenue		<u>89</u>	<u>76</u>





DEPARTMENT OF SPORT, ARTS, CULTURE, SCIENCE AND TECHNOLOGY VOTE 12

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

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
Recoverable revenue			
Opening balance		76	226
Transfers		13	(150)
Debts written off	6.2	-	(39)
Debts revised	12.3	-	(98)
Debts recovered (included in departmental revenue)		-	-
Debts raised		13	(13)
Closing balance		89	76
TOTAL		89	76



DEPARTMENT OF SPORT, ARTS, CULTURE, SCIENCE AND TECHNOLOGY
VOTE 12

CASH FLOW STATEMENT
for the year ended 31 March 2006

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		119 532	93 216
Annual appropriated funds received	1.1	119 321	92 942
Departmental revenue received		211	274
Net (increase)/decrease in working capital		(1 867)	125
Surrendered to Revenue Fund		(308)	4 031
Current payments		(86 676)	(63 963)
Transfers and subsidies paid		(5 243)	(5 325)
Net cash flow available from operating activities	17	<u>25 438</u>	<u>28 084</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		<u>(26 697)</u>	<u>(25 123)</u>
Net cash flows from investing activities		<u>(26 697)</u>	<u>(25 123)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		<u>13</u>	<u>(150)</u>
Net cash flows from financing activities		<u>13</u>	<u>(150)</u>
Net increase/(decrease) in cash and cash equivalents		(1 246)	2 811
Cash and cash equivalents at the beginning of the period		(594)	(3 405)
Cash and cash equivalents at end of period	18	<u>(1 840)</u>	<u>(594)</u>





DEPARTMENT OF SPORT, ARTS, CULTURE, SCIENCE AND TECHNOLOGY VOTE 12

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 National Departments (Voted funds) and Provincial Departments : **

	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation received 2004/05 R'000
Programme 1: Administration	20 555	20 170	385	-
Programme 2: Cultural Affairs	38 215	40 113	(1 898)	-
Programme 3: Library and Information Services	43 506	43 292	214	-
Programme 4: Sport and Recreation	17 045	15 746	1 299	-
All Programmes	-	-	-	92 942
Total	119 321	119 321	-	92 942

1.2 Conditional grants

	Notes	2005/06 R'000	2004/05 R'000
Total grants received	<i>Annexure 1A</i>	27 769	25 998
Provincial Grants included in Total grants received		<u>25 099</u>	<u>25 988</u>

** It should be noted that the Conditional grants are included in the amounts per the Total Appropriation in Note 1.1.

2. Departmental revenue to be surrendered to revenue fund

Sales of goods and services other than capital assets	<i>2.1</i>	150	164
Interest, dividends and rent on land	<i>2.2</i>	14	34
Financial transactions in assets and liabilities	<i>2.3</i>	47	76
Total revenue collected		<u>211</u>	<u>274</u>
Less: Departmental Revenue Budgeted	<i>14</i>	<u>211</u>	<u>212</u>
Departmental revenue collected		<u>-</u>	<u>62</u>



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

	Notes	2005/06 R'000	2004/05 R'000
2.1 Sales of goods and services other than capital assets			
Sales of goods and services produced by the department			
Sales by market establishment		150	164
2.2 Interest, dividends and rent on land			
Interest		14	34
2.3 Financial transactions in assets and liabilities			
Nature of loss recovered			
Receivables written off in previous periods recovered		20	19
Interdepartmental claim no longer payable		27	57
Total		47	76
3. Local and foreign aid assistance			
Assistance received in cash: Other Foreign			
Opening Balance		-	816
Expenditure		-	816
Current		-	809
Capital		-	7
Closing Balance		-	-
4. Compensation of employees			
4.1 Salaries and Wages			
Basic salary		38 031	32 089
Performance award		644	610
Service Based		21	30
Compensative/circumstantial		560	328
Periodic payments		2 927	2 595
Other non-pensionable allowances		3 136	2 028
		45 319	37 680





