

**MPUMALANGA PROVINCIAL LEGISLATURE**

**ANNUAL REPORT**

**2005-06**

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## **FOREWORD BY THE SPEAKER**

YN PHOSA

SPEAKER: MPUMALANGA PROVINCIAL LEGISLATURE

## OVERVIEW BY THE SECRETARY

The financial year under review has been one of the most successful in the existence for the Mpumalanga Provincial Legislature. This is evident by the following achievements:

1. The Legislature managed to close the employment equity challenges. Two female staff members were recruited and appointed at the executive management echelon.

Another three female staff members were appointed at the senior management echelon.

Staff members in other designated groups, i.e. race and disabilities were recruited and appointed.

2. Some of the projects that were announced to be implemented, such as the opening of the souvenir shop, finalization and adoption of policies, procurement of the mobile unit were concluded.
3. With the passing and consideration of six (6) pieces of legislation this year, the number of Acts promulgated in one year was more compared to the previous years.
4. The Legislature managed to implement the "Taking the Legislature to the People" programme by holding Portfolio Committee meetings in municipalities. This enabled the citizens of Mpumalanga to witness committees in action.
5. The quality of oversight conducted has improved considerably and this is attributed to the administrative support that is provided to Committees.

My sincere appreciation goes to the Speakership, Members of the Legislature and members of the Audit Committee for their guidance and support.

I am indebted to the unwavering support and commitment by all staff members of the Legislature.

In conclusion, I hereby submit the annual report and annual financial statements of the Mpumalanga Provincial Legislature (Vote 2) for the financial year 2005-2006, in terms of Section 40(1) (d) of the Public Finance Management Act (PFMA), Act No. 1 of 1999 (as amended by Act 29 of 1999).

MR LJ MWALE  
SECRETARY TO THE LEGISLATURE

**PART 1:**  
**GENERAL INFORMATION**

## **1 SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY**

I hereby submit the 2005/06 Annual Report of the Mpumalanga Provincial Legislature in terms of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended), to the Speaker Hon YN Phosa.

**LJ MWALE**

**SECRETARY TO THE LEGISLATURE**

## 2 INTRODUCTION BY THE SECRETARY TO THE LEGISLATURE

The following are some of the key highlights and publications produced for the period under review:

The review and alignment of the strategic plans:

- The Legislature embarked on a process of alignment of the Five-year, Three-year and the One-year Operational Plan as per Treasury requirements. We are pleased to report that the Committees plans are part of the institutional strategic plan. The adoption of the strategic plan is highlighted as the major achievement and the strategic plan will serve as a guide for all the operations.
- The Legislature considered and subsequently passed six pieces of legislation. The numbers of Acts passed increased considerably as compared to the previous years.
- In pursuit of the goal proclaimed by the Speaker Hon YN Phosa of Taking the Legislature to the People, the Legislature held a sitting in Ermelo and Committees held meetings in the municipalities. The members of the communities were able to meet and interact with their leaders and listen to them debating on issues on the agenda.
- The Legislature adopted the policies on human resource management, finance and administration, and communications. The adoption of the policies is hailed as a major achievement.
- The Legislature managed to produce all the Hansard volumes in the year under review.
- The administration has been commended by the Members of the Legislature for compiling and producing quality research reports.
- The filling of the vacant and funded positions will contribute positively to the improvement of service delivery.
- The Select Committee on Public Participation successfully resolved most of the petitions, and feedback was given to the Petitioners.
- The Legislature developed a risk management framework that will ensure that the management of risks is imbedded in the day to day management practices.

### 3 INFORMATION ON THE MPUMALANGA LEGISLATURE

The Mpumalanga Provincial Legislature derives its mandate mainly from the Constitution of the Republic of South Africa, which outlines its powers, functions, and responsibilities. To the extent that it is applicable, the Public Finance Management Act (PFMA), Act 29 of 1999 as amended also governs the operations of the Legislature.

In executing its legislative powers, the Legislature may: -

- Consider, pass, amend or reject any Bill; and
- Initiate or prepare legislation, except money Bills

Furthermore, the Legislature must provide for mechanisms:

- To ensure that all provincial executive organs of state in the province are accountable to it; and
- To conduct oversight over the provincial executive authority and any provincial organ of state, including the implementation of legislation.

The Legislature must also:

- Facilitate public involvement in the legislative and other processes of the Legislature and its committees; and
- Conduct its business in an open manner, and hold its sittings and those of its Committees in public.

No international trip was undertaken by the Speaker however, the Deputy Speaker led a delegation to the Commonwealth Parliamentary Association (CPA) conferences that were held in Cameroon and Fiji Islands.

#### 1.4 VISION AND MISSION

The Legislature reviewed and adopted the following vision and mission:

##### VISION

We strive to be a people-centred, vibrant and dynamic African World Class legislature working towards a better quality of life for all through excellent service underpinned by participatory democracy and good governance

##### MISSION

We will effectively and efficiently hold the executive and other state organs accountable through intensified oversight, enhance public education and participation, ensure improved service delivery by adhering to the Batho Pele principles, make laws, and supported by administrative excellence.

##### ORGANISATIONAL VALUES

Co-operation

Commitment to work with both internal and external stakeholders



Customer orientation	Customer satisfaction is always placed first
Excellence	Continuous improvement of performance and standards;
Openness:	Transparency and accessibility
Participation	Legislative and institutional processes should be people-centred and consultative
Quality orientation	A commitment to meet service standards
Adaptability	Flexible in response to new circumstances
Moral integrity	Acting with integrity and being exemplary
Economy	Cost-effectiveness in the use of resources
Fairness	Fairness and the provision of just recognition based on merit

## **LEGISLATIVE MANDATE**

The Mpumalanga Legislature derives its mandate from Chapter 6 of the Constitution of the Republic of South Africa, Act 108 of 1996. The Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999) also plays a key role in the governance of the Legislature.

**PART 2:**  
**PROGRAMME PERFORMANCE**

## 1 VOTED FUNDS

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
Legislature	R56, 685.000	R61, 846.000	R61, 688.000	R158.000
Responsible Executing Authority	Hon. Y N Phosa, Speaker to the Mpumalanga Provincial Legislature			
Administering Institution	Mpumalanga Provincial Legislature			
Accounting Officer	Mr L J Mwale, Secretary to the Mpumalanga Provincial Legislature			

## 2. AIM OF VOTE

The aim of the Mpumalanga Provincial Legislature (Vote 2) is derived from the Constitution of the Republic of South Africa, Act 108 of 1996, its vision and mission.

## 3 KEY MEASURABLE OBJECTIVES, PROGRAMMES AND ACHIEVEMENTS

### 3.1. Key measurable objectives

The following are the strategic goals of the Legislature that inform the operations of the Business Units:

- Excellent Customer Service;
- Effective and Efficient Financial Management;
- Good Internal Business Processes; and
- Good People Management and Development.

### 3.2. Programmes

The Mpumalanga Provincial Legislature had the following two programmes:

**Programme one - Support services:** The programme includes administrative support to the members of the Legislature and Committee activities.

**Programme two – Statutory:** The programme deals with the remuneration of Public Office Bearers.

### 3.3. Achievements

The following were some of the achievements:

- **Adoption of the policies**

The adoption of the policies closed the chapter of relying on Government policies. Amongst the policies that were adopted was the one dealing with transfer of funding to political parties.

- **Opening of the Souvenir Shop**

The Souvenir shop was officially opened on 15 November 2005.

- **Review of Members' Facility Handbook**

The Members' Facility Handbook was reviewed to be in line with the current environment. The Legislature Service Board adopted the reviewed Members' Facility Handbook.

- **Review of Rules and Orders**

The Rules Committee reviewed the Rules and Orders, and the House subsequently adopted them.

- **Review of the Strategic Plan**

The aligning of the five-years, three-years, and the annual performance plan is hailed as the major achievement because the strategic plans for committees have been incorporated into the Legislature's strategic plan.

## 4. OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT FOR 2005/06

One of the core functions of the Mpumalanga Provincial Legislature, i.e. public participation was enhanced. This was attested to by the quality of inputs and debates in the Sectoral Parliaments such as the Youth, Women, and Workers Parliaments. It is envisaged that in the forthcoming events, recommendations emanating from Sectoral Parliaments will be tabled in the House for adoption and further action by relevant Departments and other organs of state.

The records on petitions received and processed indicated that the Legislature was successful in intervening and resolving petitions. A total number of 23 petitions were received and processed, of which 11 have been resolved and the rest will be finalised during the first quarter of the next financial year.

The Legislature's Committees held a number of meetings outside the normal seat of the Legislature. An exercise that enabled the citizens of Mpumalanga Province to attend the meetings thus achieving the objective of "Taking the Legislature to the People". Due to insufficient financial resources, this programme was discontinued.

The session of the Legislature, which was supposed to have come to an end in November 2005, continued until December 2005, because of the commitment from the Members of the Legislature to finalise and pass the bills tabled before them. The following Acts were passed during the financial year under review:

- Mpumalanga House and Local Houses of Traditional Leaders Act, 2005
- Mpumalanga Economic Growth Agency Act, 2005

- Mpumalanga Tourism and Parks Agency Act, 2005
- Traditional and Leadership and Governance Act, 2005
- Mpumalanga Adjustment Appropriation Act, 2005
- Mpumalanga Appropriation Act, 2005.

The quality of the oversight function, as conducted by Members of the Legislature, has improved considerably, and this is attributed to the following:

- The experience gained by the Members of the Legislature over years.
- The training that is offered to the Members of the Legislature.
- The quality of the research and information presented by the staff of the Legislature.

When the Legislature effectively and efficiently conducts the oversight function, the members of the public benefit, as this results in improved service delivery by departments.

The Legislature also increased oversight visits to projects undertaken by various government departments and other organs of state. This exercise was meant to assess progress made as reported by the officials during the oversight meetings.

The Legislature had to apply for a virement for an amount of R13 000, to offset the over-expenditure in programme 2, which occurred as a result of the implementation of the proclamation to increase the salaries of the Members of the Legislature and salary arrears paid.

The Legislature had a surplus of R1 million, which was rolled-over to the financial year 2005/06.

## **5. OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT FOR 2005/06**

A positive development that occurred in the Legislature was the recruitment and appointment of staff in vacant and funded positions. Without compromising quality, the Legislature management recruited and appointed personnel as per the employment equity targets.

The majority of the newly appointed staff assumed duty in January and February 2006.

There is no doubt that once the staff members have settled into their positions, the Legislature will further improve its service delivery.

## **6. STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS FOR THE 2005/06 FINANCIAL YEAR**

The Legislature took a decision to the effect that the caucus funds allocated to the political parties represented in the Legislature be transferred to separate banking accounts, subject to the conditions that there were systems in place to control the funds and separate banking accounts had to be opened.

The Legislature reviewed the strategic plan with the aim of aligning the five-year, three-year, and the annual operational plan. The Committees of the Legislature developed their strategic plans, which are now incorporated into the institutional strategic plan.

A process of amending the Mpumalanga Provincial Legislature Service Act, was initiated in the year under review and it is envisaged that the process will be finalised in the first quarter of the financial year 2006/07.

The Rules and Orders, which regulate the functioning of the Committees and the House, were revised, to bring them in line with the current environment.

The Members' Facility Handbook was reviewed and adopted. The last time it was considered for review and adoption was in 2002. The adopted Handbook took cognisance of the changed environment.

A process of amending the Powers, Privileges and Immunities Act began in the year under review and it is envisaged that this will be finalised in the first quarter of 2006-07.

## 7. LEGISLATURE REVENUE, EXPENDITURE, AND OTHER SPECIFIC TOPICS

### 7.1. Collection of Legislature revenue

The table below provides a breakdown of the sources of revenue:

	2002/3 Actual	2003/4 Actual	2004/5 Actual	2005/6 Target	2005/6 Actual	% deviation from target
Tax revenue	-	-	-	-	-	-
Non-tax revenue	579	581	574	576	197	66%
Sales of capital assets (Capital Revenue)		45	2	266	-	100%
Financial transactions (Recovery of loans and advances)			656		91	(100%)
<b>TOTAL RECEIPTS</b>	<b>579</b>	<b>626</b>	<b>1,232</b>	<b>842</b>	<b>288</b>	<b>66%</b>

### 7.2 Legislature expenditure

Programmes	Voted for 2005/6	Rollovers and adjustments	Virement	Total voted	Actual Expenditure	Variance
Programme 1.	45,685	4,857	(13)	50,675	50,251	(148)
Programme 2.	11,000	304	13	11,317	11,013	304
<b>Total</b>	<b>56,685</b>	<b>5,161</b>	<b>0</b>	<b>61,846</b>	<b>61,688</b>	<b>158</b>

### 7.3 Transfer Payments

As per the Constitution of the Republic of South Africa, Act 108, of 1996, the Legislature was expected to transfer funds to political parties represented in the Legislature to assist in improving democracy through the establishment and maintenance of the constituency offices.

