

*Annual Report
of the
Northern Cape Provincial Legislature*



For the year ended 31 March 2006

Foreword by the Speaker

This is my third annual report as the Speaker of the Northern Cape Provincial Legislature. This report covers the period April 2005 to May 2006.

We present this report in the second year of the Second Decade of Freedom and it is a one eventful year wherein we, as a nation, are observing a number of very significant anniversaries.

- 10th year since the option of the Country's Constitution
- 30th Anniversary of the Youth Uprising
- 50th Anniversary of Women's march
- Centenary of the Bamabatha Rebellion.

The above-mentioned key milestones pose serious challenges for the Legislature. The Legislature has made tremendous and incremental progress over the years in implementing its core functions. This progress includes organisational capacity to support the work of Members (MPL's) in their work as public representatives.

Rules Committee, which is the Executive Committee of the Provincial Legislature continues to improve in a satisfactory manner, in particular as far as strengthening corporate governance in the Legislature. The oversight work of Portfolio Committees has also improved in the last financial year.

The details in the report will bear testimony to our achievements and challenges during the last twelve months.

CONNIE SEOPOSENGWE
THE SPEAKER AND THE CHAIRPERSON,
LEGISLATURE RULES COMMITTEE

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SECTION 1

General Information

1.1 Submission of the Annual Report to the Executive Authority

To: Honourable C Seoposengwe
Speaker of the Northern Cape Provincial Legislature

SUBMISSION OF ANNUAL REPORT FOR THE YEAR 01 APRIL 2005 TO 31
MARCH 2006

It is my honour to submit the Annual Report of the Northern Cape Provincial
Legislature for the financial year 2005/6.

M Z MAWASHA
ACTING SECRETARY
NORTHERN CAPE LEGISLATURE

1.2 STRATEGIC OVERVIEW BY ACCOUNTING OFFICER

The primary focus of the Legislature in the financial year under review was the outreach programmed because our strategy is to intergrate public participation in legislative and oversight activities. We believe that these have resulted in improvement in the profile of the Legislature.

Sectoral Parliaments have been an obvious success. These have been comparatively more meaningful. Critical issues were raised that require implementation and feedback to the people.

Although there is room for improvement, the Legislature has executed its oversight role through the scrutiny of budget votes, quarterly and annual reports.

Only the mandatory financial laws and the Youth Commission Bill were deliberated upon and passed. This is a challenge year after year.

The process of reviewing our organogramme was concluded and it is being implemented.

We also demonstrated our commitment to skills development through internships, a concerted training programmed and a bursary scheme for employees.

Security remains a challenge to the institution. This area is plagued by inconsistency and a general laxity by the SAPS personnel deployed to secure the building.

The project to establish a records management system at the Legislature is proceeding. There has been progress in managing the filing backlog due to its volume.

Although there is room for improvement, we have also seen marked improvement in facilities management in general.

1.3 VISION

Participatory democracy and accountability in the Northern Cape

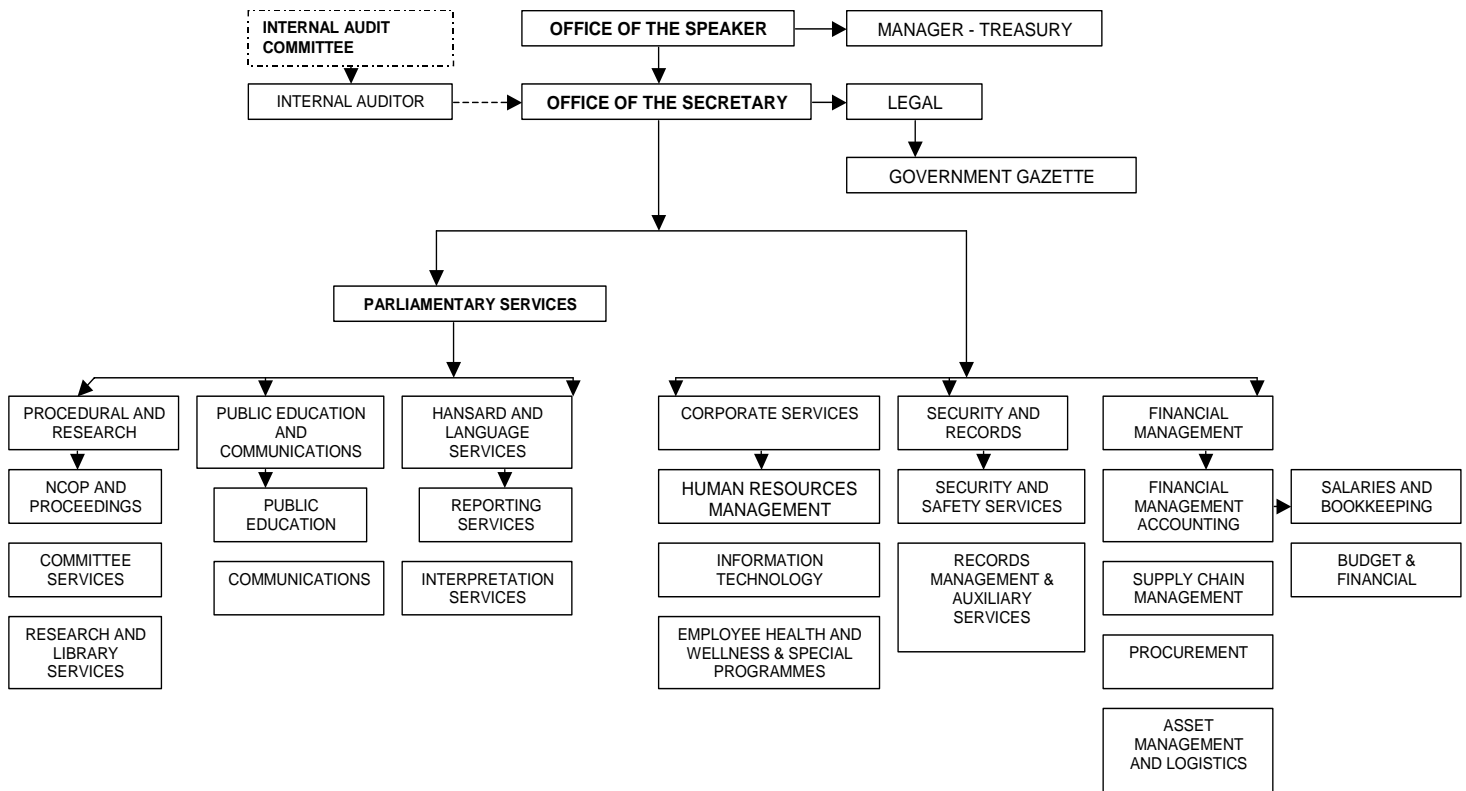
1.4 MISSION

To serve people of the Northern Cape by building a modern organisation for effective law making, oversight, accountability, through participatory democracy

1.5 ORGANISATIONAL RESTRUCTURING

The organisational structure of the Northern Cape Provincial Legislature was reviewed by the management team of the Legislature and referred to the Efficiency Services unit in the office of the Premier to provide a view on the organogramme that was proposed by management. The Efficiency Services unit concluded its work and the report on the organogramme was presented to the Rules Committee where it was approved.

The various services are now provided for and organised as follows:



1.6 MANDATE

The Northern Cape Provincial Legislature is guided by the following legislative and other mandates.

- ❖ Constitution of the Republic of South Africa, Act 108 of 1996
- ❖ Northern Cape Provincial Legislature Service Act, Act No. 6 of 1995
- ❖ Northern Cape Provincial Legislature Powers and Privileges Act, Act No. 3 of 1996
- ❖ Payment of Members of the Northern Cape Provincial Legislature Act, No 5 of 1994
- ❖ Public Finance Management Act, 1999
- ❖ Procurement Code for the Northern Cape Provincial Legislature

1.7 AIM OF VOTE

To provide administrative, logistical, information, legal and procedural services to the legislature of the Northern Cape in fulfilling constitutional mandate of law making and oversight over the executive and organs thereof

1.8 STRATEGIC GOALS AND OBJECTIVES OF VOTE 2

STRATEGIC GOALS	STRATEGIC OBJECTIVES
1. Effective fulfillment of Constitutional mandate of Law making.	<ul style="list-style-type: none"> • Members capacity building • Develop law-making capacity. • Improve interface with the National Parliament i.r.o. provincial input to national law making. • Identify and fill legislative gaps. • Alignment of Legislature programmed with Parliament and the provincial executive • Improve delivery of the Language Service • Develop a language policy for the Legislature
2. Oversight aimed at improved service delivery and good institutional governance.	<ul style="list-style-type: none"> • Monitor service delivery • Effective political representation • Improve information resources • Promote alignment of government departments operation and programmes with the Provincial Growth and Development Strategy • Promote the highest standard of governance of government departments and agencies • Improve compliance with the principles of Batho Pele in government departments
3. Improved public participation.	<ul style="list-style-type: none"> • Serving of constituencies • Develop a strategy for effective public education about democratic systems and processes. • Ensure effective public participation in legislative and oversight processes. • Develop mechanism/strategy for feedback to the electorate. • Increase public awareness of the Legislature
4. Improved organisational Management	<ul style="list-style-type: none"> • Improve organisational performance • Develop financial management capacity. • Better management of international relations • Improve compliance with regulatory framework • Complete the Asset Management System • Complete implementation of supply chain management system • Developing an effective system of financial risk management and internal control • Develop IT management capacity • Sound facilities management • Improve security of persons and assets • Improve institutional management systems. • Improve HR management

Northern Cape - Provincial Legislature
Vote 2

1.9 2005/6 BUDGET ALLOCATION BY SUB-PROGRAMMES

2005/6 Budget Allocation by Sub-Programme

	Adjusted Appropriation R'000	Shifting of funds R'000	Virement R'000	Final Appropriation R'000
1. Administration				-
1.1. Speaker's Office	2,905		360	3,265
1.2. Office of the Secretary	1,466		(344)	1,122
1.3. Financial Management	5,833		(75)	5,758
1.4. Corporate Services	12,970		(395)	12,575
Total	23,174	-	(454)	22,720
2. Members Facilities				-
2.1. Members Facilities	3,796	665	(7)	4,454
Total	3,796	665	(7)	4,454
3. Parliamentary Services				-
3.1. Standing Committees	1,133		118	1,251
3.2. Portfolio Committees	400			400
3.3. Public Participation and Awareness	2,666		73	2,739
3.4. Procedural and NCOP	4,341		(150)	4,191
3.5. Hansard Serv and Lang Services	1,267		37	1,304
3.6. Library and Information Services	718		(30)	688
3.7. Political Party Support Services	5,805		96	5,901
3.8. Head Parliamentary Services	964		(38)	926
3.9. House Proceedings	2,200	(665)	356	1,891
Total	19,494	(665)	462	19,291
TOTAL BUDGET	46,464	-	-	46,465

The financial year 2005/06 has been much better than the previous financial year 2004/05 in that the Northern Cape Provincial Legislature's allocation was much higher and enabling as a resource. The Budget has increased by 24%; this was attributable to the fact that the operations and function of the Legislature is becoming clearer to all our stakeholders.

1.10 2005/6 BUDGET BY ECONOMIC CLASSIFICATION

2005/6 Budget by Econ. Classification

	Adjusted Appropriation R'000	Shifting of funds R'000	Virement R'000	Final Appropriation R'000
Current Payments				-
Compensation of employees	22,195			22,195
Goods and Services	19,701		(359)	19,342
Financial transactions in assets and Liabilities	129		(126)	3
	42,025	-	(485)	41,540
Transfers and Subsidies				-
Provinces & Municipalities	62		36	98
Non-Profit Institution	2,880		50	2,930
Households	80			80
	3,022	-	86	3,108
Current Payments	45,047	-	(399)	44,648
Payments for Capital Assets				-
Building and other Fixed Structure	259			259
Machinery and Equipment	1,188			1,188
	1,447		399	1,846

Due to reprioritisation in the Legislature and budget structural changes, the Legislature found it necessary to shift some funds to where there was a greater need.

1.11 2005/6 RECEIPTS

Receipts

	Main Appropriation	Adjustment	Final Appropriation R'000
1. Receipts			
Sale of goods and services other than Cap Ass	36	-	36
Interest, dividends and rent on land	125	-	125
Sale of Capital Assets	450		450
Total	611	-	611

Northern Cape - Provincial Legislature
Vote 2

1.12 2005/6 PAYMENTS

2005/6 Budget Allocation by Sub-Programme

	Adjusted Appropriation R'000	Shifting of funds R'000	Virement R'000	Final Appropriation R'000	Payments R'000	Variance R'000
1. Administration						
1.1. Speaker's Office	2,905		360	3,265	3,303	(38)
1.2. Office of the Secretary	1,466		(344)	1,122	1,124	(2)
1.3. Financial Management	5,833		(75)	5,758	5,766	(8)
1.4. Corporate Services	12,970		(395)	12,575	12,527	48
Total	23,174	-	(454)	22,720	22,720	-
2. Members Facilities				-		
2.1. Members Facilities	3,796	665	(7)	4,454	4,453	1
Total	3,796	665	(7)	4,454	4,453	1
3. Parliamentary Services				-		-
3.1. Standing Committees	1,133		118	1,251	1,327	(76)
3.2. Portfolio Committees	400			400	349	51
3.3. Public Participation & Awareness	2,666		73	2,739	2,959	(220)
3.4. Procedural and NCOP	4,341		(150)	4,191	3,759	432
3.5. Hansard Services & Lang Serv	1,267		37	1,304	1,126	178
3.6. Library and Information Serv	718		(30)	688	522	166
3.7. Political Party Support Services	5,805		96	5,901	6,254	(353)
3.8. Head Parliamentary Services	964		(38)	926	862	64
3.9. House Proceedings	2,200	(665)	356	1,891	2,323	(432)
Total	19,494	(665)	462	19,291	19,481	(190)
TOTAL BUDGET	46,464	-	-	46,465	46,654	(189)

2005/6 BUDGET BY ECONOMIC CLASSIFICATION

Current Payments						
Compensation of employees	22,195	-	-	22,195	20,168	2,027
Goods and Services	19,701	-	(359)	19,342	21,187	(1,845)
Financial trans in ass & Liabilities	129	-	(126)	3	3	-
	42,025	-	(485)	41,540	41,358	182
Transfers and Subsidies				-		
Provinces & Municipalities	62	-	36	98	94	4
Non-Profit Institution	2,880	-	50	2,930	2,934	(4)
Households	50	-	-	50	49	1
	2,992	-	86	3,078	3,077	1
Current Payments	45,017	-	(399)	44,618	44,435	183
Payments for Capital Assets				-		
Building and other Fixed Structure	259	-	-	259	634	(375)
Machinery and Equipment	1,188	-	399	1,587	1,588	(1)
	1,447	-	-	1,846	2,222	(376)
Total Budget	46,464	-	(399)	46,464	46,657	(193)

SECTION 2

PROGRAMMED PERFORMANCE

2.1 PROGRAMMED 1: ADMINISTRATION

2.1.1 Purpose

To provide effective financial, human resource services and systems to the entire legislature as well as strategic management of the administration.