DEPARTMENT OF SPORT, ARTS, CULTURE, SCIENCE AND TECHNOLOGY VOTE 12

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

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
4.2 Social contributions			
4.2.1 Employer contributions			
Pension		4 813	4 781
Medical		2 364	2 257
Bargaining council		13	12
		<u>7 190</u>	<u>7 050</u>
Total compensation of employees		<u>52 509</u>	<u>44 730</u>
Average number of employees		<u>417</u>	<u>384</u>
5. Goods and services			
Advertising		791	688
Attendance fees (including registration fees)		23	4
Bank charges and card fees		37	30
Bursaries (employees)		428	425
Communication		2 354	1 334
Computer services		1 480	1 026
Consultants, contractors and special services		3 968	2 708
Courier and delivery services		26	27
Drivers' licences and permits		1	-
Entertainment		700	255
External audit fees	5.1	1 496	681
Equipment less than R5000		1 963	288
Inventory	5.2	3 780	1 193
Maintenance, repairs and running cost		2 594	1 920
Medical Services		4	2
Operating leases		822	370
Photographic services		2	-
Plant flowers and other decorations		22	1
Printing and publications		6 862	4 446
Resettlement cost		258	57
Subscriptions		-	7
Owned leasehold property expenditure		681	348
Translations and transcriptions		63	-
Transport provided as part of the departmental activities		323	22
Travel and subsistence	6.3	3 634	1 816
Venues and facilities		1 413	303
Protective, special clothing & uniforms		5	11
Training & staff development		392	283
		<u>34 122</u>	<u>18 245</u>
5.1 External audit fees			
Regulatory audits		<u>1 496</u>	<u>681</u>



DEPARTMENT OF SPORT, ARTS, CULTURE, SCIENCE AND TECHNOLOGY
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
5.2 Inventory			
Domestic consumables		215	141
Learning and teaching support material		19	-
Food and Food supplies		39	13
Fuel, oil and gas		587	236
Other consumables		45	25
Parts and other maintenance material		70	56
Sport and recreation		28	-
Stationery and printing		2 777	722
		<u>3 780</u>	<u>1 193</u>
5.3 Travel and subsistence			
Local		3 410	1 814
Foreign		224	2
Total travel and subsistence		<u>3 634</u>	<u>1 816</u>
6. Financial transactions in assets and liabilities			
Debts written off	6.1	<u>45</u>	<u>179</u>
6.1 Debts written off			
Nature of debts written off			
Transfer to debts written off			
Fraudulently cashed cheque (offer accepted for 50 %)		-	55
Debts – former employees		-	64
Inter-departmental claim for services of function transferred		-	60
Expenses receivable from foreign donor not received		45	-
Total		<u>45</u>	<u>179</u>
6.2 Recoverable revenue debts written off			
(Total not included above)			
Debts written off – former employees		<u>-</u>	<u>39</u>
7. Transfers and subsidies			
Provinces and municipalities (RSC Levies)		183	155
Public corporations and private enterprises	Annex 1I	2 778	2 363
Non-profit institutions	Annex 1K	2 212	2 500
Households	Annex 1L	70	307
Total		<u>5 243</u>	<u>5 325</u>





DEPARTMENT OF SPORT, ARTS, CULTURE, SCIENCE AND TECHNOLOGY VOTE 12

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

		Notes	2005/06 R'000	2004/05 R'000			
8.	Expenditure for capital assets						
	Buildings and other fixed structures	Annex 4	23 182	23 112			
	Machinery and equipment	Annex 4	3 138	1 904			
	Software and other intangible assets	Annex 5	377	100			
	Total		26 697	25 116			
9.	Unauthorised expenditure						
9.1.	Reconciliation of unauthorised expenditure						
	Opening balance		6 338	6 338			
	Unauthorised expenditure awaiting authorisation		6 338	6 338			
9.2	Analysis of Current Unauthorised expenditure						
	Incident	Disciplinary steps taken/criminal proceedings		Total			
	Macufe 97/98	Forensic audit as ordered by PROPAC currently in process		6 338			
				6 338			
		Notes	2005/06 R'000	2004/05 R'000			
10.	Cash and cash equivalents						
	Cash on hand		6	6			
11.	Prepayments and advances						
	Description						
	Travel and subsistence		75	12			
12.	Receivables						
	Notes	Less than one year	One to three years	Older than three years	2005/06 R'000 Total	2004/05 R'000 Total	
	Staff debt	12.1	229	17	254	559	407
	Other Debtors	12.2	90	19	-	109	129
	Claims recoverable	Annex 6	1 570	-	-	1 570	-
			1 889	36	254	2 238	536