The following table is a breakdown of the transfers effected:

NAME OF INSTITUTION	AMOUNT TRANSFERRED	ESTIMATED EXPENDITURE
African National Congress (ANC)	R 2, 592,000	R 2, 592,000
Democratic Alliance (DA)	R 192 , 000	R 192, 000
Christian Party (CP)	R 54, 444	R 54, 444

Political parties are obliged to submit a certificate of assurance indicating that they implement effective, efficient, and transparent financial management systems. The above-mentioned political parties, apart from submitting the certificate of assurance, also had to submit audited financial statements. The transfer payments were effected quarterly, without any delays and these transfers were made directly to the political parties' bank accounts.

The Mpumalanga Provincial Legislature also effected the transfer of the caucus fund to the following political parties:

- Democratic Alliance (DA)                      R 373 136
- Christian Party (CP)                              R 258 291

## 8. ASSET MANAGEMENT

The Legislature is in the process of appointing an Asset Manager. In the interim, the task of updating the asset register is assigned to one of the staff members in the office of the CFO. The asset register is updated on a quarterly basis.

As reported earlier, the Legislature is in the process of embarking on capital projects such as the refurbishment of the chamber, the construction of the members' lounge and the videoconference room.

The process of procuring goods and service is as follows:

- The Bid Specification Committee develops the tender specification together with the requester for the goods and services.
- The Bid Evaluation Committee evaluates the proposals and recommends to the Bid Adjudication Committee.
- The Bid Adjudication Committee adjudicates and recommends the appointment of the deserving service provider.

## 9. PROGRAMME PERFORMANCE

The activities of the Legislature are organized in the following programmes:

- Programme 1:                      Support services

- Programme 2: Statutory services

## 9.1 Programme 1: Support Services

### Purpose:

The programme includes administrative support to members of the Legislature, and Committees' activities.

### Measurable objective:

To provide quality and professional administrative support to the elected public representatives so that they can discharge their duties efficiently and effectively.

Service delivery objectives, achievements and indicators relating to the programme.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Office of the Speaker	To enhance the image of the Office of the Speaker	Image enhancement strategy in place	Develop, implement and monitor the image enhancement strategy	The strategy was developed and the Speaker's Prayer Breakfast was undertaken as one of the components of the image enhancement strategy.
	To review the administrative systems	Reviewed and developed administrative systems	Review and develop an effective and efficient administrative system	<p>The administrative systems within the Office of the Speaker were reviewed.</p> <p>The flow of correspondence and documents has improved.</p> <p>The turn around time for correspondence submitted for approval is one day.</p>
Office of the Secretary	To co-ordinate the overall management and co-ordination of broader transformation within the	Transformation plan in place	Develop and implement the transformation plan	The equity plan has been implemented and the composition of staff reflects the demography of the Province in terms of gender, race, and



Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
	Legislature			<p>disability.</p> <p>Committees that have been established included the HIV/AIDS committee, Fraud Prevention Committee etc. The Committees include staff at all levels.</p> <p>A workshop on strategic leadership and management was organized for all managers.</p>
				<p>Management attended the gender workshop and the processes of developing gender policies and gender mainstreaming strategies are underway.</p> <p>Policies on human resources and financial administration were adopted.</p>
	To monitor and evaluate improvement of service delivery by business units	Tracking, monitoring and evaluation system in place	To put into place a process of developing a tracking and monitoring system	<p>The manual tracking system is in place and has been implemented.</p> <p>The electronic system could not be implemented due to budgetary constraints.</p>
		Improved quality service delivery	Monitor & evaluate the performance of business units in respect of service delivery.	One-on-one meetings were held with Executive Managers and Senior Managers that report to the

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
				Secretary to assess and evaluate performance.  Management meetings were held to discuss, amongst others, issues of performance of business units.
	To provide good administrative accountability	Improved cross-functional teams Smooth functioning of the Legislature	To establish synergy in the overall management of the institution	Regular management and sectional meetings were conducted
		Improved team work within business units	Develop schedule of meetings to give and receive feedback (staff & managers)	Staff meetings were held to give feedback to staff about progress in service delivery
		Absence or limited disruptions to the Legislature programme	Implement decisions, and recommendations.	A sound labour relations environment has been created through regular meetings that were held between the management and the labour union.
	To manage performance of Business Units in relation to their business	Aligned plans and budget informed by plans	Implementation of the strategic plan that is aligned to budget.	Business units operational plans were aligned to the budget baseline as allocated by the Provincial Treasury
	To monitor the promotion of public interest by Business Units and staff	Implementable monitoring mechanism	Develop and implement a monitoring mechanism	A share call number has been obtained. The number is 0860 77 44 55
	To promote the	Implementable	Develop and	Programme focusing

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
	interest of the public	programme	implement a programme aimed at public interest on legislative and other processes	on Sectoral Parliaments i.e. Youth, Women, Children, Workers and Taking a Girl Child to Work project were developed and implemented
Office of the Chief Financial Officer	To render effective and efficient procurement, logistical and financial management services	Effective supply chain management	Establish the Bid Committees	The Bid Specification Committee, Bid Evaluation and Bid Adjudication Committees were established. Training was provided of the functioning of these committees.
		Improved debt management	Effective debt management	Debit orders are in the process of being effected.
		Tight control and management of cash-flow	Consolidate and manage cash-flow projections	Monthly cash flow projections were compiled and submitted to the Provincial Treasury.
		Improved financial accountability	To provide accurate bookkeeping services	Monthly expenditure reports were prepared and submitted to management, the Audit Committee and the Provincial Treasury to monitor spending patterns and to ensure that expenditure is within budget.
	To develop and implement effective and efficient administration and financial systems,	Policies adopted	Facilitate the adoption of administration and finance policies	Finance and administration policy adopted on 16 August 2005.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
	processes and procedures	Procedure manual adopted	To develop an administration and financial procedure manual	National Procedure manual for Supply Chain was adopted and implemented as a framework
	To develop a budget in line with the strategic plan	Improve budget and planning process	To ensure proper budgeting and planning	Proper budgeting processes as directed by the Treasury Guidelines were put into place.  A workshop on budgeting was presented by the Internal Auditors to senior managers.
	To produce accurate annual financial statements	Unqualified financial statements	Accurate annual financial statements	An unqualified audit report was obtained for the year 2004/05
Corporate Services: Communications and Information Services	To render effective and efficient communication services	Fully operational website	To provide website management	The Management developed a website plan, and subsequently it was outsourced to a service provider.
		Implementable communication strategy	To develop and implement communication strategy	Draft communication strategy document developed
		Well marketed corporate image	To promote corporate image	Branding material and souvenir material was purchased.
	To develop and implement effective and efficient information and communications	Developed communication and information policy	To develop and implement a communication and information policy	The draft communication policy adopted

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
	systems, processes and procedures	Operational and maintenance of system-Sabinet on line, in-magic, etc	To manage library and information services and material	Library information management system is up and running.
	To render reliable record management services	Improved and well managed manual filing plan	To monitor the manual record management services [filing plan]	Regular manual recording of documents has been conducted
		Improved electronic document management system	To monitor the electronic document management system	The electronic document management system has been placed on hold due to financial constraints.
Human Resources Management	To provide effective and efficient Human Resources Management Services	Meeting the employment equity target	To manage the organizational employment equity plan	The equity targets have been achieved
		Well managed HR provisioning services	To provide HR provisioning services	99.5 % of approved and funded posts have been filled
		Staff retention strategy in place	To attract and retain competent staff	Research towards a retention strategy and a policy to be finalized in the next financial year.
		To increase high performance teams through Performance Management and Development	To support the development of high performance teams	<p>A Strategic Leadership and Management workshop was conducted to improve team performance and management.</p> <p>Management in March 2006 adopted an implementation plan based on the recommendations of the workshop</p>

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
		Review and implement the Employee Assistance Programme	To provide social responsibility leadership to employees	An EAP Committee has been established to facilitate and monitor social responsibility initiatives
	To implement and maintain effective and efficient Electronic and manual HR management system	Acquiring of an integrated HR system that caters for political parties	To produce information and statistics required for decision making	The process of procuring the system has been put on hold due to financial resources constraints
		Proper payroll administration and salary expenditure	To develop, co-ordinate and administer HR conditions of service and payroll management	Managers signed off the monthly pay roll. Conditions of services were properly coordinated
	Develop, implement, monitor and evaluate HRD services to the Legislature	HRD plan in place	To develop an HRD plan and work skills plan	A working work skills plan was developed and implemented.
		Induction and Orientation programme in place	To develop and conduct an induction and orientation programme.	Induction and orientation for new appointees was conducted and completed.
		Learnership policy in place	To provide learnership and internship programme	A draft learnership policy was developed
	To provide up-to-date information through the effective management of the Website	Business plan for the management of website	Review the current management of website development, circulation, adoption and implementation of the business plan	A business plan for the management of website was developed, and approved.
			Monitor and evaluate	The website is monitored on daily

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			implementation	basis
	Develop, coordinate and administer labour relations strategy and processes	Manage all labour relations matters	To ensure that there is harmonious labour relations in the workplace	Management and union representatives met on a regular basis to discuss labour matters
		Draft recognition agreement	Ensure that a recognition agreement is signed with organized labour	The recognition agreement was signed with the union NEHAWU during the year.
			Investigate and set up a relevant structure for negotiation and bargaining	A negotiations committee was established and quarterly meetings were held.
IT & Security Services	To provide functional, secure and stable ICT support services	ICT audit in place	To conduct an ICT audit, and implement business processes and re-engineering	An ICT audit has been conducted and an action plan developed to address the audit queries. The business processes and re-engineering was conducted through migration to a new international standardized website address
		ICT policy in place	To develop and implement an ICT and Security policy	A draft policy has been developed. It will be adopted during the next financial year.
		Provide technical and generic support on ICT	To improve access to information and system support in the Legislature	A Help desk has been established.
		Conducting risk appraisal, patrolling	To co-ordinate contingency	The Security Manager will assume duties on

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
		services and police escort services	planning on occupational health and safety norms and standards	1 April 2006.
	To improve performance at the Legislature by providing technical support and advice in processes and systems	Security checked applicants	To conduct security vetting	Staff members are in the process of completing and signing the confidentiality forms.
		Transfer servers to the Legislature	Facilitate the establishment of Primary Domain Controller in the Legislature	Four servers have been procured and the Primary Domain Controller has been accommodated within the Legislature
	To improve access to information	Investigate best practices	To provide a roaming facility for staff and members to access e-mails outside the seat of Legislature	The project was put on hold until finalization of the business processing and re-engineering of our ICT systems.
	To create a safe working environment to members of staff and the Legislature	Conduct risk appraisal	To provide physical security	The SAPS has been assigned to provide security services. Monthly security committee's meetings are held to discuss security issues affecting the Legislature
		Provide patrolling service		
Parliamentary services: Committees Section	To enhance the production of quality committee reports and other documents in accordance with the adopted manual	Effective committee reports	To improve service delivery through sound administration of committees and reporting	Quality committee reports have been produced and adopted by the House.  The style manual has been reviewed



Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
	To generate, analyse and consolidate data and information to enable the committees to take informed decisions	Presentation of recommendations and Reports produced	Gather and analyse the information  Draft report on the findings and present to committees  Brief the committee chairperson	Gathered relevant information, analysed it and drafted reports on findings for committee consideration and briefed the chairpersons of committees prior to the meetings
	To capture House resolutions emanating from committee recommendations, track and follow up their implementation	Tracked and followed-up resolutions and implementation thereof	Capture resolutions  Track and follow up the implementation of the resolutions  Update the Chairperson and the Speaker	The manual capturing and tracking of resolutions has been effective.  Regular up-dates of Chairpersons of Committees and the Speaker on progress made regarding implementation of resolutions
	To produce quality and accurate records of proceedings of the House and Committees	Integrated Electronic Control System in the Chamber	To upgrade and integrate the electronic control system in the Chamber and committee rooms	This project has been put on hold and will be implemented in the new financial year.
Hansard Services	To develop, implement and monitor uniform editing standards	Audio recording, transcription, translation and interpretation	To improve and ensure audio recording, transcription of proceedings, translation and interpretation during proceedings	Improved audio sound recording, transcription, translation and interpretation.  The backlog on the production of Hansard volumes for 2005 has been addressed. All outstanding Hansard volumes have been produced.
Procedural	To promote and	Establish a	To launch and	The Parliamentary