2.1.2 Programmed Budget by Sub-Programmed

	Adjusted Appropriation R'000	Shifting of funds R'000	Virement R'000	Final Appropriation R'000	Payments R'000	Variance R'000
1. Administration						
1.1. Speaker's Office	2,905		360	3,265	3,303	(38)
1.2. Office of the Secretary	1,466		(344)	1,122	1,124	(2)
1.3. Financial Management	5,833		(75)	5,758	5,766	(8)
1.4. Corporate Services	12,970		(395)	12,575	12,527	48
Total	23,174	-	(454)	22,720	22,720	-

2.1.3 Programmed Performance

2.1.3.1 Sub-programmed 1: Office of the Speaker

To provide political, leadership to the institution in terms of law – making and oversight as well as ensuring the delivery of services by the administration

Measurable objectives	Output	Performance Indicators	Targets	Actual Performance	Deviation
Members capacity building	Attendance at international conferences and seminars	Improved understanding of the parliamentary law-making and oversight system	NCSL and CPAs	Members attended the NCSL in the USA, CPA in the Fiji Islands, CPA in Cameroon and APAC in Mafikeng, and SADCOPAC in Tanzania	None
	Training and development programmes on parliamentary practice	Improved knowledge of parliamentary procedure and practice	2 sessions or other encounters	Parliamentary Development Programmed of Members delayed by the EULSP	The Parliamentary Development Programmed did not commence

**Northern Cape - Provincial Legislature
Vote 2**

Measurable objectives	Output	Performance Indicators	Targets	Actual Performance	Deviation
Effective institutional management	Rules Committee Meetings	Regular meetings Clear governance structures, systems and processes All policies approved A new structure adopted A budget for 2006/7 approved by 15 February 06 Clarify the Secretary position by June 05	No targets were set except for the time frames indicated	Meetings of the Rules Committee were held. The organisational structure was adopted in November The budget of the Legislature was approved Disciplinary hearing of Secretary is in progress About 50% of Policies were approved during the year.	Other policies were presented to Rules and returned for correction and consideration, approval was still awaited Budget not approved on time
	Review of Act	Act reviewed and adopted	Act approved by October	The process of developing a draft commenced and would be completed in the new financial year	Legislature Service Act reviewed but not yet considered by Members for adoption
	Internal Arrangements Committee	Household services managed with feedback from and input by Members	No targets were set	Meetings of the IAC were held and feedback given to the administration	None

2.1.3.2 Sub-programmed 2: Office of the Secretary.

To provide effective parliamentary, financial, human resource, legal support services and corporate systems to the entire legislature as well as strategic management of the administration.

Measurable objectives	Output	Performance Indicators	Targets	Actual Performance	Deviation
Improve organisational performance	Sectional service delivery undertakings	All sections develop, communicate and implement clear practical targets Improve level of satisfaction of clients and stakeholders	End May 80% client satisfaction	Management decision taken not to proceed with service delivery undertakings Complaints by stakeholders generally reduced compared to previous years.	Sectional service delivery undertakings stopped by agreement 30% of work still to be done.
	Sectional performance management	A sectional performance management tool designed Monitoring system Incentive structure	Complete system in July Change management till December	Quarterly reports prepared by all departments and used to review	None

**Northern Cape - Provincial Legislature
Vote 2**

2.1.3.3 Sub-programmed 2: Office of the Secretary

Measurable objectives	Output	Performance Indicators	Targets	Actual Performance	Deviation
Improve Human Resources Management	Approve policies and have systems for all functions.	Clear policies Well structured, efficient systems	Policies approved and implemented. Systems concretised	All scheduled training took place during the year.	None.
Better management of international relations	CPA – Africa Region CPA – International Bilateral agreements	Timeous payment of subscriptions Development and implementation of bilateral agreements Meaningful participation of our delegations	Subscription to CPA-Africa region CPA-International Bilateral agreement with Botswana signed by August Information obtained at least two months prior to each meeting Engagement with the delegation in order to clarify the matters	All subscriptions and conference fees were paid on time. Information was obtained on time and effectively communicated to Members Our Members participated effectively in the discussions at conferences even though they were mostly attending for the first time	None
Improve compliance with regulatory framework	Compliance with PFMA Treasury Regulations; Financial Code Procurement Code	Punctual submission of all reports, projections, estimates etc. Compliance with all financial systems Proper authorisation of all transactions Prevention of wasteful and fruitless expenditure	On set time-frames 100% Zero unauthorised transactions Zero wasteful and fruitless expenditure	The Legislature submitted all reports, projections, and estimates to Treasury as required. We incurred unauthorised expenditure at the end of March. It was on the NCOP project and impossible to prevent	There is still the challenge of submitting a complete product on time The Speaker on the Unauthorised expenditure incurred during this financial year approved Submissions.

2.1.3.4 Sub-programmed 3: Financial Management

To provide sound logistical, financial and assets management services to the Legislature

Measurable objectives	Output	Performance Indicators	Targets	Actual Performance	Deviation
Complete the Asset Management System	An updated/complete computerised asset register	All assets are registered	June 2005	All assets were registered on the computerised assets register	None
	Complete asset tagging	Custodians/Chief Users are identified for all items Reduced loss of A-class accountable asset	April 2005 98% accountability for all tagged assets	Asset tagging system is procured to physical match physical asset with assets on register and will be implemented in the new financial year.	Assets were not tagged as required for purposes of assets management
	Asset verification	Full verification	Quarterly 100% verification	Asset verification was done in March	Verification was not done quarterly
	Spot checks	Workstations/rooms checked weekly	3 rooms/workstations per week	Spot checks of assets in offices were conducted	Checks were not performed on a weekly basis
	Obsolescence plan	Replacement plan and budget	1 May	Not achieved	To be carried out in the next financial year
	Redundancy data-base	Disposal decision	1 May	Not achieved	To be carried out in the next financial year
	Disposal strategy	Approved and efficient disposal	June	Not achieved	To be carried out in the next financial year
Improve the transport management system	Transport Management System	99% compliance with transport budget	99% budget compliance	Transport policy approved. A process to procure a vehicle monitoring system (Legislature Vehicles) is in progress	Transport Management System not in place.
		70% reduction in incidences of damages	70% reduction in incidences of damages	The cost of damages to Legislature and hired vehicles has went up from R333 000 in 2004/5 to R353000 in 005/6	Did not meet the 70% reduction target. 100% cover being arranged to reduce this amount
		99% reduction in unauthorised trips	99% reduction in unauthorised trips	There has not been a single unauthorised trip undertaken with a Legislature or hired vehicle	None
Complete implementation of supply chain management system	Demand Management plan	Just In Time (JIT) procurement or overhead and non overhead requirements Compliance with budget Stable cash flow	Overhead requirements procured first week of each month Non overhead supplied within five days 99% of all procurement complies with budget	A demand management plan was not developed in 205/6. The Legislature however, complied with its budget for 2005/6 except for Parliament Meets the People expenses that were unforeseen	The demand management plan would be implemented in the new financial year
		PPP compliance	HDI benefit	80% of value procured by section to HDI's	80% of value procured by section to HDI is achieved
		Contracts	Timeous signing of contracts	At least 7 days prior to start service or delivery of goods	Achieved

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Vote 2**

Sub-programmed 3: Financial Management

Measurable objectives	Output	Performance Indicators	Targets	Actual Performance	Deviation
Sound facilities management	Develop and implement a facilities management plan	All preventative maintenance carried out on target dates.	Implement in April	A Facilities Management Plan was developed and led to the timeous maintenance interventions and contracts. We attended to all issues that were raised in the study that was conducted in an occupational health study	Some work is outstanding as it is done in phases. Lighting of the yard, signage.
	Improve the functioning of the help desk.	Response to queries/call outs within ten (10) minutes.	By June	The help desk is fully functional. Communication with regard to maintenance issues has improved. Response to queries has improved to 10 minutes.	We have, most of the times, responded in less than 10 minutes
	Compile a maintenance database	Full record of all incidences of maintenance Better maintenance planning	Database compiled by April	A complete database of all maintenance incidences kept to support management decision making on maintenance matters	None
	Complete maintenance tenders	Tenders in place Preventative maintenance as per schedule	50% reduction on incidents of failure	Contracts for maintenance of electrical work, plumbing, and air conditioner, cleaning and gardening were entered into.	The tender for the maintenance of lifts is outstanding. There now on a month to month basis
		Reduced response time to the resolution of maintenance problem	Problems resolved within an hour or as per service standards	Problems responded to within ten minutes and often resolved within an hour or as per service standards	None
	Develop a maintenance service guideline/standards document	All maintenance carried out within wet time frames.	50% reduction in incidents of failure	The guideline was developed and communicated to all staff. An information session was held. The guideline is adhered to.	None
Improved logistical services to the Legislature	Conduct awareness sessions amongst employees	Increased awareness of policies and procedures	All staff covered by July 2005	Two sessions held in April and June to bring awareness on institutional policy	None
	Source a catering service for the Legislature	Improved food quality. Reduced running costs Compliance with relevant regulations.	90% satisfactory level 40% reduction running costs 100% compliance	A tender has been launched and would be awarded as soon as there is consultation with the Internal Arrangement Committee	A catering service was not sourced.
	Source a gardening contract.	Consistent cleaning of Legislature	100% adherence to a cleaning schedule.	A one-year gardening contract was sourced. Less complaints are received regarding cleanliness of the building	None

**Northern Cape - Provincial Legislature
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Sub-programmed 3: Financial Management

Measurable objectives	Output	Performance Indicators	Targets	Actual Performance	Deviation
Develop and maintain a comprehensive Records management system	Conduct awareness sessions among employees	Increased Records management awareness	All employees reached by May	Awareness sessions were held to inform employees on the details of the records management system	None
	Appoint Registry Clerk	Two clerk appointments Security clearance certificates	April May	No appointment was made due to the work that was being done on the organogramme	An Appointment Clerk was not appointed
	Implement approved filling system	All required stationary acquired Complete back filing Follow-up communication with employees	End June 20% End June	The approved filing system is being implemented from department to department	Back-filing has not been completed
Improve security of persons and assets	Develop and implement a sound asset security system	Asset tagging	100% In June	Security tags were placed on all assets of the Legislature. The system is not functional due to the security system itself not being functional	The system will function as soon as the BMS is procured.
	Asset Register	Regular assessment of asset register	July	No assessment took place due to the absence of a Security Manager	Security Manager not employed.
	Review security policy	Reviewed document approved. Communications with areas	June	The security policy was not reviewed due to the absence of a Security Manager	No security policy is in place. The process of recruitment of Security Manager is underway
	Regular security assessment meetings	Planned number of meetings takes place. Reports produced	At least 10 per annum	Regular security meetings have taken place with the police in the premises to discuss security challenges	Challenges still persist.
Developing an effective system of financial risk management and internal control	Risk Management Policy	Developed implemented and reviewed Audit qualification	End of April Review annually No audit qualification	A risk management policy was adopted	Qualified opinion not due to risk management issues
	Risk Assessment	Comprehensive record of possible risk	3 May Every two years	A risk assessment exercise was embarked on facilitated by Shared Internal Audit	The Legislature is not at ease with the manner it was conducted. A thorough assessment will be conducted in the next financial year

**Northern Cape - Provincial Legislature
Vote 2**

Sub-programmed 3: Financial Management

Measurable objectives	Output	Performance Indicators	Targets	Actual Performance	Deviation
Developing an effective system of financial risk management and internal control	Risk Strategy developed and implemented	Recommendation in risk assessment implemented	30 June	Risk strategy could not be developed on the basis of the assessment conducted	No risk strategy. This will be developed in the new financial year
	Financial procedure manual	Audit qualification Compliance to established procedures Number of Audit queries i.r.o issues covered in manual	End April 70% compliance No audit queries and qualification	Manual was compiled Compliance with procedures has improved	There are still challenges with regard to compliance with procedures
	System descriptions flow charts	Adherence to system requirements and appropriate use of systems Number of Audit queries i.r.o issues covered in manual Audit queries and qualification	30 June 70% adherence to system usage procedures No audit queries and qualification	Adherence to system usage procedures implemented	None
	Establish an Internal Control Sub-Unit in Finance	Functional Internal Checking function	30 June 2005 at least one person assigned to do the function	Not yet established due to resources limitations and the work carried out by Efficiency Services on the organogramme	100%

2.1.3.5 Sub-programmed 4: Corporate Services

To provide effective human resource, IT, Occupational Health and Safety, Legal Support Services and systems to the entire legislature.