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VOTE 12

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

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
12.1 Staff Debt			
Bursaries		63	60
Telephone debts		13	22
Salary debts		483	325
Total		<u>559</u>	<u>407</u>
12.2 Other debtors			
Double payment to supplier		79	-
Persal deductions		30	29
Fraudulently cashed cheques		-	55
Expenses receivable from foreign donor		-	45
Total		<u>109</u>	<u>129</u>
12.3 Debts revised			
Prior year adjustment		<u>-</u>	<u>98</u>
13. Voted funds to be surrendered to the Revenue Fund			
Opening balance		6 114	2 462
Transfer from Statement of Financial Performance		705	667
Voted funds not requested/not received	19.1	-	(1 320)
Previous year adjustment: Voted funds		-	4 305
Paid during the year		(97)	-
Closing balance		<u>6 722</u>	<u>6 114</u>
13.1 Voted funds not requested/not received			
Funds not to be requested		<u>-</u>	<u>1 320</u>
14. Departmental revenue to be surrendered to the Revenue Fund			
Transfer from Statement of Financial Performance		-	62
Departmental revenue budgeted	3	221	212
Paid during the year		(211)	(274)
Closing balance		<u>-</u>	<u>-</u>
15. Bank overdraft			
Consolidated Paymaster General Account		<u>1 846</u>	<u>600</u>





DEPARTMENT OF SPORT, ARTS, CULTURE, SCIENCE AND TECHNOLOGY
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

16. Payables – current

Description

	Notes	30 Days	30+ Days	2005/06 Total	2004/05 Total
Amounts owing to other entities	Annex 7	-	-	-	87
Clearing accounts	16.1	-	-	-	1
Other payables	16.2	-	-	-	14
		-	-	-	102

Notes 2005/06 2004/05
R'000 R'000

16.1 Clearing accounts

Description
ACB Recalls

- 1

16.2 Other payables

Description
Deductions to be paid over

- 14

17. Net cash flow available from operating activities

Net surplus/(deficit) as per Statement of Financial Performance	705	(87)
(Increase)/decrease in receivables – current	(1 643)	86
(Increase)/decrease in prepayments and advances	(122)	57
Increase/(decrease) in payables – current	(102)	(18)
Surrenders to Revenue Fund	(308)	4 031
Expenditure on capital assets	26 697	25 123
Voted funds not requested/not received	-	(1 320)
Other non-cash items	211	212
Net cash flow generated by operating activities	25 438	28 084

18. Reconciliation of cash and cash equivalents for cash flow purposes

Consolidated Paymaster General account	(1 846)	(600)
Cash on hand	6	6
	(1 840)	(594)



DEPARTMENT OF SPORT, ARTS, CULTURE, SCIENCE AND TECHNOLOGY
VOTE 12

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

		<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>	582	637
Claims against the department		<i>Annex 3B</i>	36 198	36 078
Other departments (interdepartmental unconfirmed balances)		<i>Annex 7</i>	-	87
			<u>36 780</u>	<u>36 802</u>

20. Commitments

Current expenditure

Approved and contracted	97	-
Approved but not yet contracted	519	273
	<u>616</u>	<u>273</u>

Capital expenditure

Approved and contracted	35 257	22 054
Approved but not yet contracted	82 944	73 929
	<u>118 201</u>	<u>95 983</u>

Total Commitments	<u>118 817</u>	<u>96 256</u>
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21. Accruals

	30 Days R'000	30+ Days R'000	Total R'000	Total R'000
Listed by economic classification				
Goods and services	482	62	544	241
Buildings and other fixed structures	3 396	-	3 396	-
Machinery and equipment	76	-	76	58
Software and other intangible assets	3	-	3	-
Total			<u>4 019</u>	<u>299</u>