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
Services	sustain communication between the Legislature and Government through a Parliamentary Liaison Forum	Parliamentary Liaison Forum	sustain the Parliamentary Liaison Forum	Liaison Officers Forum was launched in July 2005 and it is effective in promoting and sustaining communication between the Legislature and Government
	To promote consistency in the interpretation of standing rules and orders by reviewing and updating the manual on precedents	Up-to-date records and rulings by Presiding Officers	To constantly review the records of rulings made by the Speaker and Presiding Officers	There has been consistent interpretation of standing rules and orders by Presiding Officers
	To review the Procedural Guide for Presiding Officers	Updated Procedural Guide	To constantly review Procedural Guide	The Procedural Guide has been reviewed on regular basis and updated
Public Participation and Petitions	To inform and educate the public about legislative, petitions and other processes of the Legislature	Informed members of the public  Meaningful and interactive participation	To increase public awareness	The public participation and education programme has increased the public awareness on the work of the Legislature.
	To strengthen public involvement and participation	Maximum public involvement and participation by the public	To involve the public and maximize their participation	There has been healthy participation by the public in the Legislature programme with particular focus on the State of the Province address, Policy and Budget Speeches, Portfolio Committees public hearings and the Sectoral Parliaments.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
				Of significance was the participation of the public in the Peoples Assembly that was held at Masoyi.
	To generate information and learn from public participation and engagement	Maximum response on legislative and other processes of the Legislature	To maximize feedback from the various public engagements	This project is on-going. The feedback we have received from the public has assisted the Legislature to improve service delivery. The use of the share call line will maximize feedback from the public
	To create a sustainable public access programme	Sustainable programme	To sustain public access programme	A public access programme was developed, adopted and implemented by the Legislature
	To establish and strengthen partnership with the stakeholders, developing a database of relevant stakeholders for successful implementation of the public participation programme	Updated database of stakeholders	To develop database of stakeholders	The draft database has been developed. The second phase will be the review of the information during the next financial year.
RPPM&E	To provide quality and effective planning, monitoring and evaluation services	Real- time and quality strategic planning	To facilitate and develop strategic plans and monitoring its implementation	The strategic planning sessions were conducted and the Legislature has adopted the revised strategic plans which will be tabled during the policy and budget speech of the Speaker

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
				for 2006/7
	To provide quality and relevant research and policy analysis services	Quality and professional research and policy analysis	To provide quality and real-time policy analysis	Provided policy analysis to members and committees on request
			To provide professional research in partnership with research institutions	Research projects on study tours, strategic plans, staff retention strategy and departmental annual reports were conducted.
	To develop and implement effective research guidelines and framework and policy analysis model/ procedure	Research guidelines and procedures	To have research guidelines and framework	The research guidelines and framework have been developed and implemented
	To develop a divisional service charter	Service charter	To improve service delivery	The service charter was developed and adopted during the year under review.
Legal Services	To provide legal opinion and draft legislation	Legal advices	To provide legal opinions and draft legislation.	Provided regular and prompt legal advice and opinions to Presiding Officers and the administration.
				Represented the Legislature at the CCMA on matters affecting the Legislature

## 9.2 Programme 2: Statutory Services

### Purpose:

The programme deals with the remuneration of Public Office Bearers.

**Measurable objective:**

To perform the core business of the Legislature, i.e. law-making, conduct the oversight function and enhance public participation.

The remunerative benefits were paid to the Members in accordance with the proclamation issued by the President of the Republic of South Africa and the Premier of Mpumalanga Province.

Sub-programmes	Outputs	Output performance measures / service delivery indicators	Actual performance against target	
			Target	Actual
Statutory Services	Performed oversight functions, conducted public participation and education, and enacted laws	Committees' reports tabled in the House	Reports tabled and adopted	29 reports tabled and adopted
		Sittings of the House	25 Sittings of the House	28 Sittings of the House
		Committee meetings and public hearings attended	115 committee meetings and public hearings	Committee meetings attended: 118 International study tours: 2 Site visits: 26 Public Hearings: 25 Total: 171

**PART 3:**  
**REPORT OF THE AUDIT COMMITTEE**

## REPORT OF THE AUDIT COMMITTEE 2005/2006

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

### Audit Committee Members and Attendance:

The audit committee consists of the members listed hereunder and has met 7 times for the period under review, and as per its approved terms of reference.

Name of Committee Member	Number of meetings attended
Mr JM Hargovan	7
Ms GA Deiner	7
Mr AC Keyser	7
Mr SA Patterson	5
Ms B Nkamba	6

### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from **section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13.**

<b>S38(1)(a)</b> <b>(PFMA)</b>	<p><b>S38(1)(a)(ii) of the PFMA</b> state the following:</p> <p><i>(1) "The accounting officer for a department,...</i></p> <p><i>a) must ensure that that department,.... has</i></p> <p><i>(ii) a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77"</i></p>
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The Audit Committee also reports that it has reviewed and adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all it's responsibilities as contained therein.

### The effectiveness of internal control

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the PFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal

Auditors, the Audit Report on the Annual Financial Statements and the management letter of the Auditor-General, it was noted that no significant or material non compliance with prescribed policies and procedures have been reported. Accordingly, we can report that the system of internal control for the period under review was effective and efficient.

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

The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Legislature during the year under review. The outstanding debtors, a matter raised in previous reports also received adequate attention.


**Evaluation of Financial Statements**

The Audit Committee has:

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

The Audit Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

The Chairperson of the Audit Committee would like to thank the Mpumalanga Legislature Services Board, and staff of the Legislature, our internal auditors, the Auditor-General and his staff, fellow Audit Committee members for their individual and collective co-operation during the 2005-2006 financial year.



**J M Hargovan**

**Chairperson of the Audit Committee**

**Date: 9 August 2006**



**PART 4**  
**ANNUAL FINANCIAL STATEMENTS**

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

## **1 GENERAL REVIEW OF THE STATE OF THE FINANCIAL AFFAIRS**

Unfortunately, some of the major projects that were planned for implementation in the financial year under review had to be postponed due to financial constraints. However, the following were positive developments:

- **Adoption of policies**

The administration developed policies using its internal capacity and expertise. These policies were presented to staff members and the Members of the Provincial Legislature for comments and inputs, which resulted in the Legislature Service Board approving the following policies on 16 August 2005:

- ✓ Communications Policy;
- ✓ Conditions of Services Policy;
- ✓ Finance and Administration Policy;
- ✓ Human Resources Management, Provisioning and Development Policy;
- ✓ Labour Relations Policy; and
- ✓ Equitable Funding Policy to political parties represented in the Legislature.

- **Souvenir Shop**

The Speaker officially opened the Mpumalanga Provincial Legislature's souvenir shop on 15 November 2005. A separate bank account has been opened wherein funds of the Souvenir shop are deposited and withdrawn.

The Souvenir items available in the shop will generate income and provide mementos to the visiting members of the public both locally and internationally.

- **Strategic Plans**

The Mpumalanga Provincial Legislature reviewed the strategic plan with a view to align the five-year and the three-year strategic plans, as well as the one-year operational plan.

- **Risk Management Framework**

In mitigating the risks and to ensure that the management of risks is incorporated into the day-to-day management practices, a risk management framework was developed and adopted. Risk owners were identified. Risk management will remain a standing agenda item in the meetings of the Audit Committee.

- **Transfer payments to political parties**

A decision was taken that the Mpumalanga Provincial Legislature should transfer the caucus funds allocated to each political party represented in the Legislature on condition that sound, effective, efficient and transparent financial management and internal control systems were put in place.

In addition, there should be a separate bank account into which the funds will be transferred. Only two of the three political parties represented in the Legislature met the conditions, and the funds were subsequently transferred into their bank accounts.

- **Supply Chain Management**

In compliance with Treasury Regulations, the Mpumalanga Provincial Legislature established the following Supply Chain Management Committees: Bid Specification, Bid Evaluation and Bid Adjudication.

- **The filling of vacant positions**

Almost all the vacant and funded positions were filled. The Mpumalanga Provincial Legislature managed to close the equity challenges at all levels in terms of gender, race and disabilities.

- **Sectoral Parliament**

In keeping with the objective of enhancing public participation, the following Sectoral Parliaments were held: Workers' Parliament, Women's Parliament, Youth Parliament and Children's Parliament.

- **People's Assembly**

The Mpumalanga Provincial Legislature, together with the National Parliament, and other Provincial Legislatures, joined forces in celebrating the gathering of the Congress of the People, held 50 years ago in Kliptown, outside Johannesburg. The provincial event was held at Masoyi, in the Mbombela Municipality.

- **Taking a Girl Child to Work**

The Mpumalanga Provincial Legislature participated in the "Taking the Girl Child to Work" campaign by hosting girl children and assigning them to various Managers, where they were afforded the opportunity to simulate a real work environment.

## **2. SERVICES RENDERED BY THE MPUMALANGA PROVINCIAL LEGISLATURE**

The core business of the Mpumalanga Provincial Legislature is:

- Lawmaking;
- Conducting oversight over the executive arm of government and other provincial organs of state; and
- Facilitating public participation and involvement in legislative processes and the other activities of the Legislature.

### **Inventory balances on hand at year-end**

The Legislature had the following inventories on hand at the end of the financial year 2005/06:

- Stationery R 290 078.42

• Groceries	R 16 444.96
• Domestic material	R 3 169.08
• Uniform	R 87 458.99
• Other	R 33 830.55
<b>Total</b>	<b>R 430 982.00</b>

The costing method used was weighted average.

### 3. CAPACITY CONSTRAINTS

As mentioned elsewhere in the report, the major capacity constraint that faced the Mpumalanga Provincial Legislature was insufficient financial resources, which resulted in scaling down some activities.

As a result, cost reduction or curtailment measures were introduced to ensure the prevention of overspending at the end of the financial year. While implementing the cost reduction measures, care was taken to ensure that service delivery was not compromised. The Legislature will submit a detailed motivation to the Provincial Treasury on the need to review the baseline budget figures allocated to the Legislature.

### 4. UTILISATION OF DONOR FUNDS

The Mpumalanga Provincial Legislature would like to sincerely thank the following donors who contributed to the fulfilment of the objectives:

- First National Bank;
- AWEPA; and
- Legislature Support Programme (LSP)

The FNB funded the following projects:

- R100 000 was paid to Community Based Organizations (CBOs) that are dealing with HIV/Aids, Orphans, and Street Children. These CBOs were identified by the Legislature in the three districts, i.e., Ehlanzeni, Nkangala, and Gert Sibande.
- A contribution to the amount of R120 000 was made towards hosting the luncheon after the State of the Province Address.

AWEPA contributed an amount of R 45 000 towards the strategic planning session for senior managers.

The LSP contributed an amount of R 1 030 054 on projects identified in specific areas as per the agreement with the Legislatures.

## **5. TRADING ENTITIES**

As reported elsewhere in the report, the Mpumalanga Provincial Legislature Souvenir Shop has its own bank account where funds for the procurement of Souvenir items are banked.

### **Tariff policy**

The Legislature Service Board took a decision that in order to make the Souvenir Shop self-sustainable, there will be a five-percentage mark up cost on each souvenir item sold.

## **6. ORGANISATIONS TO WHICH TRANSFER PAYMENTS HAVE BEEN MADE**

The Mpumalanga Provincial Legislature effected the following transfers to political parties represented in the Legislature.

- African National Congress (ANC) R 2 592 000;
- Democratic Alliance (DA) R 192 000;
- Christian Party (CP) R 54 444

The purpose of the above-mentioned transfer payments was in respect of Constituency Allowances paid to Members of the Legislature, for setting up and maintaining constituency offices.

The Mpumalanga Provincial Legislature also effected the transfer of the caucus funds to the following political parties:

- Democratic Alliance (DA) R 373 136
- Christian Party (CP) R 258 291

The purpose of the above-mentioned transfer payments was to enable relevant political parties to meet administrative expenditure, including payment of salaries to staff employed by them.

The conditions for the transfers were as follows:

- The political parties concerned must operate a separate banking account other than the one for Constituency Allowances.
- The political parties must submit quarterly financial reports and audited financial statements certified by independent auditors.
- Effective and efficient financial systems and controls must be in place.

## **7. CORPORATE GOVERNANCE ARRANGEMENTS**

The Mpumalanga Provincial Legislature outsourced the internal audit function to one of the leading and reputable international audit firms.

The following corporate governance structures exist in the Mpumalanga Legislature:

- **Mpumalanga Provincial Legislature Service Board:** The Board comprises members of the ruling party and members of the opposition parties. It approves policies for the financial management and administration.
- **Mpumalanga Provincial Legislature Audit Committee:** All members of the Audit Committee - 80% of them from the private sector - have sound financial management and auditing skills. Hence, it can be categorically stated that the Legislature's Audit Committee is effective in conducting its work.
- **The Presiding Officers' Forum:** This forum held meetings as from the beginning of January 2006. The Presiding Officers' Forum serves as a platform from which the Presiding Officers meet and discuss matters pertaining to the effective management of the programmes of the institution.

The management contracted a service provider to facilitate the process of reviewing the risks with the purpose of updating the risk register.

The identified risks were rated in order of priority and assigned to a relevant manager. The Legislature further contracted a service provider to facilitate the process of developing a risk management framework.

A specific template has been developed which will be used by the Chief Risk Officer to report on the identified and assigned risks.

The Executive and Senior Managers completed and subsequently submitted information declaring their financial and business interests, while staff members below the level of Senior Managers were informed in writing to also declare their financial and business interests.