Measurable objectives	Output	Performance Indicators	Targets	Actual Performance	Deviation
Develop Human Resource management capacity	A Management Development Programmed	A tailor made Management Development Programmed	Completion of at least three modules of the complete training.	Management Development Programmed Terms of Reference & Derogation to EULSP	No modules took place. The MDP was delayed by EULSP procedures.
Improved performance management	A new performance management policy approved and system implemented	Real rewards given for real performance. Visible improvement in performance. Performance Management used as Management tool.	New policy and rewards system introduced. Rewards given for real excellent performance. Training of Management on policy and principles. Workshop for employees. Identification of all Performance Criteria.	A new performance management system approved and implemented Reward system implemented that differentiates levels of performance of employees Training provided to management and employees on the principles of the system Performance worksheets largely reflect strategic objectives and are the basis for quarterly and annual reports	None None None None
Improve Recruitment and Selection processes	Approved policies and Recruitment and Selection and Promotion	Recruitment according to EE targets Absence of delays in the process	Approve and implement policies by June 2005	Recruitment, selection policies were developed. Very little recruitment except for few critical positions.	None
		Recruitment efficient i.t.o turnover time	Filling of positions within 9 weeks of notice to advertise. Review report structure	Very little recruitment except for few critical positions.	Moratorium due to efficiency services study; Policy not yet approved by Rules.
		Suitable employees recruited	Recruitment & Selection training for managers Introduce revised Orientation Programmed April 2005 Employees meeting requirements	Workshop for Managers took place Orientation Programmed finalised	None

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Sub-programmed 4: Corporate Services

Measurable objectives	Output	Performance Indicators	Targets	Actual Performance	Deviation
Improve Employee relations	Communication system with Union	Flow of communication between NCPL and Union Limited incident of industrial action	Quarterly meetings between NEHAWU and HR to discuss matters of concern.	Regular meetings were held with NEHAWU to proactively deal with issues There was no industrial action in 2005/6	Orientation Programmed finalised We have done our best to improve communication with the Union. We shall continue to seek to improve it.
	Employee Well-being Programmed		Employee well-being policy and programmed approved by 30 May 2005	An employee well-being programmed is approved and being procured to be implemented next year	Approval of employee well-being programmed delayed by EULSP
Improve on efficiency of Personnel and Benefit Administration	Electronic Filing search System	15-minute retrieval of documents. Proper storing and accurate, comprehensive records 48 hours turnover time on queries	Draft written filing system by March 2005 Electronic search engine by July 2005	Centralised filing established, proper storing and accurate comprehensive records. 48-hour turnover time on queries.	Filing System not electronic
	Workshops on Med Aid and Pension (Staff and MPLs)	Med Aid and Pension queries	Med Aid and Pension queries reduced by 25%	Workshop for Staff was on 15 March 2005 Workshop for Members was on 18 May 2005 Med Aid and Pension queries reduced by 80% Quarterly information updating drives.	None
Workplace skills plan	Establish a Workplace Skills plan that links to the National Skills Strategy and addresses performance deficiencies.	Women empowered and actively developed	Personal Development Plans reviewed by 15 February WSP compiled by 18 March 2004 WSP implemented by end of financial year.	Skills Level (NQF level) and ability of women has improved; Women were developed i.t.o. Management All women in Management and in supervisory position underwent formal training to Management	Skills audit of women to determine key skills gaps by June 2007.
Workplace skills plan-cont	Establish a Workplace Skills plan that links to the National Skills Strategy and addresses performance deficiencies.	Each employee possesses a certificate or diploma relating to their area of work	Introduce a programmed of Recognition of Prior Learning for lowest level employees in order to attempt to obtain NQF level 4.	Personal Development Plans sent for revision; WSP compiled by December 2005; WSP implemented by end of financial year.	Recognition of Prior Learning for lowest level employees not done. 13 out of 37 of employees without post matric qualification are now studying towards it
	Succession and career pathing	Career pathing database	Succession Planning Workshop for Managers 21 July	Career Pathing Database exists Workshop for Employees was done	None
		Succession Planning used by managers	Succession Planning Workshop – employees	Succession plans are used by managers as and when the need arises	None
Develop IT management capacity	Full comprehensive programmed on all aspects of IT management	All managers have completed at least 2 modules.	25% of managers	This was linked the envisaged MDP- which did not take place in this year	No modules were attended

**Northern Cape - Provincial Legislature
Vote 2**

Sub-programmed 4: Corporate Services

Measurable objectives	Output	Performance Indicators	Targets	Actual Performance	Deviation
Improve support in the Legislature.	IT strategy	Clear budget and planned procurement. Comprehensive service to Members and administration. Compliance with strategy	30 June Reports every second week 98% plan implemented	No IT strategy was developed	100%
A security management plan implemented.	All security interventions meticulously carried out to plan.	0% Security breaches	0% breaches	Security planning was carried out exceptionally well during the visit of the NCOP in Kuruman. There were no incidents	None
Develop a SHE management plan	Periodic reports on all aspects of SHE management Environment and safety awareness programmed	Labour department inspection reports Increased safety awareness	Full compliance	Regular assessment of the building are conducted to ensure that there is compliance with the Act	No environmental safety and awareness programmed was held for all the employees. Training was arranged for the Senior Manager, the Occupational Health and Safety Co-ordination (Special Programmes Co-coordinator)

2.2. PROGRAMMED 2: MEMBER'S FACILITIES

2.2.1 Purpose

To empower Provincial Office Bearers in the management of legislature business, to enable members to do their representative work.

2.2.2 Measurable Objectives

To empower Members with traveling, accommodation and telephone facilities when they carry out their functions as individual Members. It also enables Members to travel between their homes and the seat of the legislature.

2.2.3 Programmed Budget by Sub-Programmed

	Adjusted Appropriation R'000	Shifting of funds R'000	Virement R'000	Final Appropriation R'000	Payments R'000	Variance R'000
2. Members Facilities				-		
2.1. Members Facilities	3,796	665	(7)	4,454	4,453	1
Total	3,796	665	(7)	4,454	4,453	1

2.2.4 Programmed Performance

Measurable objectives	Output	Performance Indicators	Targets	Actual Performance	Deviation
Serving of constituencies	Constituency visits	Number of visits Number of constituency related questions, statements and debates.	10% increase 10% increase 10% increase	The different political parties conducted constituency work. A system of gathering information on constituency work is being developed. There is currently no information. Debates were held proposed by Members on constituency related matters.	None
Effective political representation	Debates in the House, Questions, Motions, Bills etc Party caucuses	Frequency Party caucuses process issues for negotiation and decision at Legislature	No targets were set as this depends on the amount of work the house has to deal with	Party caucuses were held. Budgetary support was given to the parties. Debates were held, bills were held where constituency issues were expressed	There were no questions and substantive motions for debate in the House during the whole year

2.3 PROGRAMMED 3: PARLIAMENTARY SERVICES

2.3.1 Purpose

To provide the Speaker and Deputy Speaker, the House, Committees and Members with procedural research, information and Hansard support services in the execution of their Constitutional and Legislative duties. To capacitate Committees of the Legislature to conduct oversight and scrutiny work, as well as all other functions delegated by the House.

2.3.2 Measurable Objectives

Programmed 3 comprises of five sub- programmes:

Sub-programmed 1: Public Education and Communication

The sub programmed is responsible to broaden democracy in the Northern Cape by bringing the people to the Legislature through open and transparent policy and procedures; and public participation programmes.

Sub-programmed 2: Library, Research and Information Service

The sub programmed improves support to the House , Committees , Oversight and NCOP proceedings. Administrative Support to Members.

Sub-programmed 3: Hansard Services and Language Services

The sub programmed renders a language service to the institution and produces verbatim reports of proceedings.

Sub-programmed 4: House Proceedings

The sub programmed is responsible for the effective functioning of plenaries of the Legislature and related business.

Sub-programmed 5: Committees.

This sub-programmed deals with the management of the business of the Legislature and other standing Committees established by the Rules i.e. Gender, Women's Caucus, Constitutional Review Committee, etc

2.3.3 Programmed Budget By Sub-Programmed

	Adjusted Appropriation R'000	Shifting of funds R'000	Virement R'000	Final Appropriation R'000	Payments R'000	Variance R'000
3.Parliamentary Services				-		-
3.1.Standing Committees	1,133		118	1,251	1,327	(76)
3.2.Portfolio Committees	400			400	349	51
3.3.Public Participation & Awareness	2,666		73	2,739	2,959	(220)
3.4.Procedural and NCOP	4,341		(150)	4,191	3,759	432
3.5.Hansard Services & Lang Service	1,267		37	1,304	1,126	178
3.6.Library and Information Service	718		(30)	688	522	166
3.7.Political Party Support Services	5,805		96	5,901	6,254	(353)
3.8.Head Parliamentary Services	964		(38)	926	862	64
3.9.House Proceedings	2,200	(665)	356	1,891	2,323	(432)
Total	19,494	(665)	462	19,291	19,481	(190)

2.3.4 Sub-Programmed 1: Public Education and Communications

Measurable objectives	Output	Performance Indicators	Targets	Actual Performance	Deviation
Increase public awareness of the Legislature	Increased number of educational workshops	Number of outreach Workshops exceed previous years'	Exceed previous year by 20% Completed by July	3937 people were reached through outreach workshops. Most workshops were intended to mobilise participation and attendance during the NCOP visit. Such workshops had a positive impact.	The targeted number of people reached was not met. Only 3139 people were reached instead of plus 3937 which is 20% of the previous' year's number
	Arrange issue/ sector focused public education events, including Youth, Women's, Children and other sectors.	A year's programmed fully costed and budgeted for.	Youth: June Women: August Senior Citizens: Sept Children	The following events were held: Women Parliamentary Conferences ▪ Provincial Women's Parliament ▪ Workers Parliament ▪ Men's Parliament ▪ Peoples Assembly (although not sector biased) ▪ Heritage Day Celebrations ▪ Girls Parliament	A Youth Expo was held in the place of the Youth Parliament in partnership with Youth Commission. Themes we based on clauses of the Freedom Charter. New events: Men's Parliament, Heritage Day Celebrations Workers Parliament. With all these events we reached 2487 people.
	Develop partnership with private and public institutions	Consultative meetings Memorandum of agreement signed	One signed in September	Consultative meetings were held with: • Public Protector • Public Service Commission • Electoral Commission and; • Human Rights Commission.	Though there is agreement with all institutions to work together, no formal agreements have been signed and put to action
	Set up Regional Offices	Workshop/conference with local government partners.	First office in October Open offices in all regions in March 2006/7	The following Regional Municipalities have been met. The Kgalagadi Regional Municipality, Siyanda and the Namaqua Regional Municipality. Positions of Regional Liaison Officers will be advertised in the next Financial Year.	The Offices were not opened on the planned dates. The Pixley Keseme Region and the Frances Baard Region must still be approached. The Regional Offices will be Officially opened as per revised schedule in 2006.

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Sub-Programmed 1: Public Education and Communications

Measurable objectives	Output	Performance Indicators	Targets	Actual Performance	Deviation
Increase public awareness of the Legislature	Video/DVD	Professional presentation of Legislature to public	Completed by July 2005 Shown at Foyer daily	The budget allocated to the Unit did not allow for the production of a DVD/ Video in this financial year. Donor funding will be sourced.	<i>Terms of reference were developed. A submission has been made to EU. We are awaiting the advertisement of a Tender. All the necessary information has been submitted to the EUSP.</i>
	Develop a stage play/drama to educate people about the Legislature.	Project Plan Development of a manual script. Launch the play. Public attendance of show.	August 2005 November 2005 April 2006	Terms of reference were developed. The budget was insufficient for achievement of this objective.	This was not possible during this financial year. Plans are in place for the ensuing financial year.
Increase levels and quality of public participation	Mobilise citizens oral submissions on matters considered in Committees	Number of oral submissions mobilised	At least 5 citizens appear in Committees on each Bill	Attendance and participation at public hearings have improved. For each public hearing the Public Education Unit conducted workshops. As a result attendance during the NCOP Programmed was very good.	An estimated number of 4000 people attended the NCOP Programmed daily during 27-31 March 2006. More than 20 people participated at hearings on bills. We still have to mobilise attendance at Committee meetings
Communication	Develop and implement a communication policy and strategy	Organisational issues are properly communicated.	Policy and strategy adopted by September Implementation commences in October	Skokiaan Communications has been appointed to develop a communication strategy for the Legislature.	A draft report was submitted in March 2006. The report was returned for additional information. There are concerns about progress being made in this regard
	1 is revived	Attendance	80% attendance and participation	The Communication Forum has been successfully revived and attendance has been 100% on target. This has improved communication. 11 Meetings were held-at least one a month.	None

2.3.5 Sub-Programmed 2: Research, Library And Information Services

Measurable Objectives	Output	Performance Indicators	Targets	Actual Performance	Deviation
Improve information resources	Needs Assessment	Assessment reports	Quarterly	Activity held back due to lack of human resources	100% To employ additional staff
	Sourcing information resources	Use of budget	3rd of budget every four months	Acquisition policies not yet approved, but the activity is in progress.	60% Follow up with procurement regularly
		Access to other service/networks	Access to 3 networks by August	Target not met due to lack of human resources	100% To employ additional staff
		Diversity of resources	At least 20 relevant donated items	Donors identified Will engage them soon	90% Activity to be prioritised
		Relevance of material	95% of users find material relevant	60% of users are satisfied. Inputs solicited from users regarding new resources thus 50% response.	60% Ensure that acquisitions process is prioritised.
		Cost effectiveness	60% of budget on multi media	Activity is part of the upcoming acquisition (videos)	60% Ensure that multi media resources are prioritised
	Maintenance of subscription to current membership	Timeous renewals	Maintain all subscriptions	Activity is prioritised on a constant basis	None

Sub-Programmed 2: Research, Library And Information Services

Measurable Objectives	Output	Performance Indicators	Targets	Actual Performance	Deviation
Integrating Information Center Services with core business	Informing all stakeholders about services	Information sessions / initiatives Requests/queries From Committees, Members and Researchers	All stakeholders informed by July 40% request from core business stakeholders	This activity has not been started due to staff shortage	100% To employ additional staff
	Providing support to Committees	Information provided to Committees Seminars/Worksh op	99% client satisfaction level Relating to Committee business	No assessment of client satisfaction. Info requested by committees has only been Legislation	50% Needs assessment to be done once additional employee has been appointed
Establishing a media center (Internet Café)	Acquire equipment	Equipment acquired	Two computers by June 2005 Photocopier by June	Computers for media center purchased	75% Other areas to be prioritised
	Train users in using self service facilities	Less request at main desk More access request at facility	50% Members able to use facility by November	Has not been realised. Will attend to after media center has been established.	100% Will attend to after media center has been established.