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
Listed by programme level			
Programme 1: Administration		372	67
Programme 2: Cultural Affairs		616	64
Programme 3: Library and Information Services		2 781	137
Programme 4: Sport and Recreation		250	31
		<u>4 019</u>	<u>299</u>

22. Employee benefits

Leave entitlement	1 698	1 500
Thirteenth cheque	1 672	1 369
Performance awards	30	493
Capped leave commitments	3 406	3 224
	<u>6 806</u>	<u>6 586</u>





DEPARTMENT OF SPORT, ARTS, CULTURE, SCIENCE AND TECHNOLOGY VOTE 12

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

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
23. Receivables for departmental revenue			
Sales of goods and services other than capital assets		<u>3</u>	<u>-</u>
24. Key management personnel			
	No. of Individuals	2005/06 Total	2004/05 Total
Member of the Executive Council	1	576	583
Officials			
Level 15 to 16	1	506	435
Level 14	3	793	265
		<u>1 875</u>	<u>1 283</u>
	<i>Notes</i>	2005/06 R'000	2004/05 R'000
25. Provisions			
Potential irrecoverable debts			
Staff debtors		188	241
Other debtors		<u>-</u>	<u>45</u>
		<u>188</u>	<u>286</u>



DEPARTMENT OF SPORT, ARTS, CULTURE, SCIENCE AND TECHNOLOGY
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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
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%
Division of Revenue Act and Recreation SA	2 670	-	-	-	2 670	2 670	2 488	93.2 %
Provincial Grants								
Free State Provincial Treasury	25 000	-	-	99	25 099	25 099	25 099	100 %
TOTAL	27 670	-	-	99	27 769	27 769	27 587	
							25 998	25 926





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ANNEXURE 11 STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION			EXPENDITURE			2004/05 Appropriation Act
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Public Corporations							R'000
Transfers							
Phakisa Major Sport Events and Development Corporation Mmabana Foundation	2 150	-	263	2 413	2 413	100 %	1 900
Cultural	365	-	-	365	365	100 %	463
TOTAL	2 515	-	263	2 778	2 778	100 %	2 363



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ANNEXURE 1K
STATEMENT OF TRANSFERS TO NON-PROFIT ORGANISATIONS

NON-PROFIT ORGANISATIONS	TRANSFER ALLOCATION			EXPENDITURE		2004/05 Appropriation Act
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	
	R'000	R'000	R'000	R'000	R'000	
Transfers						
PACOFs (for Macufe Festival	1 000	-	-	1 000	1 000	1 000
CITC	600	-	-	600	600	500
Free State Academy of Sport	500	-	-	500	500	1 000
Provincial Arts and Culture Council	100	-	-	100	12	-
Provincial Sport Council	100	-	-	100	100	-
TOTAL	2 300	-	-	2 300	2 212	2 500





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ANNEXURE 1L
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION			EXPENDITURE		2004/05 Appropriation Act
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred
	R'000	R'000	R'000	R'000	R'000	%
Transfers						
Cash benefits with retirement	34		32	66	66	100 %
Social assistance – cash: Disability Grant	-	-	4	4	4	100 %
TOTAL	34	-	36	70	70	307



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ANNEXURE 1M

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2005/06	2004/05
		R'000	R'000
Received in kind			
Hardware suppliers	Painting of museums	-	3
Book suppliers	Donation of books	-	1
Individuals	Cooldrinks for SET Week 2005	1	-
Dairy Bell	Fruit juices for Heritage outreaches	1	-
Smiley Educational Toys	Toys for toy libraries	1	-
NB Library Services	Book for Library of the Year 2006-Award	7	-
General public members	Books for libraries	4	-
TOTAL		14	4





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

ANNEXURE 3

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

Guarantor institution	Guarantee in respect of	Original Guaranteed capital amount R'000	Opening Balance 1 April 2005 R'000	Guaranteed issued during the year R'000	Guarantees released / paid / cancelled / reduced during the year R'000	Guaranteed interest outstanding as at 31 March 2006 R'000	Closing Balance 31 March 2006 R'000	Realised losses i.r.o. claims paid out R'000
	Housing							
First Rand Bank		-	54	-	-	-	54	-
Old Mutual Bank		-	95	16	-	-	111	-
Standard Bank		-	95	-	52	-	43	-
Nedbank		-	114	15	-	-	129	-
First Rand Bank (formerly First National Bank)		-	54	14	(17)	-	51	-
Absa		-	183	15	46	-	152	-
Free State Development Corporation		-	42	-	-	-	42	-
TOTAL		-	637	60	115	-	582	-