Among the policies adopted was the Fraud Prevention Policy. Subsequent to the adoption of the policy, a Fraud Prevention and Awareness Committee was established.

A code of conduct was developed and was thoroughly discussed with all staff members. The code of conduct forms part of the Disciplinary Code and Procedures.

A Health and Safety Committee was established. Members of this committee received training that will enable them to execute their duties effectively.

As stated earlier in the report, a Bid Specifications Committee, Bid Evaluation Committee, and Bid Adjudication Committee have been established as a measure of strengthening controls regarding the procurement processes.

## **8. DISCONTINUED ACTIVITIES**

A policy decision was taken that the Legislature should transfer caucus funds to political parties represented in the Legislature. The effect of the decision was that the staff of the Legislature will no longer manage or control the utilization of funds allocated to political parties. The transfer payment was effected, pursuant to the adoption of the Equitable Funding Policy.

## **9. PROPOSED ACTIVITY**

The Mpumalanga Provincial Legislature is planning to implement the following projects in the forthcoming financial year:

- **Skills audit**

The purpose of the skills audit is to identify skills gaps in order to offer targeted training to improve the capacity of staff. The total cost of such an exercise is estimated at R650 000, which excludes training, which will be quantified on completion of the exercise.

- **Information Master Systems Plan**

The Legislature intends to contract a service provider to facilitate the development of the Information Master Systems Plan.

The plan will include the reviewed Disaster Recovery Plan and the securing of data and information. The estimated cost of this project is R750 000.

- **Electronic Document Management System**

The Legislature is currently using a manual document management system and intends upgrading it to an electronic document management system.

This will ensure that documents are kept in both hard and soft copy. The system will also assist in tracking the implementation of resolutions taken.

The cost is estimated at R 1.7 million.

- **Refurbishment of the Chamber**

The Legislature will be upgrading the Chamber by installing digital touch-screens, broadcasting equipment, and digital recording systems.

The cost is estimated at R10 million

- **Members' Lounge**

There are plans to construct a Members' Lounge by converting some of the committee rooms.

The cost is estimated at R 3.5 million.

- **Video conferencing**

The Legislature will be converting one of the Committee rooms into a video conference room. The cost for the room readiness will be borne by the Legislature, and it is estimated at R1, 5million, whereas, the cost of the backbone infrastructure and the software will be carried by the European Union Legislature Support Programme.

- **Newsletter**

The Legislature will be issuing a quarterly newsletter to inform the public about the developments in the institution.

The cost is estimated at R 450 000.

- **Truck for the public participation**

The Legislature has leased a horse for the trailer to be used for public participation programme. The trailer and the equipment to be fitted will be procured in the ensuing financial year. The cost is estimated at R3 million.

## **10. ASSET MANAGEMENT**

The Legislature is in the process of appointing an Asset Manager. In the interim, the task of updating the asset register is assigned to one of the staff members in the office of the CFO. The asset register is updated on a quarterly basis.

The Legislature is in the process of embarking on capital projects such as the refurbishment of the chamber, the construction of the members' lounge and the videoconference room.

The process of procuring goods and service is as follows:

- The Bid Specification Committee develops the tender specification together with the requester for the goods and services.
- The Bid Evaluation Committee evaluates the proposals and recommends to the Bid Adjudication Committee.
- The Bid Adjudication Committee adjudicates and recommends the appointment of the deserving service provider.

## **11. EVENTS AFTER THE REPORTING DATE**

There are no events to be reported, which occurred after the reporting date and the date of approval of the Annual Financial Statements.

## **12. PERFORMANCE INFORMATION**

- The Mpumalanga Provincial Legislature adopted a strategic plan and annual performance plan. The Executive and Senior Management compiled and submitted the monthly and quarterly reports stating the outputs against the target as reflected on the strategic plan.
- Meetings were held to discuss the monthly and quarterly reports and corrective steps were taken to deal with underperformance.
- The reports were subjected to scrutiny by the Research Policy, Monitoring, and Evaluation Unit.
- The report on performance has been scrutinised by the Audit Committee and the Legislature Service Board.
- In future the Internal Auditors will conduct audit reviews on the performance information.



### 13. SCOPA RESOLUTIONS

The following SCOPA resolutions relate to the Legislature:

REFERENCE TO PREVIOUS AUDIT REPORT AND SCOPA RESOLUTIONS	SUBJECT	FINDINGS ON PROGRESS
The Committee recommended that in future, the Legislature should comply with the Treasury Regulations, i.e. where amounts owed cannot be recovered, they should be written off accordingly.	Accounts Receivable	The Legislature resolved that as a last attempt to recover the debts with no movement, the debtors should be handed over to a law firm for collection.
The Committee recommended that the Accounting Officer should furnish the Committee with a SARS report on the matter	Fringe Benefit: Interest free loans	The report was subsequently forwarded to the Committee.
The Committee recommended that the Mpumalanga Provincial Legislature should adhere to the approved Supply Chain Management policy and that control measures be developed to ensure that creditors are being paid within the stipulated time.	Expenditure	The Legislature will in future pay creditors within 30 days.
The Committee recommended that the Legislature safeguards the assets adequately as required by 38 (1) (d) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) read with Treasury Regulation 10.1	Assets	Asset verification was conducted and an Asset Manager has been appointed
The Committee recommended that the Legislature should in future submit all audit information/evidence on time to enable the audits to be finalised within stipulated timeframes.	Late submission of audit evidence, 2004/05	The Legislature submitted the audit evidence on time

<b>REFERENCE TO PREVIOUS AUDIT REPORT AND SCOPA RESOLUTIONS</b>	<b>SUBJECT</b>	<b>FINDINGS ON PROGRESS</b>
The Committee reviewed the progress made by the Legislature on implementing House resolutions emanating from the SCOPA report. The Legislature has implemented all House resolutions.	Implementation of resolutions of the previous year.	The report is noted.

**Approval**

The Annual Financial Statements set out on pages 45 to 79 have been approved by the Accounting Officer.

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**MR LJ Mwale**

**Secretary to the Legislature**

**31 March 2006**

## **REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 2 – MPUMALANGA PROVINCIAL LEGISLATURE FOR THE YEAR ENDED 31 MARCH 2006**

### **1 AUDIT ASSIGNMENT**

The financial statements as set out on pages ... to ..., for the year ended 31 March 2006, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996, read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). The fixed asset opening balances have not been audited because of the timing of guidance from the 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.

### **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 Mpumalanga Provincial Legislature's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as described in note 1.1 to the financial statements.

### **4 AUDIT OPINION**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mpumalanga Provincial Legislature at 31 March 2006 and the results of its operations and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury of South Africa, as described in note 1.1 to the financial statements, and in the manner required by the Public Finance Management Act.

## 5 APPRECIATION

The assistance rendered by the staff of the Mpumalanga Provincial Legislature during the audit is sincerely appreciated.

*Shaupet Fakie*

Auditor-General

Pretoria

31 July 2006



AUDITOR - GENERAL

**MPUMALANGA PROVINCIAL LEGISLATURE  
VOTE 2**

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

The Annual Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material 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.

### **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 Legislature.

### **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 received during the year are presented in the statement of financial performance.

**MPUMALANGA PROVINCIAL LEGISLATURE  
VOTE 2**

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

Unexpended appropriated funds are retained by the Provincial Legislature, unless approval has been given by the Provincial Treasury to rollover the funds to the subsequent financial year. These rollover funds form part of retained funds in the annual financial statements. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

**2.2 Legislature revenue**

The Legislature's revenue is retained into the Provincial Legislature 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 Legislature 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 is recognised in the statement of financial performance when the cash is received.

**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 Legislature. 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.

**2.2.4 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.

**2.2.5 Financial transactions in assets and liabilities**

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

**MPUMALANGA PROVINCIAL LEGISLATURE  
VOTE 2**

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

**2.2.6 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.

**2.2.7 Local and foreign aid assistance**

Local and foreign aid assistance is recognised in the financial records when notification of the donation is received from the National Treasury or when the institution 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 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).

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. 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 entities' contribution to social insurance schemes paid on behalf of the employee. 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.

**MPUMALANGA PROVINCIAL LEGISLATURE  
VOTE 2**

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

**3.1.1 Short-term employee benefits**

Short-term employee benefits comprise of leave entitlements, 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**

**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).

**Post employment retirement benefits**

The Legislature 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 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.

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

**3.4 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 or written off as irrecoverable.

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



**MPUMALANGA PROVINCIAL LEGISLATURE  
VOTE 2**

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

funding it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

Where unauthorised expenditure is not approved it is recovered from the responsible person. The amount received is recorded as Legislature revenue in the statement of financial position when received.

**3.5 Fruitless and wasteful expenditure**

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

The amount recovered from the responsible person is recorded as Legislature revenue in the statement of financial performance when the funds are received.

**3.6 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.

The amount recovered from the responsible person is recorded as revenue in the statement of financial performance when the funds are received.

**3.7 Transfers and subsidies**

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

**3.8 Expenditure for capital assets**

Payments made for capital assets are 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.

**MPUMALANGA PROVINCIAL LEGISLATURE  
VOTE 2**

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

**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 that are recoverable from another party, when the payments are made.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are disclosed as part of the disclosure notes to the annual financial statements.

**4.4 Loans**

Loans are recognised in the statement of financial position at the nominal amount. Amounts that are potentially irrecoverable are disclosed as part of the disclosure notes to the annual financial statements

**4.5 Inventory**

Inventories on hand at the reporting date are disclosed at cost in the disclosure notes to the annual financial statements.

**5 Liabilities**

**5.1 Payables**

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at their nominal amounts 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 however disclosed as part of 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 as part of the annexures to the annual financial statements.

**5.3 Accruals**

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

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are however disclosed as part of the disclosure notes.

**MPUMALANGA PROVINCIAL LEGISLATURE  
VOTE 2**

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

**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 institution; 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 disclosed as part of the disclosure notes to the annual financial statements.

**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 however disclosed as part of 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 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 parties that control or significantly influence the institution in making financial and operating decisions. Specific information with regards to related party transactions is disclosed as part of the disclosure notes to the annual financial statements.

**MPUMALANGA PROVINCIAL LEGISLATURE  
VOTE 2**

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

**8 Key management personnel**

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Legislature. Senior management includes the Speaker and Deputy Speaker to the Legislature, the Secretary to the Legislature, the Executive Manager, the Senior Managers and the Chief Financial Officer. Compensation paid to key management personnel including their family members, where relevant, are disclosed as part of the disclosure notes to the annual financial statements.

**MPUMALANGA PROVINCIAL LEGISLATURE  
VOTE 2**

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

Appropriation per programme								
		2005/06					2004/05	
	Adjusted Appropriation	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
<b>1. Support Services</b>								
Current payment	44,011	(13)	43,998	45,938	(1,940)	104,4%	37,049	35,707
Transfers and subsidies	3,594		3,594	3,562	32	99,1%	2,700	2,782
Payment for capital assets	2,937		2,937	1,175	1,762	40%	1,691	1,560
<b>2. Statutory Services</b>								
Current payment	11,304	13	11,317	11,013	304	97,3%	10,544	10,544
Subtotal	61,846		61,846	61,688	158	99,7%	51,984	50,593
<b>TOTAL</b>	<b>61,846</b>		<b>61,846</b>	<b>61,688</b>	<b>158</b>	<b>99,7%</b>	<b>51,984</b>	<b>50,593</b>
<b>Reconciliation with Statement of Financial Performance</b>								
<b>Add:</b>								
Legislature receipts			287				1,232	
Local and foreign aid assistance received							305	
<b>Actual amounts per Statements of Financial Performance (Total revenue)</b>			<b>62,133</b>				<b>53,521</b>	
<b>Add:</b>								
Local and foreign aid assistance								305
Prior year unauthorised expenditure approved								304
Prior year fruitless and wasteful expenditure authorised								
<b>Actual amounts per Statements of Financial Performance (Total expenditure)</b>				<b>61,688</b>				<b>51,202</b>

**MPUMALANGA PROVINCIAL LEGISLATURE  
VOTE 2**

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

Appropriation per economic classification							
	2005/06					2004/05	
	Adjusted Appropriation	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic Classification	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>							
Compensation of employees	38,160	38,160	34,245	3,915	89,7%	34,130	28,985
Goods and services	17,155	17,155	22,706	(5,551)	132,4%	13,463	16,610
Financial transactions in assets and liabilities							656
<b>Transfers and subsidies</b>							
Provinces and municipalities	88	88	93	(5)	105,7%		82
Non-profit institutions (political parties)	3,506	3,506	3,469	37	98,9%	2,700	2,700
<b>Payments for capital assets</b>							
Machinery and equipment	2,937	2,937	1,142	1,795	38,9%	1,691	1,524
Software and other intangible assets			33	(33)			36
Land and subsoil assets							304
Unauthorised expenditure approved							
<b>Total</b>	<b>61,846</b>	<b>61,846</b>	<b>61,688</b>	<b>158</b>	<b>99,7%</b>	<b>51,984</b>	<b>50,897</b>