Sub-Programmed 2: Research, Library And Information Services

Measurable Objectives	Output	Performance Indicators	Targets	Actual Performance	Deviation
Improving information center Services	Benchmarking	Library visits Proposal / recommend	At least four libraries visited at a time	No benchmarking took place	100% Existing report on the previous visit to be utilised to improve standard of services
	LIASA membership and conferences	Membership fees and attendance Recommendations	Budgeted	Registered as an institution	None
	Forums	Recommendations	Two persons at two forums	Forums attended regularly	None
	Rendering Services	Timeliness Relevance	Timeliness Relevance	Timely information provision	Prioritise this area
Establish research and policy evaluation capacity	Training of members and committee staff on basic research skills	Training sessions Increased number of question asked	At least one 20% increase	Awaiting approval from EULSP	No training sessions were held
	Employment of researchers	Specialist researchers employed for clusters	One Senior Researcher for the economics cluster	Senior Research appointed – additional researcher required during 2005/06 financial year. Delayed by Efficiency Services	Not fully achieved
	Budget for commissioned research	Research reports	2 reports 100% spending of budget	Topic for commissioned research identified	Not achieved. Will be prioritised in the coming financial year
Information & Current Awareness Services	Seminars	Quarterly Seminars in line with Legislative Business	Quarterly	Proposal Drafted & forwarded to Chairpersons Committee – not foreseen to take place this year	100 % Proposal to be tabled at Chairpersons Committee
Research Projects & Services	Pre-Oversight Research	Comprehensive overview of area and its challenges	Quarterly	Pre-oversight conducted for old Siyanda & Pixley Ka Seme	Project completed
	Research Requests	Research Reports	When required by committees	Research requests dealt with when required to do so	None
	Independent Research	Projects based on core business of the Legislature	One project per annum	One project initiated – comparative study between Legislative Research Units	None
Training & Capacity Building	Training initiatives	Based on personal development plans	According to workplace skills plan	Both researchers trained – one training intervention	None
	Cluster forum events	Knowledge sharing experiences	Quarterly	Cluster forum meeting attended regularly by Researcher	None
EULSP Activities	Management of EULSP Project	Planning, organising, administration, financial record keeping and reporting	Not originally in the plan	Applications processed and submitted. Steering committee established. Providing assistance to LSP consultants. Expenditure control and updating of budget	The Northern Cape did not spend all monies allocated in the financial year.

2.3.6 Sub-Programmed 3: Hansard and Language Services

Measurable Objectives	Output	Performance Indicators	Targets	Actual Performance	Deviation
Improve delivery of the verbatim reports	Training Reporters on Interpretation	Training sessions All Reporters obtain diplomas in Interpretation	Post-matric language for qualification employees.	Prospective courses have been identified and communicated.	Only one employee applied for and was granted a bursary. Another employee submitted application late.
	Recruit qualified and skilled language practitioners.	An internship developed	One Intern taken for language services	To be determined by new intake of Interns.	One Intern employed.
	Recruit qualified and skilled language practitioners	Four interpreters would be available to render the service at any given time.	Two interpreters would be available to render the service at any given time	Subject to approval of the new organogramme and availability of funds.	Organogramme not yet finalised.
		Compliance with the international norm	Compliance with international norm.	Subject to approval of the new organogramme and availability of funds.	Organogramme not yet finalised.
	Language Development Course	Modules covered	Two modules per quarter and two weeks in a quarter.	One and half modules done this quarter.	One module complete.
	Reduced grammatical errors (assessment by copy editors bi-annually)			Grammatical errors still occur.	
	Transcripts of House Sitings, visits, workshop/Seminars, SCOPA, Rules and other Committees on demand	Time for completion of unedited transcript.	A day's proceedings completed at 12:00 the next day	100%	On target.
	A bound transcript	Bound according to specifications within timeframes.	Within 2 weeks of editing	Not done	Unavailability of funds.
	Recording equipment	Digital Recorders activated Digital recorders bought Reduced cost Reduced turn around time	June June 80% reduction cassettes requisitions Reduced by 2 hours	Equipment has been identified.	of equipment put tender. To be finalised later in the year.
	Electronic copies to Members' laptops	Time taken	By 13:00 of a day after the day of House Sitting.	Has not yet started.	ed.
	Provide simultaneous interpretation off the seat of the Legislature	Number of languages	At least two languages	Subject to approval of the new organogramme and availability of funds.	Organogramme not yet finalised. Service will be rendered with the finalisation of tender for AV equipment

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2.3.7 Sub-Committee 4: House Proceedings

Measurable objectives	Output	Performance Indicators	Targets	Actual Performance	Deviation
Promote alignment of government departments operation and programmes with the Provincial Growth and Development Strategy	Scrutinise reports against strategic plans	Follow up on implementation of House Resolutions	All departments are engaged on their plans and reports Aug/Sep Written feedback is given to departments in the form of Committee Resolutions	Not all departments presented quarterly reports	Address inconsistencies. Develop work method in new year. Committees to request for quarterly reports.
	PGDS compliant assessment tool / scorecard	Document developed, communicated and used as a tool to measure compliance Consistency and structured approach to Committee work on strategic plans and reports	Developed by September All departments engaged to understand the scorecard by October	Document not in place.	100% This objective will be prioritised in the next financial year
Alignment of Legislature programmed with Parliament and the Provincial Executive	Programmed framework	Consistency Absence or cancellation of meetings due to lack of coordination	Weekly 50% less cancellation, absentees and apologies due to lack of a clear workable programmed	Achieved	Amendments to Programmed still occurred due to non-compliance of departments
	Coordinating structure	A co-ordinated programmed Absence of cancellations apologies and absentees due to lack of coordination	50% less cancellation absentees and apologies	Programmed Technical Committee established; meetings held weekly	Amendments to Legislature Programmed still occurred. Not good input given by some stakeholders.
Ensure sound management of House Proceedings	Smooth running of House Sittings	Correct guidance to the Presiding Officer(s) on House Rules. All House documents distributed in the House timeously. All House support staff learn about their responsibilities.	Ongoing Ongoing Ongoing	All House sittings proceeded well without any challenges.	None
Improve support to the Legislature in the NCOP process	Effective scheduling of NCOP business in the Legislature	NCOP matters integrated in the Legislature programmed weekly	All NCOP matters are incorporated in the programmed	NCOP Programmes reported to Rules Committee weekly and the Programmed Committee	None
	Recommendation of refers of legislation and other matters to the committees	Correct referrals	All NCOP matters are incorporated in the programmed	All NCOP referrals were correct and programmed	None
	Prepare mandates guide or template	Improved information in mandates – Provincial	Adopted in May 2005	A National NCOP process has been started. (mandates bill)	None
	Improve our administrative support to Public Hearings	Decision to hold hearing communicated to all stakeholders	Public Hearing report within 72 hours	Public hearings held successfully arranged on bills.	None

2.3.8 Sub-Committee 5: Committees

Measurable objectives	Output	Performance Indicators	Targets	Actual Performance	Deviation
Promote highest standard of governance of government departments and agencies	A PFMA compliance monitoring checklist/tool	Index of the status of departmental compliance with PFMA. Consistency of Committees in the scrutiny work.	Index compiled by December 2005	Checklist not in place. However, Legislature cycle in place.	There is no tool for assessment of compliance with PFMA
Improve compliance with the concept of Batho Pele in government departments NB: Internal processes / organisation	A mechanism for community feedback to the Committees Survey	Document to mechanism. Committee awareness of community satisfaction levels with service delivery	Committees engage departments on the information gathered	Pre-Oversight and Oversight visits the only mechanism in place to gauge community satisfaction and awareness	The document was not developed and survey not done.
	Partnership with the Public Protector	Joint assessment of satisfaction levels	Joint projects and/or sharing of information and resources	Process underway to establish partnerships with Chapter 9 Institutions	No joint projects were embarked upon
	Engagement of Public Service Commission	Joint assessment of satisfaction levels	Joint projects and/or sharing of information and resources	One meeting was held with the Commissioner. Sharing of Scorecard. A workshop to be held with Chairpersons.	No joint project was embarked upon because no formal agreement exists
	A mechanism for community feedback to the Committees Survey	Document to mechanism. Committee awareness of community satisfaction levels with service delivery	Committees engage departments on the information gathered	Pre-Oversight and Oversight visits the only mechanism in place to gauge community satisfaction and awareness	The document was not developed and survey not done because no oversight took place during quarter under review
	Partnership with the Public Protector	Joint assessment of satisfaction levels	Joint projects and/or sharing of information and resources	Process underway to establish partnerships with Chapter 9 Institutions	Joint projects and/or sharing of information and resources occurred because no formal agreement
	Engagement of Public Service Commission	Joint assessment of satisfaction levels	Joint projects and/or sharing of information and resources	One meeting was held with the Commissioner. Sharing of Scorecard. A workshop to be held with Chairpersons.	Joint projects and/or sharing of information and resources occurred because no formal agreement
	Oversight Visits	Actual awareness by committees of the status of projects and service points	10 projects / service points visited during the period under review	See oversight reports. Three regions visited to date	NCOP visit took place in Kgalagadi, Members involved with oversight
	Feedback to departments and engagement on information gathered	Efforts by Departments to foster Batho Pele	Committees engage departments on the information gathered	Oversight reports tabled and adopted by Chairpersons Committee, to be debated in the House Statements made in the House by all Parties on the oversight reports	No feedback was given to departments on compliance with Batho Pele because no information was gathered

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Legal Services

Legal Services had been seriously incapacitated since the resignation of Adv P Nxumalo (15 January 2000) and the serious motor vehicle accident of Ms K Dunn, Legal Advisor in December 2004. Adv HJ Botha Snr Legal was seconded to the Legal Office from the Office the Premier in the Legislature with effect from middle January 2005 for an initial period of three months. The initial secondment period was extended on a month-to-month basis and ended in a six-month secondment period. She finally permanently appointed in the Legal office with effect from 1 July 2005. Procedures, systems, records etc had to be re-invented and new strategic objectives formulated.

Performance

NO	ACTIVITY	DESCRIPTION	STATUS OF ACTIVITY
1.	Theft and Losses	We referred 27 cases of thefts and losses to the State Attorney during the financial year. A total of 23 matters were resolved during the year.	Ongoing. Some follow ups still need to be conducted
2.	Provincial Audit Committee	We served in the Provincial Audit Committee where we attended meeting on a monthly basis. Legal opinions and research were provided upon request.	We have since resigned from the Committee due to pressure of work at the Office
3.	Amendment/Redraft of the NC Provincial Legislature Service Act, 1995 (No. 6 of 1995)	First draft of the Bill has been completed. We await consideration thereof by Members	Ongoing.
4.	Legal Advice and Legislation	Opinion and advice to the Acting Secretary, SCOPA, the Provincial Audit Committee and other units in the administration on a variety of matters both in writing and verbally. This includes attendance of all meetings of the Portfolio and Standing Committees. We have al been active in the facilitation of provincial and national legislation by way of providing advice, drafting amendments, facilitating the redrafting of legislation where it was necessary.	Copies of opinions are available upon request by relevant stakeholders
5.	Standard Agreement for Services	Prepared a standard agreement for services hence to be used with regard to small service providers.	Finalised. Used.
6.	Government Gazette	We have continued providing this service to the Province. It is worth noting that we have now reached Gazette number 1073 since inception in 1994 and we are one of only three surviving Provincial Gazettes still being printed from the Province. We have started a campaign to market the service to potential users and to generally bring awareness as to how is put together	

SECTION 3

REPORT OF THE AUDIT COMMITTEE

Report of the Audit Committee in terms of regulations 27 [1] [10] [b] and [c] of the PFMA, Act 1 of 1999, as amended.

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

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The following persons served as members of the Provincial Audit Committee during the period under review, and their attendance record at formal Audit Committee meeting is as follows:

Name of member	Number of meetings attended
----------------	-----------------------------

Independent members:

Prof. JE Kleynhans [chair]	7 out of 7
Ms KM Mogotsi	3 out of 7
Mr G Oberholster	3 out of 7
Mr H Ramage	1 (resigned 6 June 2005)

Internal members:

SE Mokoko	1 out of 7
Adv. H Botha	6 out of 7
Mr T Moraladi	6 out of 7

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee adopted appropriate terms of reference as its Audit Committee Charter. The Charter is regularly updated with principles of good governance and with the requirements of the PFMA. The Audit Committee is accountable to the Provincial Executive Committee and has an oversight function with regard to:

- Financial management;
- Risk Management
- Compliance with laws, regulations and good ethics;
- Reporting practices; and
- Internal and External audit functions.