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ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2006

Nature of Liability	Opening Balance 01/04/2005 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/reduced during the year R'000	Liabilities recoverable(Provide details hereunder) R'000	Closing Balance 31/03/2006 R'000
Claims against the department Claim by licence holder against Phakisa Major Sport Events and Development Corporation for the promotion of the 2004 MotoGP	36 078	120	-	-	36 198
TOTAL	36 078	120	-	-	36 198

After reporting date a settlement agreement was reached between the Corporation and the license holder on the amount of \$700 000, the first \$200 000 payable on 21 August 2006, the second \$100 000 on 20 October 2006, the third \$200 000 on 31 May 2007 and the fourth \$200 000 on 31 May 2008. Legal expenses are not included in the final settlement amount and are yet to be determined.





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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
BUILDINGS AND OTHER FIXED STRUCTURES	-	2 627	2 627	-
Non-residential buildings	-	1 812	1 812	-
Heritage assets	-	815	815	-
MACHINERY AND EQUIPMENT	4 587	3 481	-	8 068
Transport assets	1 055	721	-	1 776
Specialised military assets	-	-	-	-
Computer equipment	927	902	-	1 829
Furniture and office equipment	2 330	621	-	2 951
Other machinery and equipment	275	1 237	-	1 512
TOTAL CAPITAL ASSETS	4 587	6 108	2 627	8 068

Note:

The closing balance does not balance to the Asset Register. However, reconciliation has been done and the changes are in process of being effected to the Asset Register.

ANNEXURE 4.1

ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash R'000	In-Kind R'000	Total R'000
BUILDINGS AND OTHER FIXED STRUCTURES	23 182	-	23 182
Non-residential buildings	21 063	-	21 063
Heritage assets	2 119	-	2 119
MACHINERY AND EQUIPMENT	3 138	343	3 481
Transport assets	721	-	721
Computer equipment	857	45	902
Furniture and office equipment	449	172	621
Other machinery and equipment	1 111	126	1 237
TOTAL CAPITAL ASSETS	26 320	343	26 663



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ANNEXURE 4.3

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

	Additions R'000	Disposals R'000	Total Movement R'000
BUILDINGS AND OTHER FIXED STRUCTURES	23 112	-	23 112
Non residential buildings	21 261	-	21 261
Heritage assets	1 851	-	1 851
MACHINERY AND EQUIPMENT	1 904	-	1 904
Transport assets	446	-	446
Specialised military assets	593	-	593
Computer equipment	527	-	527
Other machinery and equipment	338	-	338
TOTAL CAPITAL ASSETS	25 016	-	25 016





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ANNEXURE 5

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

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Computer Software	41	377	-	418
TOTAL	41	377	-	418

Note:

The closing balance does not balance to the Asset Register. However, reconciliation is currently in process.

ANNEXURE 5.1

ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH
2006

	Cash R'000	In-Kind R'000	Total R'000
Computer Software	377	-	377
TOTAL	377	-	377

ANNEXURE 5.2

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

	Additions R'000	Disposals R'000	Total Movement R'000
BUILDING AND OTHER FIXED STRUCTURES			
Computer Software	100	-	100
TOTAL	100	-	100



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ANNEXURE 6
INTER-GOVERNMENT RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Department of the Premier	-	-	1	-	1	-
Department of Health	-	-	10	-	10	-
Department of Education	-	-	20	-	20	-
Department of Agriculture	-	-	52	-	52	-
Provincial Treasury	-	-	1 487	-	1 487	-
TOTAL	-	-	1 570	-	1 570	-





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ANNEXURE 7
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
National Department of Arts and Culture	-	-	-	27	-	27
Department of the Premier	-	-	-	60	-	60
TOTAL	-	-	-	87	-	87