**MPUMALANGA PROVINCIAL LEGISLATURE  
VOTE 2**

**DETAILS PER PROGRAMME 1 : SUPPORT SERVICES  
for the year ended 31 March 2006**

	2005/06						2004/05	
Programme per sub-programme	Adjusted Appropriation	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
<b>1.1 Legal Services</b>								
Current payment	1,171		1,171	1,274	(103)	108,8%	1,129	437
Transfers and Subsidies	3		3	3				
Payment for capital assets				10	(10)	100%		
<b>1.2 Procedural Services</b>								
Current payment	1,122		1,122	1,236	(114)	110,2%	1,084	790
Transfers and Subsidies	5		5	3	2	60,0%		
Payment for capital assets								
<b>1.3 Committee Section</b>								
Current payment	2,191		2,191	3,511	(1,320)	160,2%	2,107	2,522
Transfers and Subsidies				9	(9)			
Payment for capital assets				39	(39)			3
<b>1.4 Standing Committees</b>								
Current Payment	2,007		2,007	1,099	908	54,8%	2,745	803
Transfers and Subsidies								
Payment for capital assets								
<b>1.5 Hansard</b>								
Current Payment	2,025		2,025	1,596	429	78,9%	1,957	1,092
Transfers and Subsidies	10		10	2	8	20,0%		
Payment for capital assets								
<b>1.6 Executive Manager Parliamentary</b>								
Current Payment	624		624	808	(184)	129,5%	600	1,051
Transfers and Subsidies				2	(2)			
Payment for capital assets				13	(13)			2
<b>1.7 Risk Management</b>								
Current Payment	1,877		1,877	2,247	(370)	123,7%	1,224	381
Transfers and Subsidies				9	(9)			
Payment for capital assets	440		440	189	251	43,0%		
<b>1.8 Public Participation Unit</b>								
Current Payment	3,477		3,477	3,800	(323)	109,3%	1,730	1,181
Transfers and Subsidies	5		5	4	1	80,0%		
Payment for capital assets	1,615		1,615	85	1,530	5,3%		
<b>1.9 Research, Policy and Monitoring</b>								
Current Payment	2,141		2,141	2,200	(59)	102,8%	2,059	1,037
Transfers and Subsidies				6	(6)			
Payment for capital assets				1	(1)			
<b>1.10 House of Traditional Leaders</b>								
Current Payment								(34)
Transfers and Subsidies								
Payment for capital assets								
<b>1.11 Office of the Speaker</b>								
Current Payment	4,416	(13)	4,403	4,842	(439)	110,0%	5,565	7,335
Transfers and Subsidies	3,515		3,515	3,469	46	98,7%		
Payment for capital assets				8	(8)			
Unauthorised expenditure								304
<b>1.12 Office of the Secretary</b>								
Current Payment	1,978		1,978	1,611	367	81,4%	2,730	2,603
Transfers and Subsidies	12		12	3	9	25,0%		

**MPUMALANGA PROVINCIAL LEGISLATURE  
VOTE 2**

**DETAILS PER PROGRAMME 1 : SUPPORT SERVICES  
for the year ended 31 March 2006**

Programme per sub-programme	2005/06						2004/05	
	Adjusted Appropriation	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
Payment for capital assets	482		482	1	481	0,2%	1,691	1,196
<b>1.13 Chief Whip Majority Party</b>								
Current Payment	2,600		2,600	1,972	628	75,8%	1,634	1,313
Transfers and Subsidies	5		5	4	1	80,0%		
Payment for capital assets				77	(77)			
<b>1.14 Chief Whip Opposition Party</b>								
Current Payment	1,089		1,089	930	159	85,4%	894	540
Transfers and Subsidies	2		2	2		100,0%		
Payment for capital assets								1
<b>1.15 Chief Financial Officer</b>								
Current Payment	11,176		11,176	11,383	(207)	101,8%	6,799	7,446
Transfers and Subsidies	22		22	36	(14)	163,6%	2,700	2,782
Payment for capital assets	400		400	654	(254)	163,5%		118
<b>1.16 Communication and Information</b>								
Current Payment	2,975		2,975	2,992	(17)	100,6%	2,250	2,942
Transfers and Subsidies	13		13	4	9	30,8%		
Payment for capital assets				30	(30)			240
<b>1.17 Human Resource Management</b>								
Current Payment	2,518		2,518	3,726	(1,208)	148,0%	1,942	2,861
Transfers and Subsidies	2		2	5	(3)	250,0%		
Payment for capital assets				18	(18)			
<b>1.18 Executive Manager Corporate</b>								
Current Payment	624		624	711	(87)	113,9%	600	751
Transfers and Subsidies				1	(1)			
Payment for capital assets				50	(50)			
<b>1.19 Special Function</b>								
Current Payment								656
Transfers and Subsidies								
Payment for capital assets								
<b>TOTAL</b>	<b>50,542</b>	<b>(13)</b>	<b>50,529</b>	<b>50,675</b>	<b>(146)</b>	<b>100,3%</b>	<b>41,440</b>	<b>40,353</b>



**MPUMALANGA PROVINCIAL LEGISLATURE  
VOTE 2**

**DETAILS PER PROGRAMME 1 : SUPPORT SERVICES  
for the year ended 31 March 2006**

Economic Classification	2005/06						2004/05	
	Adjusted Appropriation	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
<b>Current payment</b>								
Compensation of employees	26,856	(13)	26,843	23,251	3,592	86,8%	23,586	18,441
Goods and services	17,155		17,155	22,706	(5,551)	129,0%	13,463	16,610
Financial transactions in assets and liabilities								656
<b>Transfers and subsidies to:</b>								
Provinces and municipalities	88		88	74	14	84,1%		82
Political parties	3,506		3,506	3,469	37	98,8%	2,700	2,700
<b>Payment for capital assets</b>								
Machinery and equipment	2,937		2,937	1,142	1,795	38,9%	1,691	1,524
Software and other intangible assets			33	(33)				36
Unauthorised Expenditure approved								304
<b>Total</b>	<b>50,542</b>	<b>(13)</b>	<b>50,529</b>	<b>50,675</b>	<b>(146)</b>	<b>103,0%</b>	<b>41,440</b>	<b>40,353</b>

**MPUMALANGA PROVINCIAL LEGISLATURE  
VOTE 2**

**DETAILS PER PROGRAMME 2 : STATUTORY SERVICES  
for the year ended 31 March 2006**

Programme per sub-programme	2005/06						2004/05	
	Adjusted appropriation	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
<b>1.1 Rem. Benefits to members</b>	11,304	13	11,317	11,013	304	97,3%	10,544	10,544
Current payment								
Transfers and subsidies								
Payment for capital assets								
<b>TOTAL</b>	<b>11,304</b>	<b>13</b>	<b>11,317</b>	<b>11,013</b>	<b>304</b>	<b>97,3%</b>	<b>10,544</b>	<b>10,544</b>

Economic Classification	2005/06						2004/05	
	Adjusted Appropriation	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
<b>Current payment</b>	11,304	13	11,317	10,994	323	97,1%	10,544	10,544
Compensation of employees								
<b>Transfers and subsidies to:</b>				19	(19)			
Provinces and municipalities								
<b>Total</b>	<b>11,304</b>	<b>13</b>	<b>11,317</b>	<b>11,013</b>	<b>304</b>	<b>97,3%</b>	<b>10,544</b>	<b>10,544</b>

**MPUMALANGA PROVINCIAL LEGISLAURE  
VOTE 2**

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

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

Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 - 7 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):**

<b>4.1 Per Programme</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance R'000</b>	<b>Variance as a % of Final Appropriation</b>
Support Services	50,529	50,675	(146)	(0,3%)
Statutory Services	11,317	11,013	304	3%

The 3% variance is caused by unauthorised expenditure approved by SCOPA in the 2004/05 financial year
---

<b>Per Economic classification</b>	<b>2005/06 R'000</b>
<b>Current payment:</b>	
Compensation of employees	34,245
Goods and services	22,706
<b>Transfers and subsidies:</b>	
Provinces and municipalities	93
Non-profit institutions	3,469
<b>Payments for capital assets:</b>	
Machinery and equipment	1,142
Software and other intangible assets	33

**MPUMALANGA PROVINCIAL LEGISLAURE  
VOTE 2**

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

	<i>Note</i>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
<b>REVENUE</b>			
Annual appropriation	1	61,846	51,984
Legislature revenue	2	287	1,232
Local and foreign aid assistance	3	-	305
<b>TOTAL REVENUE</b>		<b>62,133</b>	<b>53,521</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	34,245	28,985
Goods and services	5	22,706	16,610
Financial transactions in assets and liabilities	6	-	656
Local and foreign aid assistance	3	-	305
Unauthorised expenditure approved	9	-	304
<b>Total current expenditure</b>		<b>56,951</b>	<b>46,860</b>
<b>Transfers and subsidies</b>	7	3,562	2,782
<b>Expenditure for capital assets</b>			
Machinery and equipment	8	1,142	1,524
Software and other intangible assets	8	33	36
<b>Total expenditure for capital assets</b>		1,175	1,560
<b>TOTAL EXPENDITURE</b>		<b>61,688</b>	<b>51,202</b>
<b>SURPLUS</b>		445	2,319
Add back fruitless and wasteful expenditure	10	425	-
<b>SURPLUS FOR THE YEAR</b>		<b>870</b>	<b>2,319</b>
<b>Reconciliation of Surplus for the year</b>			
Voted Funds	13	583	1,087
Legislature Revenue	14	287	1,232
<b>SURPLUS FOR THE YEAR</b>		<b>870</b>	<b>2,319</b>

**MPUMALANGA PROVINCIAL LEGISLATURE  
VOTE 2**

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

	<i>Note</i>	2005/06 R'000	2004/05 R'000
<b>ASSETS</b>			
<b>Current assets</b>		1,537	2,999
Fruitless and wasteful expenditure	10	425	-
Cash and cash equivalents	11	384	2,250
Receivables	12	728	749
<b>TOTAL ASSETS</b>		<b>1,537</b>	<b>2,999</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		885	2,319
Voted funds to be retained	13	583	1,087
Legislature revenue to be retained	14	287	1,232
Payables	15	15	-
<b>TOTAL LIABILITIES</b>		<b>885</b>	<b>2,319</b>
<b>NET ASSETS</b>		<b>652</b>	<b>680</b>
<b>Represented by:</b>			
Recoverable revenue		652	680
Retained funds (Legislatures/Parliament)			
<b>TOTAL</b>		<b>652</b>	<b>680</b>

**MPUMALANGA PROVINCIAL LEGISLATURE  
VOTE 2**

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

	<i>Note</i>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
<b>Recoverable revenue</b>			
Opening balance		680	1,579
Transfers		(28)	(899)
Debts written off	6.2	-	(656)
Debts recovered (included in Legislature revenue)		(680)	(243)
Debts raised		652	-
Closing balance		<u>652</u>	<u>680</u>
 <b>TOTAL</b>		 <u><b>652</b></u>	 <u><b>680</b></u>

**MPUMALANGA PROVINCIAL LEGISLATURE  
VOTE 2**

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

	<i>Note</i>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		62,133	53,519
Annual appropriated funds received	1	61,846	51,984
Legislature revenue received		287	1,230
Local and foreign aid assistance received	3	-	305
Net decrease in working capital		36	897
Surrendered to Revenue Fund		(2,319)	(1,691)
Current payments		(56,951)	(46,556)
Transfers and subsidies paid		(3,562)	(2,782)
<b>Net cash flow available from operating activities</b>	16	<b>(663)</b>	<b>3,387</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets		(1,175)	(1,560)
Proceeds from sale of capital assets	2.3	-	2
<b>Net cash flows from investing activities</b>		<b>(1,175)</b>	<b>(1,558)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Decrease in net assets		(28)	-
Decrease in non-current payables		-	(899)
<b>Net cash flows from financing activities</b>		<b>(28)</b>	<b>(899)</b>
Net (decrease)/increase in cash and cash equivalents		(1,866)	930
Cash and cash equivalents at the beginning of the period		2,250	1,320
<b>Cash and cash equivalents at end of period</b>	17	<b>384</b>	<b>2,250</b>

**MPUMALANGA PROVINCIAL LEGISLATURE  
VOTE 2**

**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 (Voted funds) Provincial Legislature

	<b>Final Appropriation R'000</b>	<b>Actual Funds Received R'000</b>	<b>Funds not requested/ not received R'000</b>	<b>Appropriation received 2004/05 R'000</b>
Support Services	50,529	50,529		41,440
Statutory Services	11,317	11,317		10,544
<b>Total</b>	<b>61,846</b>	<b>61,846</b>		<b>51,984</b>