REPORT ON THE OPERATIONS OF THE AUDIT COMMITTEE

During the period under review, the following key activities were undertaken:

- Considering internal audit plans.
- Monitored the effectiveness of the internal audit function.
- Monitored the independence and objectives of both internal and external auditors.
- Considered external audit reports.
- Monitored Management's follow-up of matters previously reported on the external auditors.

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THE EFFECTIVENESS OF INTERNAL CONTROL AND RISK MANAGEMENT.

The audit committee is not satisfied that:

- A risk managing process is in place and that the major risks under the control of the Northern Cape Provincial Legislature are properly managed;
- The internal control systems are effective; and
- Matters requiring Management attention have been adequately addressed.

Evaluation of Financial Statements

The Audit Committee has:

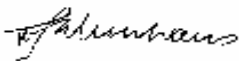
- Reviewed and discussed with the External Auditor and Management the audited Annual Financial Statements to be included in the Annual Report;
- Reviewed the External Auditor's management letter and management's response thereto; and
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the conclusions of the External Auditor 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 auditors. The Audit Committee wishes to draw attention to the audit **qualification** in paragraph 4, and the matters raised in paragraph 6 of the audit report:

- Receivables and pre-payments. Receivables amounting to R1 945 000 disclosed in note 13 of the financial statements are overstated with an amount of R648 246 as it is not deemed to be recoverable.

EMPHASIS OF MATTER

- Unauthorised expenditure
- Weaknesses in Internal Control:
 - Employee Cost.
 - Assets.
- Cost of suspension of senior officials amounted to R3 069 723,00.
- Performance information.
- Financial Management:
 - Internal audit.



Prof. JE Kleynhans
Chairperson: Shared Provincial Audit Committee

SECTION 4

ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS
Vote 2
for
Northern Cape - Provincial Legislature
for the year ended 31 March 2006

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**Report of the Accounting Officer
for the year ended 31 March 2006**

Report by the Accounting Officer to the Speaker and the Northern Cape Provincial Legislature.

1. General review of the state of financial affairs

The Northern Cape Provincial Legislature has worked hard towards improvement of its financial management. Some gains have been scored and plans are afoot to realise even more improvements.

We have procured an asset management system that should enable us to account for all assets of the Legislature in a reliable manner.

The management of expenditure by line managers and Members was not assisted by the delays encountered in printing reports from BAS. We are in the process of securing a new system that would enable us to truly decentralise the management of expenditure.

We have during the financial year surrendered to Treasury money that was not spent during previous financial years and have obtained clarity from the Provincial Treasury about expending of retained own revenue.

There is a need to further improve the baseline allocation to the Legislature in order to accommodate all the pressures we face, especially with regard to building maintenance and the legislative and oversight work. This is exacerbated by projects that are initiated by our national parliament that we are not always able to budget for.

We have incurred unauthorised expenditure only because of the NCOP takes Parliament to the People Project which happened up to and including the last day of the financial year. No irregular expenditure was incurred while a small amount was wasteful expenditure. This is overall, progress when compared to previous financial years.

Budget Allocation

The total voted and the statutory allocation for the 2005/2006 financial year amounted to R53,165 million. The adjustment estimate for the year was R4, 200 million, bringing the total budget, to R57, 365 million. Total expenditure for the year amounted to R57, 439 million, The Legislature overspent by R74, 000, when taking into consideration the R115, 000 saving in Statutory Amounts.

2. Services rendered by the Provincial Legislature

The Provincial Legislature's constitutional and administrative role is fulfilled by providing various services to the Members of the Provincial Legislature (MPL's) to perform duties entrusted on them by the Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996), i.e.:

- to exercise fiscal control over its own budget;
- to exercise oversight function over government departments;
- to draft and make input into National and Provincial legislation;
- to provide advice and support in the drafting of legislation and the scrutiny of national legislation;
- to provide administrative support to all political parties represented in the Provincial Legislature.
- to render support to and advice on parliamentary matters, to the people of the Northern Cape Province;
- to promote public participation in processes of the Legislature through public education programs;
- to provide procedural and administrative support services to the Speaker, Members of the Provincial Legislature and the House, including its Committees.

3. Savings

None

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**Report of the Accounting Officer
for the year ended 31 March 2006**

4. Capacity constraints

Capacity in the form of shortages of staff affected some of our operations, especially shortage of personnel in the Security Unit, Occupational Health and Safety Unit, Public Participation Unit and Research Services. This was because of delays in the finalisation of the review of the organisational structure as well as the scarcity of the necessary level of skills in the security area among people who meet our employment equity requirements.

The organisational structure has now been approved and is being implemented. Two more Researchers have been appointed.

There were no sufficient financial resources to fund the National Council of Provinces initiated project of bringing Parliament to the people. This has led to overspending of the budget of the Legislature. More funds would have to be allocated for projects that are initiated by our national parliament.

There are no sufficient funds to provide for the communication work that has to be conducted in the Province in terms of promotion of parliamentary participatory democracy. A communication strategy is being developed which will guide our public education and participation work.

The Legislature continues to improve skills across the organisation through our Skill Development Plan and a Bursary Scheme that was initiated during the past financial year. Our aim is to build a highly competent and skilled workforce.

5. The Budgetary constraints experienced in the Legislature did not allow us to procure the Legislature symbols, which are very critical in the functioning of the House.

6. Transfer payments

Annexure 2 illustrates all transfers in the Northern Cape Provincial Legislature.

7. Public/private partnerships (PPP)

None.

8. Corporate governance arrangements

The Legislature decided that the Shared Internal Audit Unit and the Audit Committee of the Province should include the Legislature in its internal audit work.. Although the Audit Unit has not been active as far as the Legislature is concerned, we have appeared before the Audit Committee on two occasions.

A risk assessment was conducted, a risk policy developed and approved. We shall in the next financial year develop a risk management strategy.

Procurement is done through a Procurement Committee that strictly implements the Preferential Procurement Policy Framework. A Whistle Blower policy is also being drafted.

Several policies, including, a policy on employee wellness, have been approved and an employee wellness programmed and scheme will be launched in the next financial year.

Our Public Education and involvement programmes have improved a great deal despite the shortages of staff in the relevant unit.

9. Discontinued activities/activities to be discontinued

None

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Report of the Accounting Officer
for the year ended 31 March 2006

10. New and proposed activities

Opening of regional offices to enable the Legislature to improve our reach to communities in terms of public participation and to facilitate legislative and constituency work

Installation of video conferencing. Although the European Union Legislature Support Programmed sponsors the equipment, the Legislature must pay for room readiness and future running and maintenance of the system.

Plans for an Information and Conference Center will be drawn up so that costing is done for the building thereof. If Treasury allocates money, this project will commence in the new financial year.

Implementation of a new organogramme that has been approved by the Rules Committee.

Improvement our audio-visual equipment to enable translation, sound enhancement and recording when we have activities outside the seat of the Legislature

Development of a language policy for the Legislature with the participation of the all stakeholders

Development of a communication strategy that would guide our public outreach campaign to extend democracy to the outlying regions of our Province.

Securing new software and systems for effective document management, financial, asset and HR management. These would also be used in the tracking of parliamentary documents such as petitions, questions, reports, bills etc.

Improvement of workflow systems and processes in the entire organisation, especially following the realignment of functions

Improved focus on public education, especially of school-going children, in the processes of the Legislature

Intensified oversight work with the necessary research work and the use of oversight tools

Audit of the Provincial Statute book to ensure effective oversight of the implementation of all Provincial Laws and the redrafting of laws so that they are in line with the Constitution.

11. Events after the accounting date

Note 23 illustrates the accruals by economic classification and programmed level.

12. Progress with financial management improvements

The newly approved organogramme commences a process of establishing a fully-fledged Supply Chain Management structure by creating new positions and through realignment of functions.

The financial risk environment is improving. Attention has been given to the development of a policy and a risk assessment has been conducted. This is being built into each manager's performance assessment agreement.

The Code for Financial Administration and the Procurement Code are being implemented while a financial delegations document has been finalised and is awaiting approval by the Speaker.

Vigorous attention was given to suspense accounts and most of them, dating back to 1994, have been cleared and new ones are being cleared on a regular basis.

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**Report of the Accounting Officer
for the year ended 31 March 2006**

13. SCOPA Resolutions

Reference to previous audit report and SCOPA resolutions	Subject:	Findings on progress
SCOPA Resolution 2004/05	1. Risk Assessments	The Legislature is currently reviewing its policies and procedures. The code for Financial Administration of the Northern Cape Provincial Legislature is being reviewed. The tender for the risk assessment was advertised and will be implemented in the 2006 year.
SCOPA Resolution 2004/05	2. Internal Control procedures	The Legislature is currently reviewing its policies and procedures. The code for Financial Administration of the Northern Cape Provincial Legislature is being reviewed.
SCOPA Resolution 2004/05	3. Policies and Procedures for Assets Management	The Legislature is currently reviewing its policies and procedures. The code for Financial Administration of the Northern Cape Provincial Legislature is being reviewed. The asset tagging system was also procured and implemented during the financial year.
SCOPA Resolution 2004/05	3. Inventory policies and procedures	The Legislature is currently reviewing its policies and procedures. The code for Financial Administration of the Northern Cape Provincial Legislature is being reviewed.
SCOPA Resolution 2004/05	4. Leave Policy	The leave policy was revised and approved. It is now being implemented.
SCOPA Resolution 2004/05	5. Journal Management	A system was introduced to attach supporting documentation to journals in the Legislature.
SCOPA Resolution 2004/05 SCOPA Resolution 2004/05	6. Own Revenue	Bilaterals were held between Treasury and the Legislature to surrender own revenue to the Provincial Revenue fund and appropriate it in the Adjustment budget for a particular year.
SCOPA Resolution 2004/05	7. PFMA compliance	Corrective measures were implemented.

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**Report of the Accounting Officer
for the year ended 31 March 2006**

Approval

The annual financial statements set out on pages 7 to 48 have been approved by the Accounting Officer.



.....
M.Z. MAWASHA

ACTING SECRETARY TO THE LEGISLATURE

31 May 2006

Northern Cape - Provincial Legislature
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Accounting Policies
for the year ended 31 March 2006

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2005.

1. Presentation of the Financial Statements

1.1 Basis of preparation

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

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R), which is also the functional currency of the Northern Cape Provincial 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 are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund, unless approval has been given by the Provincial Treasury to rollover the funds to the subsequent financial year. 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.

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**Accounting Policies
for the year ended 31 March 2006**

2.2 Legislature revenue

All Legislature revenue is not paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the Northern Cape Provincial 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 Northern Cape Provincial 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.

2.2.5 Sale of capital assets

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

2.2.6 Financial transactions in assets and liabilities

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

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

2.2.7 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are not paid into the Provincial Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

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

**Northern Cape - Provincial Legislature
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**Accounting Policies
for the year ended 31 March 2006**

2.3 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 Northern Cape Provincial Legislature directly receives the cash from the donor(s). The total cash amounts received during the year is reflected in the statement of financial performance as revenue.

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

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

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

3. Expenditure

3.1 Compensation of employees

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

All other payments are classified as current expense.

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

3.1.1 Short term employee benefits

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

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

3.1.2 Long-term employee benefits

3.1.2.1 Termination benefits

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

**Northern Cape - Provincial Legislature
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**Accounting Policies
for the year ended 31 March 2006**

3.1.2.2 Post employment retirement benefits

The Northern Cape Provincial Legislature provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the Northern Cape Provincial Legislature. Any potential liabilities are disclosed in the financial statements of the Northern Cape Provincial Legislature.

The Northern Cape Provincial 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 Interest and rent on land

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

3.4 Financial transactions in assets and liabilities

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

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

3.5 Unauthorised expenditure

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

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

3.6 Fruitless and wasteful expenditure

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

Northern Cape - Provincial Legislature
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Accounting Policies
for the year ended 31 March 2006

3.7 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the relevant authority does not condone the expenditure it is treated as an asset until it is recovered or written off as irrecoverable.

3.8 Transfers and subsidies

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

3.9 Expenditure for capital assets

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

4. Assets

4.1 Cash and cash equivalents

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

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

4.2 Prepayments and advances

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

4.3 Receivables

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

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

4.4 Investments

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

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

4.5 Loans

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

Northern Cape - Provincial Legislature
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Accounting Policies
for the year ended 31 March 2006

4.6 Inventory

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

4.7 Liabilities

4.8 Payables

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

4.9 Lease commitments

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

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

4.10 Accruals

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

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

4.11 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 Northern Cape Provincial Legislature; or

A contingent liability is a present obligation that arises from past events but is not recognised because:
It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure notes.

4.12 Commitments

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

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

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Accounting Policies
for the year ended 31 March 2006

5. Net Assets

5.1 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.

5.2 Recoverable revenue

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

6. Related party transactions

Related parties are Departments/Legislatures that control or significantly influence the Northern Cape Provincial Legislature in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.

7. Key management personnel

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

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

8. Public private partnerships

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

- Performs an institutional function on behalf of the institution; and/or
- acquires the use of state property for its own commercial purposes; and
- assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and
- receives a benefit for performing the institutional function or from utilising the state property, either by way of:
 - consideration to be paid by the Northern Cape Provincial Legislature which derives from a Revenue Fund;
 - charges fees to be collected by the private party from users or customers of a service provided to them; or
 - a combination of such consideration and such charges or fees.

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

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

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 47 to 80, for the year ended 31 March 2006, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). The fixed asset opening balances have not been audited because of the timing of guidance from National Treasury to the departments relating to the treatment, valuation and disclosure of fixed assets. These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. SCOPE

The audit was conducted in accordance with 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, as well as
- evaluating the overall financial statement presentation.

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

3. BASIS OF ACCOUNTING

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

4. QUALIFICATION

4.1 Receivables and Prepayments

Receivables amounting to R1 945 000 disclosed in note 13 to the financial statements are overstated with an amount of R648 246 as it is not deemed to be recoverable.

5. QUALIFIED AUDIT OPINION

In my opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of the Northern Cape Provincial Legislature at 31 March 2006 and the results of its operations and 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 to the financial statements, and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999)

6. EMPHASIS OF MATTER

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

6.1 Unauthorised expenditure

The provincial legislature incurred unauthorised expenditure to the value of R189 000 during the period under review. The accumulated unauthorised expenditure of R189 000, as disclosed in note 11, had not yet been approved at year-end.

6.2 Weaknesses in internal control

The responsibility to institute and maintain a system of internal control is clearly defined in section 38 of the Public Finance Management Act, 1999 (Act No. 1 of 1999)(PFMA). The Northern Cape Provincial Legislature refers to the Financial Code for the Administration of the Provincial Legislature as the policy framework. It was however found to be inadequate. An inadequate risk assessment was performed for the period under review. The officials did not adequately implement the prescripts of section 38(1)(a)(i) of the PFMA dealing with internal control measures, systems and risk management, including the fraud prevention plan.

The weaknesses identified include the following:

6.2.1 Employee Cost

There are a number of issues regarding the controls around the administration of employee costs, which were caused by non-adherence to documented policies and procedures.

6.2.2 Assets

There were insufficient policies and procedures in place for the safeguarding, management and maintenance of assets. As a result the following were noted:

- The asset register was not adequately maintained.
- Asset purchases made during prior financial periods could not be traced to the asset register.
- The total as per the annexure to the financial statements could not be reconciled to the asset register.
- The asset register does not identify each asset by a unique number or code. In the event that an asset is marked with a serial number, this number does not agree with any number in the asset register. Assets can therefore not be traced to and from the register.
- Inventory lists for the control of assets were not adequately maintained and updated with movements of assets.
- Assets were not identifiable as individual assets as it was captured into its component parts.
- No asset count was performed during the period under review.

6.3 Cost of suspensions

Two senior employees of the provincial legislature were suspended during 2004. The cases are still pending. The salary cost paid until the end of March 2006 to the suspended employees accumulated to R3 069 723. The legal fees incurred since 2004, relating to the suspensions, amounted to R728 881.

6.4 Performance information

In terms of section 20(2)(c) of the Public Audit Act of 2004 the Auditor-General must draw a conclusion on the reported information relating to the performance of the department against predetermined objectives. Although the guideline for the preparation of annual reports clearly requires the department to submit the details to the Auditor-General by no later than 15 June 2006, I had not received the performance information by 15 July 2006. In view of the delay in submission of the information I was not able to consider the following:

- If the reported performance is supported by source documentation and no discrepancies exist.
- All predetermined objectives as defined in the strategic and performance implementation plans are reported on and no differences exist.
- That there is no predetermined objective included in the performance report that is not part of the strategic planning documents of the department.
- That the reported predetermined objectives reported are measurable, specific and time bound.

6.5 Internal audit

The internal audit function is performed by a centralised internal audit department, which resides under the Office of the Premier.

An overview was performed on the functionality of the internal audit department. Various shortcomings rendered the functionality of the internal audit department inefficient and ineffective during the year under review:

The internal audit charter was only approved on 15 August 2005.

- The current staffing component, as well as the available funds, seems to be inadequate to efficiently and effectively service all the provincial departments of the Northern Cape Province. No formal training and development plan was in place to ensure continuous training and development of existing staff.
- No approved annual internal audit plan and three-year strategic plan exist for the internal audit department.
- The audit committee did not evaluate the performance of the internal audit during the year.
- Internal audit did not report functionally directly to the audit committee during the year.
- Internal audit did not submit quarterly reports to the audit committee detailing its performance against the annual internal audit plan.

Some of the above findings were also highlighted in the audit report of the 2004-05 financial year.

**Northern Cape - Provincial Legislature
Vote 2**

As a result of the above, no reliance could be placed on the work performed by internal audit for external audit purposes.

7. APPRECIATION

The assistance rendered by the staff of the Northern Cape Legislature during the audit is sincerely appreciated.

Shauket Fakie

S A Fakie
Auditor-General
Pretoria
31 July 2006



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

Northern Cape - Provincial Legislature
Vote 2
Appropriation Statement
for the year ended 31 March 2006

Appropriation per Programmed									
	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payments	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payments
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. ADMINISTRATION									
Current payment	21,681	-	(718)	20,963	20,583	380	98.2%	16,026	16,042
Transfers and subsidies	83	-	-	83	87	(4)	104.8%	32	26
Payment for capital assets	1,410	-	264	1,674	2,050	(376)	122.5%	362	346
2. MEMBERS FACILITIES									
Current payment	3,796	665	(89)	4,372	4,380	(8)	100.2%	8,602	8,534
Transfers and subsidies	-	-	36	36	27	9	75.0%	2,924	2,976
Payment for capital assets	-	-	46	46	46	-	100.0%	-	15
3. PARLIAMENTARY SERVICES									
Current payment	16,548	(665)	322	16,205	16,395	(190)	101.2%	7,806	7,245
Transfers and subsidies	2,909	-	51	2,960	2,960	-	100.0%	24	15
Payment for capital assets	37	-	89	126	126	-	100.0%	-	-
Subtotal	46,464	-	-	46,465	46,654	(189)	100.4%	35,776	35,199
Statutory Appropriation									
Current payments	10,900	-	-	10,900	10,785	115	98.9%	10,450	10,469
Total	57,364	-	-	57,365	57,439	(74)	100.1%	46,226	45,668
Reconciliation with Statement of Financial Performance									
Add: Prior year unauthorised expenditure approved with funding								8,156	
Departmental receipts								337	
Local and foreign aid assistance								-	
Actual amounts per Statement of Financial Performance (Total Revenue)				57,365				54,719	
Add: Local and foreign aid assistance									-
Prior year unauthorised expenditure approved									8,156
Prior year fruitless and wasteful expenditure authorised									
Actual amounts per Statement of Financial Performance Expenditure					57,439				53,824

Northern Cape - Provincial Legislature
Vote 2
Appropriation Statement
for the year ended 31 March 2006

Appropriation per Economic classification									
	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payments	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payments
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	22,195	-	-	22,195	20,168	2,027	90.9%	18,724	17,622
Goods and services	19,701	-	(359)	19,342	21,187	(1,845)	109.5%	13,480	14,019
Interest and rent on land	-	-	-	-	-	-	0.0%	-	-
Financial transactions in assets and liabilities	129	-	(126)	3	3	-	100.0%	230	180
Transfers & subsidies									
Provinces & municipalities	62	-	36	98	94	4	95.9%	100	87
Non-profit institutions	2,880	-	51	2,931	2,931	-	100.0%	2,880	2,930
Households	50	-	-	50	49	1	98.0%	-	-
Payment for capital assets									
Buildings & other fixed structures	259	-	-	259	634	(375)	244.8%	-	-
Machinery & equipment	1,188	-	399	1,587	1,588	(1)	100.1%	362	361
Total	46,464	-	-	46,465	46,654	(189)	100.4%	35,776	35,199

Statutory Appropriation									
Direct charge against Provincial Revenue Fund	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payments	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payments
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Member of executive committee/parliamentary officers	10,900	-	-	10,900	10,785	115	98.9%	10,450	10,469
Total	10,900	-	-	10,900	10,785	115	98.9%	10,450	10,469

**Northern Cape - Provincial Legislature
Vote 2**

**Appropriation Statement
for the year ended 31 March 2006**

Detail per programmed 1 - ADMINISTRATION
for the year ended 31 March 2006

Programmed per subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payments	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payments
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Speaker's Office									
Current payment	2,151	-	303	2,454	2,382	72	97.1%	-	-
Transfers and subsidies	54	-		54	58	(4)	107.4%	-	-
Payment for capital assets	700	-	57	757	863	(106)	114.0%	-	-
1.2 Office of the Secretary									
Current payment	1,463	-	(344)	1,119	1,121	(2)	100.2%	-	-
Transfers and subsidies	3	-		3	3	-	100.0%	-	-
1.3 Financial Management									
Current payment	5,823	-	(75)	5,748	5,670	78	98.6%	-	-
Transfers and subsidies	10	-		10	9	1	90.0%	-	-
Payment for capital assets	-	-		-	87	(87)	-	-	-
1.4 Corporate Services									
Current payment	12,244	-	(602)	11,642	11,410	232	98%	11,830	12,405
Transfers and subsidies	16	-		16	17	(1)	106.3%	21	18
Payment for capital assets	710	-	207	917	1,100	(183)	120%	362	346
1.5 Secretariat									
Current payment	-	-	-	-	-	-	-	4,196	3,637
Transfers and subsidies	-	-	-	-	-	-	-	11	8
Total	23,174	-	(454)	22,720	22,720	-	100.0%	16,420	16,414

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Appropriation Statement
for the year ended 31 March 2006

Economic classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payments	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payments
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	11,945	-	-	11,945	10,951	994	91.7%	8,969	8,989
Goods and services	9,607	-	(592)	9,015	9,629	(614)	106.8%	7,057	7,053
Financial transactions in assets and liabilities	129	-	(126)	3	3	-	100.0%	-	-
Transfers & subsidies									
Provinces & municipalities	33	-	-	33	38	(5)	115.2%	32	26
Households	50	-	-	50	49	1	98.0%	-	-
Payments for capital assets									
Buildings & other fixed structures	259	-	-	259	634	(375)	244.8%	-	-
Machinery & equipment	1,151	-	264	1,415	1,416	(1)	100.1%	362	346
Total	23,174	-	(454)	22,720	22,720	-	100.0%	16,420	16,414

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Detail per programmed 2 - MEMBERS FACILITIES
for the year ended 31 March 2006

Programmed per subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payments	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payments
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Members Facilities									
Current payment	3,796	665	(89)	4,372	4,380	(8)	100.2%	2,827	2,342
Transfers and subsidies	-	-	36	36	27	9	75.0%	19	19
Payment for capital assets	-	-	46	46	46	-	100.0%	-	-
2.2 Office Bearers									
Current payment	-	-	-	-	-	-	-	3,180	3,856
Transfers and subsidies	-	-	-	-	-	-	-	17	70
2.3 Political Parties									
Current payment	-	-	-	-	-	-	-	2,595	2,336
Transfers and subsidies	-	-	-	-	-	-	-	2,888	2,887
2.4 Payment for Capital Assets									
	-	-	-	-	-	-	-	-	15
Total	3,796	665	(7)	4,454	4,453	1	100.0%	11,526	11,525

Economic classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payments	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payments
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation of employees	-	-	-	-	-	-	-	3,840	3,507
Goods and services	3,796	665	(89)	4,372	4,380	(8)	100.2%	4,762	5,027
Provinces & municipalities	-	-	36	36	27	9	75.0%	44	46
Non-profit institutions	-	-	-	-	-	-	-	2,880	2,930
Machinery & equipment	-	-	46	46	46	-	100.0%	-	15
Total	3,796	665	(7)	4,454	4,453	1	100.0%	11,526	11,525

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**Appropriation Statement
for the year ended 31 March 2006**

Detail per programmed 3 - PARLIAMENTARY SERVICES
for the year ended 31 March 2006

Programmed per subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payments	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payments
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Standing Committees									
Current payment	1,133	-	118	1,251	1,327	(76)	106.1%	750	749
3.2 Portfolio Committees									
Current payment	400	-	-	400	349	51	87.3%	355	204
3.3 Public Participation and Awareness									
Current payment	2,661	-	73	2,734	2,918	(184)	106.7%	1,061	1,481
Transfers and subsidies	5	-	-	5	5	-	100.0%	6	3
Payment for capital assets	-	-	-	-	36	(36)	0.0%	-	-
3.4 Procedural and NCOP									
Current payment	4,331	-	(150)	4,181	3,749	432	89.7%	3,134	3,286
Transfers and subsidies	10	-	-	10	10	-	100.0%	13	9
3.5 Hansard and Language Services									
Current payment	1,264	-	37	1,301	1,123	178	86.3%	1,669	959
Transfers and subsidies	3	-	-	3	3	-	100.0%	4	2
3.6 Library and Information Services									
Current payment	680	-	(30)	650	521	129	80.2%	737	485
Transfers and subsidies	1	-	-	1	1	-	100.0%	1	1
Payment for capital assets	37	-	-	37	-	37	0.0%	-	-
3.7 Political Party support Services									
Current payment	2,918	-	45	2,963	3,315	(352)	111.9%	-	-
Transfers and subsidies	2,887	-	51	2,938	2,939	(1)	100.0%	-	-
3.8 Heard Parliamentary Services									
Current payment	961	-	(38)	923	860	63	93.2%	-	-
Transfers and subsidies	3	-	-	3	2	1	66.7%	-	-
3.9 House Proceedings									
Current payment	2,200	(665)	267	1,802	2,233	(431)	123.9%	-	-
Payment for capital assets	-	-	89	89	90	(1)	101.1%	-	-
3.10 Oversight									
Current payment	-	-	-	-	-	-	-	100	81
Total	19,494	(665)	462	19,291	19,481	(189)	101.0%	7,830	7,260