**2 Legislature revenue to be Retained**

**Description**

	<i>Notes</i>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
Sales of goods and services other than capital assets	2.1	66	12
Interest, dividends and rent on land	2.2	130	221
Sales of capital assets	2.3	-	2
Financial transactions in assets and liabilities	2.4	91	997
<b>Legislature revenue collected</b>		<b>287</b>	<b>1,232</b>

**2.1 Sales of goods and services other than capital assets**

	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
Sales of goods and services produced by the Legislature		
Other sales	66	12
<b>Total</b>	<b>66</b>	<b>12</b>



**MPUMALANGA PROVINCIAL LEGISLATURE  
VOTE 2**

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

	<i>Note</i>	2005/06 R'000	2004/05 R'000
<b>2.2 Interest, dividends and rent on land</b>			
Interest		130	221
<b>Total</b>		<b>130</b>	<b>221</b>
<b>2.3 Sale of capital assets</b>			
Other capital assets		-	2
<b>Total</b>		<b>-</b>	<b>2</b>
<b>2.4 Financial transactions in assets and liabilities</b>			
<b>Nature of loss recovered</b>			
Receivables			
Other Receipts including Recoverable Revenue		91	997
<b>Total</b>		<b>91</b>	<b>997</b>
<b>3. Local and foreign aid assistance</b>			
<b>Assistance received in cash: Other</b>			
<b>Local</b>			
Opening Balance		-	-
Revenue		-	305
Expenditure		-	(305)
Current		-	(305)
Capital		-	-
Closing Balance		-	-
<b>Total</b>			
Opening Balance		-	-
Revenue		-	305
Expenditure		-	(305)
Current		-	(305)
Capital		-	-
Closing Balance		-	-

**MPUMALANGA PROVINCIAL LEGISLATURE  
VOTE 2**

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

**4. Compensation of employees**

	<i>Note</i>	2005/06 R'000	2004/05 R'000
<b>4.1 Salaries and Wages</b>			
Basic salary		22,427	19,029
Performance award		5	-
Service Based		212	1,044
Compensative/circumstantial		504	225
Periodic payments		418	153
Other non-pensionable allowances		5,059	3,633
		<u><b>28,625</b></u>	<u><b>24,084</b></u>
<b>4.2 Social contributions</b>			
<b>4.2.1 Employer contributions</b>			
Pension		3,121	3,121
Medical		1,591	-
Bargaining council		3	3
Insurance		905	343
		<u><b>5,620</b></u>	<u><b>3,467</b></u>
<b>4.2.2 Post Retirement benefits</b>			
Medical		-	1,434
		<u><b>5,620</b></u>	<u><b>4,901</b></u>
<b>Total compensation of employees</b>		<u><b>34,245</b></u>	<u><b>28,985</b></u>
Average number of employees		<u><b>130</b></u>	<u><b>122</b></u>

**5. Goods and services**

Advertising		651	703
Bank charges and card fees		21	19
Communication		1,332	1,180
Computer services		771	349
Consultants, contractors and special services		2,035	786
Courier and delivery services		23	17
Entertainment		41	1,127
External audit fees	5.1	1,555	601
Equipment less than R5000		74	446
Government motor transport		368	236
Inventory	5.2	2,310	1,692
Legal fees		221	77
Maintenance, repairs and running cost		1,683	1,535
Medical Services		1	1
Operating leases		1,994	1,610
Personnel agency fees		146	38

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	<i>Note</i>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
Photographic services		9	202
Plant flowers and other decorations		100	43
Printing and publications		352	194
Professional bodies and membership fees		144	175
Subscriptions		139	90
Owned leasehold property expenditure		1,202	-
Translations and transcriptions		2	21
Transport provided as part of the Legislature activities		457	99
Travel and subsistence	5.3	6,134	4,443
Venues and facilities		334	206
Protective, special clothing & uniforms		55	172
Training & staff development		552	548
		<b>22,706</b>	<b>16,610</b>

**5.1 External audit fees**

Regulatory audits	1,538*	537
Performance audits	17**	61
Other audits	-	3
<b>Total external audit fees</b>	<b>1,555</b>	<b>601</b>

Note: \* Included in the amount are payments to the value of R 973 395 towards the audit of 2004/2005.

\*\* Payments were for the audit on "Government employees who are directors or spouses of directors of private organisations."

**5.2 Inventory**

Domestic consumables	18	95
Food and Food supplies	1,272	654
Parts and other maintenance material	85	-
Stationery and printing	935	943
	<b>2,310</b>	<b>1,692</b>

**5.3 Travel and subsistence**

Local	6,046	3,922
Foreign	88	521
<b>Total travel and subsistence</b>	<b>6,134</b>	<b>4,443</b>

**6. Financial transactions in assets and liabilities**

Debts written off	6.1	-	656
		<b>-</b>	<b>656</b>

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	<i>Note</i>	<b>2005/06 R'000</b>	<b>2004/05 R'00</b>
<b>6.1 Debts written off</b>			
<b>Nature of debts written off</b>			
Transfer to debts written off		-	656
		<u>-</u>	<u>656</u>
<b>6.2 Recoverable revenue debts written off</b>			
Members of the Provincial Legislature ( former)		-	(315)
Others		-	(341)
		<u>-</u>	<u>(656)</u>
<b>7 Transfers and subsidies</b>			
Provinces and municipalities	<i>Annex 1F</i>	93	82
Political Parties	<i>Annex 1K</i>	3,469	2,700
		<u>3,562</u>	<u>2,782</u>
<b>8 Expenditure for Capital Assets</b>			
Machinery and equipment	<i>Annex 5</i>	1,142	1,524
Software and other intangible assets	<i>Annex 6</i>	33	36
<b>Total</b>		<u>1,175</u>	<u>1,560</u>
<b>9 Unauthorised Expenditure</b>			
<b>9.1 Reconciliation of unauthorised expenditure</b>			
Opening balance		-	304
Unauthorised expenditure – current year		-	-
		<u>-</u>	<u>-</u>
Amounts approved by Parliament/Legislature (without funding)		-	(304)
Current expenditure		<u>-</u>	<u>(304)</u>
Transfer to receivables for recovery (not approved)		-	-
Unauthorised expenditure awaiting authorisation		-	-
		<u>-</u>	<u>-</u>
<b>9.2 Analysis of Current Unauthorised expenditure</b>			

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**10. Fruitless and wasteful expenditure**

	2005/06 R'000	2005/06 R'000
<b>10.1 Reconciliation of fruitless and wasteful expenditure</b>		
Opening balance	-	-
Fruitless and wasteful expenditure – current year	425	-
	<u>425</u>	<u>-</u>

**Analysis of current fruitless and wastful expenditure**

Incident	Disciplinary steps taken/criminal proceedings
Payment to SARS for taking debt on without interest charge	No disciplinary steps taken

**11. Cash and Cash Equivalents**

	Note	2005/06 R'000	2004/05 R'00
Consolidated Paymaster General Account		384	2,250
		<u>384</u>	<u>2,250</u>

**12. Receivables**

		Less than one year	One to three years	Older than three years	Total	Total
Staff debt	11.1	14	120	567	701	735
Other Debtors	11.2	-	-	27	27	14
		<u>14</u>	<u>120</u>	<u>594</u>	<u>728</u>	<u>749</u>

**12.1 Staff Debt**

Staff and MPLs in and out of service	701	735
	<u>701</u>	<u>735</u>

**12.2 Other debtors**

SARS	13	14
Medical aid	8	-
Pension	6	-

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	<u>27</u>	<u>14</u>
<b>13. Voted funds to be retained</b>		
	<i>Note</i>	
	<b>2005/06</b>	<b>2004/05</b>
	<b>R'000</b>	<b>R'000</b>
Opening balance	1,087	1,065
Transfer from Statement of Financial Performance	583	1,087
Paid during the year	<u>(1,087)</u>	<u>(1,065)</u>
Closing balance	<b>583</b>	<b>1,087</b>
<b>14. Legislature revenue to be retained</b>		
Opening balance	1,232	626
Transfer from Statement of Financial Performance	287	1,232
Paid during the year	<u>(1,232)</u>	<u>(626)</u>
Closing balance	<b>287</b>	<b>1,232</b>
<b>15. Payables – current</b>		
<b>Description</b>		
Other payables	<u>15</u>	<u>-</u>
	<b>15</b>	<b>-</b>
<b>15.1 Other payables</b>		
Disallowance (other government departments)	<u>15</u>	<u>-</u>
	<b>15</b>	<b>-</b>
<b>16. Net cash flow available from operating activities</b>		
Net surplus as per Statement of Financial Performance	870	2,319
Decrease in receivables – current	21	897
(Increase)/decrease in other current assets	(425)	304
Increase/(decrease) in payables – current	15	(2)
Surrenders to Revenue Fund	(2,319)	(1,691)
Expenditure on capital assets	<u>1,175</u>	<u>1,560</u>
<b>Net cash flow generated by operating activities</b>	<b>(663)</b>	<b>3,387</b>
<b>17. Reconciliation of cash and cash equivalents for cash flow purpose</b>		
Consolidated Paymaster General account	<u>384</u>	<u>2,250</u>
	<b>384</b>	<b>2,250</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**18. Contingent Liabilities**

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

		<i>Note</i>	2005/06 R'000	2004/05 R'000
<b>Liable to</b>	<b>Nature</b>			
Housing loan guarantees	Employees	<i>Annex 4</i>	330	262
SARS			47	946
			<u>320</u>	<u>1,208</u>

**19. Accruals**

<b>Listed by economic classification</b>	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	678	-	678	1,521
	<u>678</u>		<u>678</u>	<u>1,521</u>

**Listed by programme level**

Support Services	678	1,521
	<u>678</u>	<u>1,521</u>

<b>Confirmed balances with other departments</b>	<i>Annex 7</i>	82	102
		<u>82</u>	<u>102</u>

**20. Commitments**

Current expenditure- Approved and contracted	370 446	-
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**21. Employee Benefits**

Leave entitlement	885	667
Thirteenth cheque	713	586
Capped leave commitments	1,850	1,922
	<u>3,448</u>	<u>3,175</u>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**22. Lease Commitments**

<b>22.1 Operating leases</b>	<b>Machinery and equipment R'000</b>	<b>2005/06 Total R'000</b>	<b>2004/05 Total R'000</b>
Not later than 1 year	-	-	489
Later than 1 year and not later than 5 Years	627	627	830
Later than five years	-	-	-
Total present value of lease liabilities	<b>627</b>	<b>627</b>	<b>1,319</b>

**23. Key Management Personnel**

	<b>No. of Individuals</b>		
Political office bearers(Speakership)	2	1,057	1,104
Officials			
Level 15 to 16	1	688	657
Level 14	1	558	994
		<b>2,303</b>	<b>2,755</b>



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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1****STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT			2004/05
	Amount	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
Ehlanzeni District Municipality	88			93	(5,6%)				82
	<b>88</b>			<b>93</b>	<b>(5,6%)</b>				<b>82</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 2****STATEMENT OF TRANSFERS TO NON-PROFIT ORGANISATIONS (POLITICAL PARTIES)**

NON-PROFIT ORGANISATIONS	TRANSFER ALLOCATION				EXPENDITURE		2004/05
	Adjusted Appropriation Act	Roll-overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
African National Congress	2,592			2,592	2,592	100%	2,430
Christian Party	54			54	54	100%	90
Democratic Alliance	192			192	192	100%	180
	2,838			2,838	2,838	100%	2,700
Democratic Alliance	373			373	373	100%	
Christian Party	258			258	258	100%	
<b>Total</b>	<b>3,469</b>			<b>3,469</b>	<b>3,469</b>	<b>100%</b>	<b>2,700</b>

These transfers denote the transfers to political parties for constituency work by members and caucus fund in the case of Democratic Alliance and Christian Party.

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**ANNEXURE 3****STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2005/06	2004/05
		R'000	R'000
<b>Received in cash</b>			
FNB	Donation for APAC conference		90
Standard Bank	Donation for APAC conference		163
Deloitte & Touche	Donation for APAC conference		5
PriceWaterHouseCoopers	Donation for APAC conference		5
Sanlam	Donation for APAC conference		20
Multichoice	Donation for APAC conference		5
KPMG	Donation for APAC conference		17
Donor funds utilised			(305)
<b>Received in kind</b>			
AWEPA	Donation for strategic plan	45	
LSP	Legislature support programme funded by the European union	1,030	77
FNB	Donation for the State of the Province	120	
		<b>1,195</b>	<b>77</b>

- Donation for institutional strategic plan by AWEPA
- Legislature Support Programme funded by EU
- Donation from FNB for state of the province address

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**ANNEXURE 4****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
ABSA	Housing		34	47	(34)		47	
FNB			218	25	(111)		132	
Nedbank			0	30	-		30	
People's Bank			13		(13)		0	
Standard Bank			46	44	(12)		78	
Old Mutual	Other		42	-	-		42	
	<b>Total</b>		<b>353</b>	<b>146</b>	<b>(170)</b>		<b>330</b>	

**Note:** The closing balance for the 2004/05 financial year was understated by R91 000 due to unavailability of certification from the financial institutions.