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**Appropriation Statement
for the year ended 31 March 2006**

Economic classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payments	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payments
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation of employees	10,250			10,250	9,217	1,033	89.9%	5,915	5,126
Goods and services	6,298	(665)	322	5,955	7,178	(1,223)	120.5%	1,661	1,939
Financial transactions in assets and liabilities	-	-	-	-	-	-	0.0%	230	180
Transfers & subsidies	-	-	-	-	-	-	-	-	-
Provinces & municipalities	29		-	29	29	-	100.0%	24	15
Non-profit institutions	2,880		51	2,931	2,931	-	100.0%		
Capital									
Machinery & equipment	37		89	126	126	-	100.0%		
Total	19,494	(665)	462	19,291	19,481	(189)	101.0%	7,830	7,260

**Northern Cape - Provincial Legislature
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**Notes to the Appropriation Statement
for the year ended 31 March 2006**

- 1. Detail of transfers and subsidies as per Appropriation Act (after Virement):**
Detail of these transactions can be viewed in note 8 (Transfers and subsidies) and Annexure 2 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 programmed can be viewed in note 6 (Details of special functions (theft and losses)) to the annual financial statements.
- 4. Explanations of material variances from Amounts Voted (after virement):**

4.1 Per programmed:

	Voted Funds after virement R'000	Actual Payments R'000	Variance R'000	%	Explanations of Material Variances
Administration	22,720	22,720	0	0%	-
Members Facilities	4,454	4,453	1	0%	-
Parliamentary Services	19,291	19,481	(189)	0.01%	-

4.2 Per economic classification:

**2005/06
R'000**

**2004/05
R'000**

Current expenditure

Compensation of employees	20,168	17,623
Goods and services	21,187	14,018
Financial transactions in assets and liabilities	3	188
Unauthorised expenditure approved	-	-

Transfers and subsidies

Provinces and municipalities	94	87
Non Profit Institutions	2,931	2,930
Households	49	-

Payments for capital assets

Building and other fixed structures	634	-
Machinery and equipment	1,588	361

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**Statement of Financial Performance
for the year ended 31 March 2006**

	<i>Note</i>	2005/06 R'000	2004/05 R'000
REVENUE			
Annual appropriation	<u>1.</u>	46,465	35,776
Statutory appropriation	<u>2.</u>	10,900	10,450
Appropriation for unauthorised expenditure approved		-	8,156
Departmental revenue	<u>3.</u>	-	337
TOTAL REVENUE		<u>57,365</u>	<u>54,719</u>
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>4.</u>	30,953	28,091
Goods and services	<u>5.</u>	21,187	14,019
Financial transactions in assets and liabilities	<u>6.</u>	3	180
Unauthorised expenditure approved	<u>7.</u>	-	8,156
Total current expenditure		<u>52,143</u>	<u>50,446</u>
Transfers and subsidies	<u>8.</u>	3,074	3,017
Expenditure for capital assets			
Buildings and other fixed structures	<u>9.</u>	634	-
Machinery and Equipment	<u>9.</u>	1,588	361
Total expenditure for capital assets		<u>2,222</u>	<u>361</u>
TOTAL EXPENDITURE		<u>57,439</u>	<u>53,824</u>
SURPLUS/(DEFICIT)		(74)	895
Add back unauthorised expenditure	<u>7.</u>	189	-
Add back fruitless and wasteful expenditure	<u>10.</u>	6	37
SURPLUS/(DEFICIT) FOR THE YEAR		<u>121</u>	<u>932</u>
Reconciliation of Net Surplus/(Deficit) for the year			
Funds unutilised	<u>15.</u>	121	595
Transfer to retained funds		-	337
SURPLUS/(DEFICIT) FOR THE YEAR		<u>121</u>	<u>932</u>

**Northern Cape - Provincial Legislature
Vote 2**

**Statement of Financial Position
as at 31 March 2006**

	<i>Note</i>	2005/06 R'000	2004/05 R'000
ASSETS			
Current assets		2,368	2,354
Unauthorised expenditure	7.	189	-
Fruitless and wasteful expenditure	10.	6	37
Cash and cash equivalents	11.	2	2
Prepayments and advances	12.	226	196
Receivables	13.	1,945	2,119
Non-current assets		-	-
Investments	14.	35	35
TOTAL ASSETS		<u>2,403</u>	<u>2,389</u>
LIABILITIES			
Current liabilities		618	885
Voted funds to be surrendered to the Revenue Fund	16.	121	595
Bank overdraft	17.	458	255
Payables	18.	39	35
Non-current liabilities			
TOTAL LIABILITIES		<u>618</u>	<u>885</u>
NET ASSETS		<u>1,785</u>	<u>1,504</u>
Represented by:			
Retained funds		<u>1,785</u>	<u>1,504</u>
TOTAL		<u>1,785</u>	<u>1,504</u>

**Northern Cape - Provincial Legislature
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**Statement of Changes in Net Assets
for the year ended 31 March 2006**

	<i>Note</i>	2005/06 R'000	2004/05 R'000
Capitalisation Reserves			
Opening balance		-	35
Transfers		-	(35)
Retained funds			
Balance at 1 April		1,504	1,167
Own Revenue Recovered	15.	281	-
Transfer from Statement of Financial Performance		-	337
Balance at 31 March		<u>1,785</u>	<u>1,504</u>
TOTAL		<u><u>1,785</u></u>	<u><u>1,504</u></u>

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**Cash Flow Statement
for the year ended 31 March 2006**

	<i>Note</i>	2005/06 R'000	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		57,646	54,719
Annual appropriated funds received	1.1	46,465	35,776
Statutory appropriated funds received		10,900	10,450
Appropriation for unauthorised expenditure received		-	8,156
Departmental revenue received		281	337
Net (increase)/ decrease in working capital		179	(1,536)
Surrendered to Revenue Fund		(595)	(3,442)
Current payments		(52,137)	(42,110)
Transfers and subsidies paid		(3,074)	(3,017)
Net cash flow available from operating activities	19.	<u>2,019</u>	<u>4,614</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(2,222)	(361)
(Increase)/ decrease in investments		-	(35)
Net cash flows from investing activities		<u>(2,222)</u>	<u>(396)</u>
Net increase/ (decrease) in cash and cash equivalents		(203)	4,218
Cash and cash equivalents at beginning of period		(253)	(4,471)
Cash and cash equivalents at end of period	20.	<u><u>(456)</u></u>	<u><u>(253)</u></u>

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**Notes to the Annual Financial Statements
for the year ended 31 March 2006**

1. Annual Appropriation

1.1 Annual Appropriation

	Final Appropriation on R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation Received 2004/05 R'000
Programmes				
ADMINISTRATION	22,720	22,720	-	16,420
MEMBERS FACILITIES	4,454	4,454	-	11,526
PARLIAMENTARY SERVICES	19,291	19,291	-	7,830
Total	46,465	46,465	-	35,776

2. Statutory Appropriation

Member of executive committee/parliamentary officers	10,900	10,450
Total	10,900	10,450
Actual Statutory Appropriation received	10,900	10,450

3. Departmental revenue to be surrendered to Revenue Fund

Sales of goods and services other than capital assets	3.1	30	71
Interest, dividends and rent on land	3.2	207	119
Recoverable Revenue			25
Financial transactions in assets and liabilities	3.3	41	89
Gift, Donations and sponsorships received	3.4	3	33
Total revenue collected		281	337
Less: Departmental revenue budgeted		(281)	-
Total		-	337

3.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the Legislature		
Other sales	30	7
Total	30	7

3.2 Interest, dividends and rent on land

Interest	154	119
Rent on land	53	
Total	207	119

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**Notes to the Annual Financial Statements
for the year ended 31 March 2006**

3.3 Financial transactions in assets and liabilities

	2005/06 R'000	2004/05 R'000
Nature of loss recovered		
Other receipts including recoverable revenue	41	89
Total	<u>41</u>	<u>89</u>

3.4 Gift, Donations and sponsorships received

Public Corporations and Private enterprises	3	33
Total	<u>3</u>	<u>33</u>

[ANNEXURE 4](#)

4. Compensation of employees

4.1 Salaries and wages

Basic salary	20,093	18,829
Performance award	551	199
Service Based	47	201
Compensative/circumstantial	506	129
Periodic payments	-	7
Other non-pensionable allowances	5,054	4,451
Total	<u>26,251</u>	<u>23,816</u>

4.2 Social contributions

4.2.1 Employer contributions

Pension	3,166	3,040
Medical	1,458	1,235
Insurance	78	-
Total	<u>4,702</u>	<u>4,275</u>
Total compensation of employees	<u>30,953</u>	<u>28,091</u>

Average number of employees	<u>89</u>	<u>80</u>
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5. Goods and services

Advertising	712	114
Bank charges and card fees	52	95
Bursaries (employees)	131	-
Communication	1,572	1936
Computer services	256	915
Consultants, contractors and special services	105	371
Courier and delivery services	6	3
Drivers' licenses and permits	2	22
Entertainment	1,194	846
External audit fees	741	599
Equipment less than R5 000	56	129
Honoraria (Voluntary workers)	53	5
Inventory	712	756
Legal fees	278	547
Maintenance, repair and running costs	764	770
Medical services	-	1

[5.1](#)

[5.2](#)

**Northern Cape - Provincial Legislature
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**Notes to the Annual Financial Statements
for the year ended 31 March 2006**

	Note	2005/06 R'000	2004/05 R'000
Operating leases		536	531
Photographic services		13	3
Printing and publications		737	68
Professional bodies and membership fees		155	6
Resettlement costs		10	166
Subscriptions		271	311
Owned and leasehold property expenditure		3,576	-
Translations and transcriptions		1	1
Travel and subsistence	5.3	8,277	5,683
Venues and facilities		587	48
Protective, special clothing & uniforms		8	40
Training & staff development		382	53
Total		<u>21,187</u>	<u>14,019</u>
5.1 External audit fees			
Regulatory audits		741	599
Total external audit fees		<u>741</u>	<u>599</u>
5.2 Inventory			
Domestic Consumables		41	251
Food and Food supplies		49	41
Fuel, oil and gas		98	72
Parts and other maint mat		13	7
Stationery and Printing		506	385
Medical Supplies		5	-
Total Inventory		<u>712</u>	<u>756</u>
5.3 Travel and subsistence			
Local		7,439	5,281
Foreign		838	402
Total travel and subsistence		<u>8,277</u>	<u>5,683</u>
6. Financial transactions in assets and liabilities			
Other material losses written off	6.1 & 6.2	3	180
Total		<u>3</u>	<u>180</u>
6.1 Other material losses			
Nature of losses			
Theft and Losses		2	180
Total		<u>2</u>	<u>180</u>

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**Notes to the Annual Financial Statements
for the year ended 31 March 2006**

		Note	2005/06 R'000	2004/05 R'000
6.2	Debts Written off			
	Nature of debts written off			
	Theft and Losses		1	
	Total		<u>1</u>	<u></u>
7.	Unauthorised expenditure			
7.1	Reconciliation of unauthorised expenditure			
	Opening balance		-	8,156
	Unauthorised expenditure – current year		189	-
	Amounts approved by Parliament/Legislature (with funding)		-	(8,156)
	Current Expenditure		<u></u>	<u>(8,156)</u>
	Unauthorised expenditure awaiting authorisation		<u>189</u>	<u>-</u>
7.2	Analysis of current unauthorised expenditure			
	Incident	Disciplinary steps taken/criminal proceedings	Total	
	Overspending in			
	Programmed 1	No disciplinary steps necessary	189	
	Total		<u>189</u>	
8.	Transfers and subsidies			
	Provinces and municipalities	ANNEXURE 1	94	87
	Non-profit institutions	ANNEXURE 2	2,931	2,930
	Households	ANNEXURE 3	49	
	Total		<u>3,074</u>	<u>3,017</u>
9.	Expenditure on capital assets			
	Buildings and other fixed structures	ANNEXURE 9	634	-
	Machinery and equipment	ANNEXURE 9 & 10	1,588	361
	Total		<u>2,222</u>	<u>361</u>
10.	Fruitless and wasteful expenditure			
10.1	Reconciliation of fruitless and wasteful expenditure			
	Opening balance		37	
	Fruitless and wasteful expenditure – current year		6	37
	Current		<u>6</u>	<u>37</u>
	Amounts condoned		(37)	-
	Current expenditure		<u>(37)</u>	<u>-</u>
	Fruitless and wasteful expenditure awaiting condonement		<u>6</u>	<u>37</u>

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**Notes to the Annual Financial Statements
for the year ended 31 March 2006**

Note	2005/06 R'000	2004/05 R'000
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Analysis of current fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings		
Interest Charged	No	6	-
Total		<u>6</u>	<u>-</u>

11. Cash and cash equivalents

Cash on hand	2	2
Total	<u>2</u>	<u>2</u>

12. Prepayments and advances

Description		
Staff advances	180	172
Travel and subsistence	46	24
Total	<u>226</u>	<u>196</u>

13. Receivables

		Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	Total R'000
Private enterprises	13.1	12	-	-	12	-
Staff debtors	13.2	60	164	47	271	341
Other debtors	13.3	111	324	13	448	359
Claims recoverable	Annex 13	89	1,125	-	1,214	1,419
Total		<u>272</u>	<u>1,613</u>	<u>60</u>	<u>1,945</u>	<u>2,119</u>

13.1 Private enterprises

SARS overpayment	8	-
Insurance Overpayment	4	-
Total	<u>12</u>	<u>-</u>

13.2 Staff debtors

Tax Debt	46	34
Staff debts	225	307
Total	<u>271</u>	<u>341</u>

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**Notes to the Annual Financial Statements
for the year ended 31 March 2006**