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 5****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
<b>MACHINERY AND EQUIPMENT</b>	<b>3,059</b>	<b>1,142</b>	<b>-</b>	<b>4,201</b>
Transport assets	420	498	-	918
Computer equipment	1,226	209	-	1,435
Furniture and office equipment		212	-	212
Other machinery and equipment	1,413	223	-	1,636
<b>TOTAL CAPITAL ASSETS</b>	<b>3,059</b>	<b>1,142</b>		<b>4,201</b>

**ANNEXURE 5.1****ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Cash R'000	In-Kind R'000	Total R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>1,142</b>	<b>-</b>	<b>1,142</b>
Transport assets	498	-	498
Computer equipment	209	-	209
Furniture and office equipment	212	-	212
Other machinery and equipment	223	-	223
<b>TOTAL CAPITAL ASSETS</b>	<b>1,142</b>	<b>-</b>	<b>1,142</b>

**ANNEXURE 5.2****CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005**

	Additions R'000	Disposals R'000	Total Movement R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>1,524</b>	<b>-</b>	<b>1,524</b>
Computer equipment	349	-	349
Other machinery and equipment	1,175	-	1,175
<b>TOTAL CAPITAL ASSETS</b>	<b>1,524</b>		<b>1,524</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 6****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	-	33	-	33
<b>TOTAL</b>	<b>-</b>	<b>33</b>	<b>-</b>	<b>33</b>

**ANNEXURE 6.1****ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Cash R'000	In-Kind R'000	Total R'000
Computer Software	33	-	33
<b>TOTAL</b>	<b>33</b>	<b>-</b>	<b>33</b>

**ANNEXURE 6.2****CAPITAL INTANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005**

	Additions R'000	Disposals R'000	Total Movement R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>			
Computer Software	36	-	36
<b>TOTAL</b>	<b>36</b>	<b>36</b>	<b>36</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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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
<b>DEPARTMENTS</b>						
<b>Current</b>						
Public Works	-	102	71	-	71	102
Department of Health	11	-	-	-	11	-
<b>Total</b>	<b>11</b>	<b>102</b>	<b>71</b>	<b>-</b>	<b>82</b>	<b>102</b>

**PART 5:**  
**HUMAN RESOURCE MANAGEMENT**



## 5.1 Service Delivery

**Table 1.1 – Main services provided and standards**

<b>Main services</b>	<b>Actual customers</b>	<b>Potential customers</b>	<b>Standard of service</b>	<b>Actual achievement against standards</b>
Law making	Citizens of Mpumalanga	Citizens of South Africa, Swaziland and Mozambique	Passing quality legislations	Six Acts were passed
Conducting oversight	Government Departments and other organs of states	Citizen of South Africa	Oversight visits, and holding of committees' meeting outside the seat of the Legislature	Oversights visits were conducted and committees' meeting were held in municipalities

**Table 1.2 – Consultation arrangements with customers**

	<b>Actual Customers</b>	<b>Potential Customers</b>	<b>Actual achievements</b>
Public hearings	Citizens of Mpumalanga	Citizens of South Africa, Swaziland and Mozambique	Public hearings, Sectoral parliaments and Peoples' Assembly were held

**Table 1.3 – Service delivery access strategy**

<b>Access strategy</b>	<b>Actual achievements</b>
Holding Committees meetings in municipalities	Meetings were held in municipalities
Arranging public hearings	Public hearings were arranged
Organising site visits	Site visits were arranged
Arranging People's Assembly	People's Assembly was held
Arranging Sectoral Parliaments	Sectoral Parliaments were held

**Table 1.4 – Service information tool**

<b>Type of information tool</b>	<b>Actual achievements</b>
Committees reports	Reports were compiled and presented in the House for adoption
Hansard reports	Four Hansard volumes were compiled
Monthly, quarterly and annual report	Monthly, quarterly and annual reports were compiled.

Table 1.5 –Complaints mechanism

Complaints Mechanism	Actual achievements
Petitions	Petitions were considered by the Committees and some were concluded

## 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)
Pr1: support services	50,250	23,254	0	0	46,3%	164
Pr2: statutory services	11,013	10,993	0	0	99,8%	77
Z=Total as on Financial Systems (BAS)	61,264	34,247	0	0	55,9%	241

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)	32	0,1	0
Skilled (Levels 3-5)	2,475	7,2	68,750
Highly skilled production (Levels 6-8)	6,065	17,6	163,919
Highly skilled supervision (Levels 9-12)	15,088	43,7	328,000
Senior management (Levels 13-16)	7,003	20,3	466,867
Contract (Levels 3-5)	28	0,1	0
Contract (Levels 6-8)	1,225	3,6	408,333
Contract (Levels 9-12)	699	2	139,800
Periodical Remuneration	418	1,2	41,800
<b>TOTAL</b>	<b>33,033</b>	<b>95,7</b>	<b>217,322</b>

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

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amt (R'000)	Salaries as a % of person-nel cost	Amt (R'000)	Overtime as a % of person-nel cost	Amt (R'000)	HOA as a % of person-nel cost	Amt (R'000)	Medical Assis-tance as a % of person-nel cost
Pr1:support services	22	25,6	0	0	0	0	0	0
Pr2:parliamentary proceed	0	0	0	0	0	0	0	0
Pr2:statutory services	478	60	0	0	0	0	59	7,4
Prog1: support services	15027	66,9	186	0,8	102	0,5	926	4,1
Prog2: statutory services	6781	62,9	0	0	0	0	593	5,5
<b>TOTAL</b>	<b>22308</b>	<b>64,7</b>	<b>186</b>	<b>0,5</b>	<b>102</b>	<b>0,5</b>	<b>1578</b>	<b>4,6</b>

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	
	Amt (R'000)	Salaries as a % of person-nel cost	Amt (R'000)	Overtime as a % of person-nel cost	Amt (R'000)	HOA as a % of person-nel cost	Amt (R'000)	Medical Assis-tance as a % of person-nel cost
Lower skilled (Levels 1-2)	27	84,4	1	3,1	0	0	0	0
Skilled (Levels 3-5)	1827	72,5	80	3,2	12	0,5	172	6,8
Highly skilled production (Levels 6-8)	4439	70,1	93	1,5	53	0,8	316	5
Highly skilled supervision (Levels 9-12)	10225	64	0	0	28	0,2	839	5,2
Senior management (Levels 13-16)	4191	58	0	0	5	0,1	189	2,6
Contract (Levels 3-5)	28	100	0	0	0	0	0	0
Contract (Levels 6-8)	979	77,8	12	1	4	0,3	54	4,3
Contract (Levels 9-12)	593	83,8	0	0	0	0	8	1,1
Periodical Remuneration	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>22309</b>	<b>64,7</b>	<b>186</b>	<b>0,5</b>	<b>102</b>	<b>0,3</b>	<b>1578</b>	<b>4,6</b>

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
Pr 1 administration, Permanent	57	47	17,5	0
Pr 2 political, Permanent	30	26	13,3	1

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Pr 3 parliamentary, Permanent	62	55	11,3	0
Prog1: support services, Permanent	19	14	26,3	0
<b>TOTAL</b>	<b>168</b>	<b>142</b>	<b>15,5</b>	<b>1</b>

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
Skilled (Levels 3-5), Permanent	37	36	2,7	0
Highly skilled production (Levels 6-8), Permanent	53	42	20,8	0
Highly skilled supervision (Levels 9-12), Permanent	55	42	23,6	1
Senior management (Levels 13-16), Permanent	15	14	6,7	0
Contract (Levels 6-8), Permanent	5	5	0	0
Contract (Levels 9-12), Permanent	3	3	0	0
<b>TOTAL</b>	<b>168</b>	<b>142</b>	<b>15,5</b>	<b>1</b>

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 the establishment
Administrative related, Permanent	43	36	16,3	1
Cleaners in offices workshops hospitals etc., Permanent	2	2	0	0
Communication and information related, Permanent	1	0	100	0
Finance and economics related, Permanent	1	1	0	0
Financial clerks and credit controllers, Permanent	8	4	50	0
Head of Department/Chief Executive Officer, Permanent	1	1	0	0
Human resources clerks, Permanent	1	1	0	0
Human resources related, Permanent	1	0	100	0
Librarians and related profess, Permanent	2	1	50	0
Light vehicle drivers, Permanent	3	3	0	0
Messengers porters and deliverers, Permanent	3	3	0	0
Other administrative & related clerks and organisers, Permanent	6	6	0	0
Other administrative policy and related officers, Permanent	45	38	15,6	0
Other occupations, Permanent	27	24	11,1	0
Secretaries & other keyboard operating clerks, Permanent	15	14	6,7	0
Senior managers, Permanent	9	8	11,1	0
<b>TOTAL</b>	<b>168</b>	<b>142</b>	<b>15,5</b>	<b>1</b>

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

Salary band	No of posts	No of Jobs Evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				No.	% of posts evaluated	No.	% of posts evaluated
Lower skilled (Levels 1-2)	2	0	0	0	0	0	0
Contract (Levels 6-8)	5	0	0	0	0	0	0
Contract (Levels 9-12)	3	0	0	0	0	0	0
Skilled (Levels 3-5)	37	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	53	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	53	0	0	0	0	0	0
Senior Management Service Band A	11	0	0	0	0	0	0
Senior Management Service Band B	3	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
<b>TOTAL</b>	<b>168</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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 2004	Appointments and transfers into the Legislature	Terminations and transfers out of the Legislature	Turnover rate
Lower skilled (Levels 1-2), Permanent	2	1	0	0
Skilled (Levels 3-5), Permanent	30	6	0	0
Highly skilled production (Levels 6-8), Permanent	35	8	3	8,6
Highly skilled supervision (Levels 9-12), Permanent	34	6	2	5,9
Senior Management Service Band A, Permanent	7	3	1	14,3
Senior Management Service Band B, Permanent	1	0	0	0
Senior Management Service Band C, Permanent	1	0	0	0
Contract (Levels 3-5), Permanent	1	3	4	400
Contract (Levels 6-8), Permanent	10	2	6	60
Contract (Levels 9-12), Permanent	2	1	0	0
<b>TOTAL</b>	<b>123</b>	<b>30</b>	<b>16</b>	<b>13</b>

**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 Legislature	Terminations and transfers out of the Legislature	Turnover rate
Administrative related, Permanent	18	8	1	5,6
Cleaners in offices workshops hospitals etc., Permanent	3	0	0	0
Client inform clerks(switchb. recep inform clerks),	1	0	0	0

<b>Occupation:</b>	<b>Number of employees per occupation as on 1 April 2005</b>	<b>Appointments and transfers into the Legislature</b>	<b>Terminations and transfers out of the Legislature</b>	<b>Turnover rate</b>
Permanent				
Communication and information related, Permanent	0	1	0	0
Finance and economics related, Permanent	1	0	0	0
Financial clerks and credit controllers, Permanent	5	0	0	0
Head of Department/Chief Executive Officer, Permanent	1	0	0	0
Human resources & organisat. developm & related prof, Permanent	0	1	0	0
Human resources clerks, Permanent	1	0	0	0
Human resources related, Permanent	1	1	0	0
Librarians and related professionals, Permanent	1	0	1	100
Light vehicle drivers, Permanent	3	0	0	0
Messengers porters and deliverers, Permanent	3	0	0	0
Other administrat & related clerks and organisers, Permanent	6	1	0	0
Other administrative policy and related officers, Permanent	41	4	7	17,1
Other occupations, Permanent	24	2	2	8,3
Secretaries & other keyboard operating clerks, Permanent	11	9	4	36,4
Senior managers, Permanent	3	3	1	33,3
<b>TOTAL</b>	<b>123</b>	<b>30</b>	<b>16</b>	<b>13</b>

Table 5.3 – Reasons why staff are leaving the Legislature

<b>Termination Type</b>	<b>Number</b>	<b>% of total</b>
Resignation, Permanent	9	56,3
Expiry of contract, Permanent	5	31,3
Discharged due to ill health, Permanent	1	6,3
Retirement, Permanent	1	6,3
<b>TOTAL</b>	<b>16</b>	<b>100</b>
<b>Total number of employees who left as a % of the total employment</b>		<b>13</b>

Table 5.4 – Promotions by critical occupation

<b>Occupation</b>	<b>Employees as at 1 April 2005</b>	<b>Promotions to another salary level</b>	<b>Salary level promotions as a % of employees by occupation</b>	<b>Progressions to another notch within a salary level</b>	<b>Notch progressions as a % of employees by occupation</b>
Administrative related	18	11	61,1	1	5,6
Cleaners in offices workshops hospitals etc.	3	0	0	3	100
Client inform clerks(switchb	1	1	100	0	0

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
recept inform clerks)					
Finance and economics related	1	0	0	0	0
Financial clerks and credit controllers	5	3	60	0	0
Head of Department/Chief Executive Officer	1	0	0	0	0
Human resources clerks	1	0	0	0	0
Human resources related	1	0	0	0	0
Librarians and related professionals	1	0	0	1	100
Light vehicle drivers	3	2	66,7	0	0
Messengers porters and deliverers	3	0	0	3	100
Other administrat & related clerks and organisers	6	3	50	1	16,7
Other administrative policy and related officers	41	6	14,6	18	43,9
Other occupations	24	4	16,7	3	12,5
Secretaries & other keyboard operating clerks	11	5	45,5	2	18,2
Senior managers	3	1	33,3	0	0
<b>TOTAL</b>	<b>123</b>	<b>36</b>	<b>29,3</b>	<b>32</b>	<b>26</b>

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), Permanent	2	0	0	0	0
Skilled (Levels 3-5), Permanent	30	8	26,7	7	23,3
Highly skilled production (Levels 6-8), Permanent	35	17	48,6	17	48,6
Highly skilled supervision (Levels 9-12), Permanent	34	7	20,6	3	8,8
Senior management (Levels 13- 16), Permanent	9	4	44,4	0	0
Contract (Levels 3-5), Permanent	1	0	0	0	0
Contract (Levels 6-8), Permanent	10	0	0	5	50
Contract (Levels 9-12), Permanent	2	0	0	0	0
<b>TOTAL</b>	<b>123</b>	<b>36</b>	<b>29,3</b>	<b>32</b>	<b>26</b>

**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
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers, Permanent	11	0	1	3	10	0	0	0	25
Professionals, Permanent	32	2	0	3	33	1	1	0	72
Clerks, Permanent	9	1	0	0	18	0	1	1	30
Plant and machine operators and assemblers, Permanent	3	0	0	0	0	0	0	0	3
Elementary occupations, Permanent	3	0	0	0	9	0	0	0	12
<b>TOTAL</b>	<b>58</b>	<b>3</b>	<b>1</b>	<b>6</b>	<b>70</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>142</b>
Legend A = African                      C = Coloured I = Indian                        W = White									

**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
	A	C	I	W	A	C	I	W	
Top Management, Permanent	2	0	0	0	2	0	0	0	4
Senior Management, Permanent	6	1	0	0	4	0	0	0	11
Professionally qualified and experienced specialists and mid-management, Permanent	23	0	1	4	18	0	0	0	46
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	15	2	0	1	15	1	2	1	37
Semi-skilled and discretionary decision making, Permanent	10	0	0	0	26	0	0	0	36
Contract (Professionally qualified), Permanent	1	0	0	1	3	0	0	0	5
Contract (Skilled technical), Permanent	1	0	0	0	2	0	0	0	3
<b>TOTAL</b>	<b>58</b>	<b>3</b>	<b>1</b>	<b>6</b>	<b>70</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>142</b>
Legend A = African                      C = Coloured I = Indian                        W = White									

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

Occupational Bands	Male				Female				Total
	A	C	I	W	A	C	I	W	
Senior Management, Permanent	1	0	0	0	2	0	0	0	3
Professionally qualified and experienced specialists and mid-management, Permanent	2	0	0	1	3	0	0	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	3	0	0	1	3	0	1	0	8



Occupational Bands	Male				Female				Total
	A	C	I	W	A	C	I	W	
Semi-skilled and discretionary decision making, Permanent	3	0	0	0	3	0	0	0	6
Unskilled and defined decision making, Permanent	0	0	0	0	1	0	0	0	1
Contract (Professionally qualified), Permanent	0	0	0	1	0	0	0	0	1
Contract (Skilled technical), Permanent	0	0	0	0	1	0	0	1	2
Contract (Semi-skilled), Permanent	0	0	0	0	3	0	0	0	3
<b>TOTAL</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>16</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>30</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0
Legend A = African                      C = Coloured I = Indian                        W = White									

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

Occupational Bands	Male				Female				Total
	A	C	I	W	A	C	I	W	
Senior Management, Permanent	1	1	0	0	2	0	0	0	4
Professionally qualified and experienced specialists and mid-management, Permanent	5	0	0	0	5	0	0	0	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	14	1	0	0	17	0	1	1	34
Semi-skilled and discretionary decision making, Permanent	5	0	0	0	10	0	0	0	15
Contract (Skilled technical), Permanent	1	0	0	0	4	0	0	0	5
<b>TOTAL</b>	<b>26</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>38</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>68</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0
Legend A = African                      C = Coloured I = Indian                        W = White									

#### 6.5 – Terminations for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	A	C	I	W	A	C	I	W	
Senior Management, Permanent	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	2	0	0	0	0	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1	0	0	0	2	0	0	0	3
Contract (Skilled technical), Permanent	0	0	0	1	2	0	0	3	6
Contract (Semi-skilled), Permanent	0	0	0	0	4	0	0	0	4
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>16</b>
Legend A = African                      C = Coloured									

Occupational Bands	Male				Female				Total
	A	C	I	W	A	C	I	W	
I = Indian                      W = White									

#### 6.6 – Disciplinary action for the period 1 April 2005 to 31 March 2006

Disciplinary action	Male				Female				Total
	A	C	I	W	A	C	I	W	
	2	0	0	0	0	0	0	0	2
Legend A = African                      C = Coloured I = Indian                        W = White									

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

Occupational categories	Male				Female				Total
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	4	1	0	0	3	0	0	0	8
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	24	0	0	0	19	0	0	0	43
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
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	0	0	0	0	5	0	0	0	5
<b>Total</b>	<b>28</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>56</b>
Legend A = African                      C = Coloured I = Indian                        W = White									

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
<b>African</b>					
Male	0	57	0	0	0
Female	0	70	0	0	0
<b>Asian</b>					
Male	0	1	0	0	0
Female	0	2	0	0	0
<b>Coloured</b>					
Male	0	3	0	0	0
Female	0	1	0	0	0
<b>White</b>					
Male	0	6	0	0	0
Female	0	1	0	0	0
Employees with a disability	0	1	0	0	0
<b>Total</b>	<b>0</b>	<b>142</b>	<b>0</b>	<b>0</b>	<b>0</b>

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
Skilled (Levels 3-5)	0	36	0	0	0	0
Highly skilled production (Levels 6-8)	0	37	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	46	0	0	0	0
Contract (Levels 6-8)	0	3	0	0	0	0
Contract (Levels 9-12)	0	5	0	0	0	0
Periodical Remuneration	0	10	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>137</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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
Administrative related	0	29	0	0	0
Cleaners in offices workshops hospitals etc.	0	3	0	0	0
Client inform clerks (switchboard reception inform clerks)	0	1	0	0	0

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Communication and information related	0	1	0	0	0
Finance and economics related	0	1	0	0	0
Financial clerks and credit controllers	0	3	0	0	0
Head of Department/Chief Executive Officer	0	1	0	0	0
Human resources & organisat developm & relate prof	0	2	0	0	0
Human resources clerks	0	1	0	0	0
Human resources related	0	2	0	0	0
Light vehicle drivers	0	3	0	0	0
Messengers porters and deliverers	0	3	0	0	0
Other administrat & related clerks and organisers	0	8	0	0	0
Other administrative policy and related officers	0	36	0	0	0
Other occupations	0	25	0	0	0
Secretaries & other keyboard operating clerks	0	17	0	0	0
Senior managers	0	6	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>142</b>	<b>0</b>	<b>0</b>	<b>0</b>

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 B	0	11	0	0	0	0
Band C	0	4	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Foreign workers

The tables below summarise the employment of foreign nationals in the Legislature 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 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)
Skilled (Levels 3-5)	43	83,7	11	21,2	4	10
Highly skilled production (Levels 6-8)	133	93,2	22	42,3	6	55

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)
Highly skilled supervision (Levels 9-12)	30	86,7	9	17,3	3	27
Senior management (Levels 13-16)	18	88,9	6	11,5	3	27
Contract (Levels 6-8)	18	100	3	5,8	6	8
Contract (Levels 9-12)	3	100	1	1,9	3	2
<b>TOTAL</b>	<b>245</b>	<b>91</b>	<b>52</b>	<b>100</b>	<b>5</b>	<b>129</b>

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

Salary Bands	Total days taken	Average per employee
Skilled (Levels 3-5)	490	16
Highly skilled production (Levels 6-8)	661	16
Highly skilled supervision (Levels 9-12)	265	15
Senior management (Levels 13-16)	197	16
Contract (Levels 6-8)	47	12
Contract (Levels 9-12)	9	5
<b>TOTAL</b>	<b>1669</b>	<b>16</b>

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
Skilled (Levels 3-5)	21	21	43
Highly skilled production (Levels 6-8)	10	10	66
<b>TOTAL</b>	<b>31</b>	<b>16</b>	<b>56</b>

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
Capped leave payouts on termination of service for 2005/06	27	3	9000
Current leave payout on termination of service for 2005/06	27	3	9000
Total	<b>54</b>	<b>6</b>	<b>9000</b>

## 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
Age group 22 to 35	Awareness workshops held for staff

**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 Legislature 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.	Y		Ms. KJ Mashile – Senior Manager HRM
2. Does the Legislature 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.	Y		Ten member committee established from all levels including Union members
3. Has the Legislature introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Y		Programme of action formulated
4. Has the Legislature 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.	Y		Ms. KJ Mashile - convenor Ms. Z Mthombothi Ms. P Kola, Ms. S Nyalungu, Ms. L Nkambule, Mr. D Mnisi, Mr. AJ Arendse, Mr. S Mavimbela, Mr. JM Modipane, Mr. M Mahlangu, Mr. S Ntsele - scribe
5. Has the Legislature 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.	Y		The HIV& AIDS policy  Recruitment policy

Question	Yes	No	Details, if yes
6. Has the Legislature 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.	Y		Employees have been taken to awareness workshops and have observed both international and national days on HIV & AIDS. Posters are put in common places kitchens & rest rooms
7. Does the Legislature encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Y		Committee in the process of implementing programme
8. Has the Legislature developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Y		Programme developed Distribution of condoms in all the rest rooms Arranging for flu vaccine in-house Appointment of Health & safety representatives

## Labour relations

The following collective agreements were entered into with trade unions within the Legislature:

**Total collective agreements**

**None**

**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	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal (Resignation)	1	1
Not guilty	0	0
Case withdrawn	0	0
<b>Total</b>	<b>1</b>	<b>1</b>

**TABLE 11.3 – Types of misconduct addressed at disciplinary hearings**

Type of misconduct	Number	% of total
Willful damage to Legislature property	1	50
Conflict of Interest	1	50
<b>Total</b>	<b>2</b>	<b>100</b>

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

Grievances lodged	Number	% of Total
Number of grievances resolved	2	1,5%
Number of grievances not resolved	0	0
<b>Total number lodged</b>	<b>2</b>	<b>1,5%</b>

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

Disputes lodged	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	1	1
<b>Total number of disputes lodged (withdrawn by applicant)</b>	<b>1</b>	<b>1</b>

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

Total number of person working days lost	
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

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

Number of people suspended	0
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	113
Cost (R'000) of suspensions	R 285,702

**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			
			Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	18	0	4	0	4
	Male	16	0	3	0	3



Occupational Categories	Gender	Number of employees as at 1 April 2005	Training needs identified at start of reporting period			
			Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	0	0	0
	Male	0	0	0	0	0
Service and sales workers	Female	56	1	12	7	20
	Male	52	1	19	5	25
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	5	10	0	0	15
	Male	0	10	0	0	10
Sub Total	Female	79	11	16	7	113
	Male	68	11	22	5	106
<b>Total</b>		<b>147</b>	<b>22</b>	<b>38</b>	<b>12</b>	<b>219</b>

## 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			
			Learners hips	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	18	0	4	0	22
	Male	16	0	3	0	19
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	56	1	3	7	67
Clerks	Female	52	1	3	4	61
	Male	0	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	5	10	0	0	15

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training provided within the reporting period			
			Learners hips	Skills Programmes & other short courses	Other forms of training	Total
	Male	0	10	0	0	10
Sub Total	Female	79	11	7	7	104
	Male	68	11	6	5	90
<b>Total</b>		<b>147</b>	<b>22</b>	<b>13</b>	<b>12</b>	<b>194</b>

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
Planning & Budgeting	2	3	R 22 914.00
Cross-Examination	1	1	R 18 050.00
Research Methodology & Analysis	2	1	R 30 400.00
Speed Reading & Analysis	1	1	R 21 850.00
<b>Total</b>	<b>6</b>	<b>6</b>	<b>R 93 214.00</b>

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
Planning & Budgeting	2	3	R 22 914.00
Cross-Examination	2	1	R 18 050.00
Research & Analysis	1	1	R 30 400.00
Speed Reading	1	1	R 21 850.00

Table 14.3 – Report on consultant appointments using Donor funds

Total number of projects	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
4	6	5	R93 214.00

Table 14.4 – Analysis of consultant appointments using Donor 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
Planning & Budgeting	50%	50%	2
Cross-Examination	40%	60%	3
Research & Analysis	50%	50%	2
Speed Reading	40%	50%	2