	Note	2005/06 R'000	2004/05 R'000		
13.3 Other Debtors					
Theft and Losses		354	333		
Other Debtors		94	26		
Total		<u>448</u>	<u>359</u>		
14. Investments					
Non-current					
Shares and other equity					
Sanlam Shares		35	35		
Total		<u>35</u>	<u>35</u>		
Total non-current		<u>35</u>	<u>35</u>		
15. Departmental revenue recovered					
Opening balance		-			
Departmental revenue recovered	<u>3</u>	281	-		
Closing balance		<u>281</u>	<u>-</u>		
16. Voted funds to be surrendered to the Revenue Fund					
Opening balance		595	3,442		
Transfer from Statement of Financial Performance		121	595		
Paid during the year		<u>(595)</u>	<u>(3,442)</u>		
Closing balance		<u>121</u>	<u>595</u>		
17. Bank overdraft					
Consolidated Paymaster General Account		(458)	(255)		
Total		<u>(458)</u>	<u>(255)</u>		
18. Payables – current					
Description		30 Days R'000	30+ Days R'000	2005/06 Total R'000	2004/05 Total R'000
Clearing accounts	<u>18.1</u>	14		14	-
Other payables	<u>18.2</u>	25		25	35
Total		<u>39</u>	<u>-</u>	<u>39</u>	<u>35</u>
18.1 Clearing accounts					
Description					
Pension Funds				2	-
Medical Aids				7	-
Housing				5	-
Total				<u>14</u>	<u>-</u>

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**Notes to the Annual Financial Statements
for the year ended 31 March 2006**

	Note	2005/06 R'000	2004/05 R'000
18.2 Other payables			
Description			
Tax		-	3
Disallowance		-	7
Receivables		26	25
Total		<u>26</u>	<u>35</u>

19. Net cash flow available from operating activities

Net surplus/(deficit) as per Statement of Financial Performance	121	932
(Increase)/decrease in receivables – current	174	(1,226)
(Increase)/decrease in prepayments and advances	(30)	(196)
(Increase)/decrease in other current assets	(158)	8,156
Increase/(decrease) in payables – current	4	29
Surrenders to revenue fund	(595)	(3,442)
Expenditure on capital assets	2,222	361
Revenue received	281	
Net cash flow generated by operating activities	<u>2,019</u>	<u>4,614</u>

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

Consolidated Paymaster General Account	(458)	(255)
Cash on hand	2	2
Total	<u>(456)</u>	<u>(253)</u>

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

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**Disclosure Notes to the Annual Financial Statements
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		Note	2005/06 R'000	2004/05 R'000
21. Contingent liabilities				
	Liable to	Nature		
	Motor vehicle guarantees	Employees	ANNEXURE 7	
	Total			
			-	128
			-	128
22. Commitments				
	Current expenditure			
	Approved and contracted		1,169	408
			1,169	408
			-	-
	Total Commitments		1,169	408
23. Accruals				
	By economic classification	30 Days R'000	30+ Days R'000	Total R'000
	Compensation of employees			-
	Goods and services	474	201	675
	Machinery and Equipment	-	28	28
	Total			703
				309
	Listed by programmed level			
	Programmed 1: Administration			285
	Programmed 2: Members Facilities			11
	Programmed 3: Parliamentary Services			407
	Total			703
				309
	Confirmed balances with other departments			
	Total			
			ANNEXURE 14	1
			1	-
24. Employee benefit provisions				
	Leave entitlement		1,743	1,398
	Thirteenth cheque		463	438
	Performance awards		-	330
	Total		2,206	2,166

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**Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2006**

24. Lease Commitments				2005/06 R'000	2004/05 R'000
	Land R'000	Buildings & other fixed structures R'000	Machinery and equipment R'000	Total R'000	Total R'000
24.1 Operating leases					
Not later than 1 year	-	-	56	56	247
Later than 1 year and not later than 5 years	-	-	240	240	151
Total present value of lease liabilities	-	-	296	296	398

25. Irregular expenditure

25.1 Reconciliation of irregular expenditure

Opening Balance	2,879	2,640
Irregular expenditure – current year	-	239
Amounts condoned	(2,879)	-
Current expenditure	(2,879)	-
Irregular expenditure awaiting condonement	-	2,879

Analysis

Current	-	239
Prior years	-	2,640
Total	-	2,879

25.2 Irregular expenditure

Incident	Disciplinary steps taken/criminal proceedings		
Security Contract	Disciplinary cases against the Accounting Officer	-	220
Prepayment in respect of accommodation		-	19
Total		-	239

26. Key management personnel

Description	No of Individuals	Total R'000	Total R'000
Political Office Bearers (provide detail below)	2	1,425	1,321
Level 15 to 16	3	2,051	1,952
Level 14	5	2,344	1,826
Total		5,820	5,099

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**Annexures to the Annual Financial Statements
for the year ended 31 March 2006**

ANNEXURE 1

STATEMENT OF TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	TRANSFER ALLOCATION				TRANSFERS		SPENT			2004/05
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Transferred %	Amount received by department R'000	Amount spent by department R'000	% of available funds spent by department %	Division of Revenue Act R'000
Frances Baard District Municipality	98	-	-	98	94	95.9%	-	-	0.0%	87
	98	-	-	98	94		-	-		87

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ANNEXURE 2

STATEMENT OF TRANSFERS/SUBSIDIES TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2004/05
NON PROFIT ORGANISATION	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Transferred %	Final Appropriation Act R'000
Transfers							
ANC	2,345	-	-	2,345	2,345	100.0%	2,016
DA	293	-	-	293	293	100.0%	288
ID	97	-	-	97	97	100.0%	192
FF+	98	-	-	98	98	100.0%	96
ACDP	98	-	-	98	98	100.0%	96
NNP	-	-	-	-	-	-	192
	2,931	-	-	2,931	2,931		2,880
TOTAL	2,931	-	-	2,931	2,931		2,880

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ANNEXURE 3

STATEMENT OF TRANSFERS/SUBSIDIES TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2004/05
HOUSEHOLDS	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Transferred %	Final Appropriation Act R'000
Discretionary Fund	50	-	-	50	49	98.0%	50
Total	50	-	-	50	49		50

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**Annexures to the Annual Financial Statements
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ANNEXURE 4

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2006

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2005/06 R'000	2004/05 R'000
Received in cash			
Shishen Iron Ore.(PTY)	Contribution towards Youth Parliament		10
Standard Bank	Payments for Accommodation & traveling		20
Astra Travel	Payments for Refreshment (Team Building)		3
Dynamic Expression	Opening of the Legislature	1	
Small World Net Café	Opening of the Legislature	2	
Subtotal		<hr/> 3	<hr/> 33

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ANNEXURE 5

STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED FOR THE YEAR ENDED 31 MARCH 2006

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	CLOSING BALANCE R'000
Received in cash					
Northern Cape Printing	OPENING OF THE LEGISLATURE	-	-	-	-
Dynamic Expression	OPENING OF THE LEGISLATURE	-	1	-	1
Small World Net Café	OPENING OF THE LEGISLATURE	-	2	-	2
Utility Rubber Stamps	OPENING OF THE LEGISLATURE	-	-	-	-
Subtotal		-	3	-	3
Received in kind					
LSP	T-Shirts (People's Assembly)	-	47	47	-
LSP	Catering (People's Assembly)	-	75	75	-
LSP	Catering (People's Assembly)	-	22	22	-
LSP	Transport (People's Assembly)	-	24	24	-
LSP	Transport (People's Assembly)	-	10	10	-
LSP	Transport (People's Assembly)	-	36	36	-
LSP	Computers for Library	-	37	37	-
LSP	Air travel, car hire, accommodation for exchange to Gauteng	-	15	15	-
LSP	Air travel, shuttle, accomm & meals for exchange to Parliament	-	5	5	-
LSP	Training organisational development	-	2	2	-
LSP	Training Life Skills	-	40	40	-
LSP	Air travel, shuttle, accomm & meals for exchange to Parliament	-	33	33	-
LSP	Printing of public education material	-	37	37	-
LSP	Staff training	-	26	26	-
LSP	Purchase of network software	-	44	44	-
LSP	Air travel & car rental for interlegis exchange to Parliament	-	5	5	-
LSP	Training on basic research skill for MPL's & Comm staff	-	42	42	-
LSP	Air ticket, accomm, meals & shuttle for exchange to Parliament	-	12	12	-
Subtotal		-	512	512	-
		-	515	512	3

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ANNEXURE 6

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

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of the organisation)	R'000
Paid in cash	
Thusang Home Based Care Organisation	5
KI Mahaeng	5
St James Church	5
Dora Tamana Multi Co-operation Centre	5
Papase Funeral Services	2
Tshepang Funeral Parlour	2
United Car Wash	2
Galeshewe Funeral Services	2
African Church	5
Galeshewe Funerals	2
Lesego General Dealer	3
P Shuping	2
Ton Arts Signs	4
J Hendriks	3
Jo-o's Meat	2
Subtotal	49
Total	49

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ANNEXURE 7

**STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2006 -
LOCAL**

Guarantor institution	Guarantee in respect of	Original Guaranteed Capital Amount R'000	Opening Balance 01/04/2005 R'000	Guarantees issued during the year R'000	Guarantees released/paid /cancelled/re duced during the year R'000	Guaranteed interest outstanding as at 31 March 2006 R'000	Closing Balance 31/03/2006 R'000	Realised losses not recoverable R'000
Stannic	Motor Vehicles							
	Vehicle	202	128	-	128	-	-	-
	Total	202	128	-	128	-	-	-

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**Annexures to the Annual Financial Statements
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ANNEXURE 8

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

	Opening Balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	777	634	-	1,411
Non-residential buildings	-	-	-	-
Other fixed structures	770	634	-	1,404
Heritage assets	7	-	-	7
 MACHINERY AND EQUIPMENT	 2,904	 1,625	 -	 4,529
Transport assets	760	851	-	1,611
Specialised military assets	-	-	-	-
Computer equipment	979	340	-	1,319
Furniture and Office equipment	1,027	275	-	1,302
Other machinery and equipment	138	159	-	297
 TOTAL CAPITAL ASSETS	 3,681	 2,259	 -	 5,940

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**Annexures to the Annual Financial Statements
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**ANNEXURE 9
ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH
2006**

	Cash	In-Kind	Total
	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	634	-	634
Other fixed structures	634	-	634
MACHINERY AND EQUIPMENT	1,588	37	1,625
Transport assets	851	-	851
Computer equipment	303	37	340
Furniture and Office equipment	275	-	275
Other Machinery and Equipment	159	-	159
TOTAL CAPITAL ASSETS	2,222	37	2,259

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**Annexures to the Annual Financial Statements
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ANNEXURE 10

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

	Additions	Disposals	Total Movement
	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	361	-	361
Computer equipment	346	-	346
Other machinery and equipment	15	-	15
 TOTAL CAPITAL ASSETS	 361	 -	 361

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**Annexures to the Annual Financial Statements
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ANNEXURE 11

CAPITAL INTANGIBLE ASSET COST MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Opening Balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
Computer Software	-	44	-	44
TOTAL	-	44	-	44

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**Annexures to the Annual Financial Statements
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ANNEXURE 12

ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash	In-Kind	Total
	R'000	R'000	R'000
Computer Software	-	44	44
TOTAL	-	44	44

**Northern Cape - Provincial Legislature
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**Annexures to the Annual Financial Statements
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ANNEXURE 13

INTER-GOVERNMENTAL RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Office of the Premier	-	-	339	337	339	337
Department of Health	-	-	37		37	-
Department of Finance	-	-	5	5	5	5
Other Departments	-	-	16	20	16	20
	-	-	397	362	397	362
Other Government Entities						
SARS	656	-	-	656	656	656
Municipalities	-	-	9	-	9	-
SALA	-	-	7	7	7	7
Govt Printing Works	-	-	120	91	120	91
PCBC Agency	-	-	8	8	8	8
PSETA	-	-	5	-	5	-
SAPS	-	-	2	3	2	3
SITA	-	-	10	292	10	292
	656	-	161	1,057	817	1,057
TOTAL						
	656	-	558	1,419	1,214	1,419

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ANNEXURE 14

**INTER-DEPARTMENTAL PAYABLES –
CURRENT**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Western Cape Department of Transport and Public Works	1	-	-	-	1	-
Total	1	-	-	-	1	-

SECTION 5

HUMAN RESOURCES REPORT

The report contains information on

Expenditure
Employment and Vacancies
Job Evaluation
Employment Changes
Employment Equity
Performance Rewards
Foreign Workers
Leave
HIV/AIDS & Health Promotion Programmes
Labour Relations
Skills Development
Injury on duty
Utilisation of Consultants
Population Group Distribution
Gender Composition
General
Strategic Objectives

2. EXPENDITURE

2.1 Personnel Costs by Programmed, 2005/2006

Programmed	Total Expenditure (R'000)	Personnel Expenditure (R'000)	No. of e'e	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure (R'000)	Average personnel cost per employee (R'000)
Administration	22 193 875	9 972 058	43	302 813	718	44.93 %	231 908
Members Facilities	4 440 430						
Parliamentary Serv	18 974 833	10 095 901	59	35 450		53.21 %	171 117
Interns	22 210	22 210	5			-	4 442
Total	45 631 348	20 090 169	107	338 263	718	44.04 %	187 759

Note:

- 1) Personnel Expenditure indicated excludes the amount paid to Workman's Compensation Commissioner.
- 2) Personnel Expenditure indicated excludes the amount of R19 455 paid to Sanlam in respect of the Members Accident Cover.
- 3) Although training was allocated to Administration, employees from other Programmes also attended training.