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PART 1

SPEAKER'S OVERVIEW

The progress and strength registered by the legislature in the preceding year clearly indicate that majority of us in our different capacities are beginning to understand and internalize the core mandate of this institution. The legislature has gone beyond traditional roles by committing itself to creatively using its constitutional powers not only to deepen democracy but also to seek ways in which public representatives can contribute in bridging down a gap between the first and the second economy. As a people centered organization, the legislature will continue to pass laws, hold the executive accountable and report on its activities.

Public representatives in the North West Province have acknowledged the importance specialization in different portfolio committees so as to ensure a qualitative input and engagements with all stakeholders expected to account to the legislature. Through prudent administrative arm, the legislature's main organs, Portfolio and Standing Committees have been able to underpin the legislature's constitutional mandate of ensuring that those who serve in the implementation arm of government (Executive) uses public resources efficiently and correctly. Oversight Functions of the legislature over the past financial year have improved remarkably. Different Committees have been able to visit different government projects around the province and an ethos of critically analyzing the rational between strategic plans and annual reports have been established by members of parliament and are a positive step in the right direction. Improvements in the interaction and participation in the National Council of Provinces says something not only about the numerical strength of our public representatives but also it conveys a message that we have a team of enlighten member's capable of upholding the provincial mandate.



The progress on the legislative review is also satisfactory. This process will afford us the opportunity to adjust policies so that the contents of such legislations are reflected in the socio-economic improvement of ordinary people. Public hearings have also justified the existence of the legislature as majority of the people turned out in their multitude in effort to exercise their constitutional right of ensuring that every policy passed by the legislature, every business undertaken by us does not necessarily reflect our narrow interest or sectarian interest rather such a business becomes an open and transparent phenomenon with a much people centered element. Although we have experienced lively debates and popular attendance of our public hearings, much need to be done to improve this area. Amongst other things, there is a compelling



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need to increase the notice periods for public hearings.

The peoples Assembly that was held at Ikageng in Potchefstroom further paraded the legislature's commitment to public participation. The youth parliaments also created the opportunity for young people in this province to voice out their grievances and openly discuss challenges facing them in the 21st century. The legislature is also proud to have hosted the Human Rights Day celebrations because such a platform gave all present delegates the opportunity to reflect on the progress made in improving South Africa's human rights records. We are all satisfied with fact that the North West Provincial Legislature just like all stakeholders in the country has been able to participate in the African Peer Review Mechanism and is currently in the stage of reporting to the National team administering the APRM process in South Africa. This annual report comes at a time when we have just experienced a true participatory democracy, when the millions of ordinary South Africans emerged in numbers and participated in the 2005 municipal local government elections. Once more, the majority of our people have given this government a renewed mandate to render basic services to the people.

We can at this stage say with a confluence of hope that the ideal of centralizing the treasure function within the Speaker of the legislature is being realized. This rationalize treasury and also facilitate the process of accountability. Furthermore efficiency and effective administration of public funds becomes a possibility. The introduction of Performance and Development Management System (PDMS) will enable all employees in the legislature to perform optimally and will also give the management indication areas where skills are needed. We welcome the ratification of all in house policies including the sexual harassment policy. The legislature further established debates around the need to align the Legislature Service Act and Public Finance management Act. The preceding year further experienced a new team of members of the legislature, Hon Boitumelo Tshwene, Hon Hlangwana and Hon Mokomele-mothibi, replaced Hon Themba Gwabeni, Hon Supra Mahaumapelo and Hon Sarah Mereotlhe. We hope that their inclusion in the legislature will assist in adding value in the operations of the legislature as it strives to execute its mandate with diligence.

**HON. SPEAKER TR MODISE
THE NORHT WEST PROVINCIAL
LEGISLATURE**



STATEMENT BY THE ACCOUNTING OFFICER



legislature made measurable change in improving its support services to the Members of the Provincial Legislature. The changes are expressed commitments, on our part, to ensure that members are provided with the necessary support that will enable them to execute their political functions without (unnecessary) hassles. It is our considered opinion that a further improvement to the conditions of the members will yield a speedy delivery of services to our deserving communities.

We have approved the policies that were developed and reviewed in the last financial year. We have committed ourselves to taking the employees through each policy to assist them understand their intentions and implications. It is conceivable that a firmer grasp of policies by the policy implementers will assist in guiding the day to day operation and regulating of behaviour and functioning of the institution.

The Legislature, without a robust management system, will not realize the objectives it had set for itself. This is so because the management systems help to breathe into action the policy direction which the legislature takes as and when situations merit such. It would be unfortunate were the member's intentions failed because of the institution's inability to strike a proper link between the management and the political responsibilities.

The management systems are, at all times, supposed to ensure that members are provided with the adequate support, the legislature becomes accessible to the communities, the members are supported in their attempts to close the gap between the legislature and the citizenry of the province, the legislature exercises its oversight responsibilities to the full.

Conscious of its role and responsibilities, the

The Public Participation section managed to interact with the communities through media and physical visits. The programmes ensured that members to get to know and understand the needs of the communities and assist in developing strategies to alleviate the recurring of certain problems in the communities. It is in the nature of a government of the people to ensure that their plight assumes primacy over anything else as everything about them (the people) should start with them. A further empowerment of the unit both, by both infrastructure and human resource, will help the unit take its sterling work to a higher level and thus deepening our resolve to be a people's legislature in both form and content.

Though our programmes were inconvenienced by the Local Government Elections, we managed to complete major projects earmarked to alleviate



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poverty and underdevelopment in the community. The success of the APRM demonstrated the commitment of staff in supporting our principals to achieve their political mandates. We are proud to have completed the APRM process in time.

The management of the legislature is convinced that the collective contribution of its individual components will set it apart from institutions of a similar size and character. We hope to improve on the progress we have made thus far. It is desired that all members and service users of the legislature should take a keen interest in how its

affairs are managed with an intention of minimizing service failures. It is our collective wisdom which will remain an envy to many within and outside the borders of our province.

A handwritten signature in black ink, reading "DR. A. Schalk".

DR BABA SCHALK
SECRETARY TO THE NORTH WEST
PROVINCIAL LEGISLATURE



VISION

The Legislature of the North West Province is the servant and forum of the people, an agent of change, producing transformatory legislation efficiently, exercising oversight effectively and deepening the culture of participatory democracy.

MISSION

- a. To promote public participation and civil involvement in the legislative and oversight efficiency.
- b. To conduct the business of the North West Legislature in an open and transparent manner.
- c. To establish and maintain a skilled administration that can maximise legislative and oversight efficiency.
- d. To develop and implement an effective accountability and oversight plan.
- e. To empower members of the Legislature in capacity development in various fields.
- f. To pass transformation driven legislation.
- g. To enhance an effective liaison and interaction with the NCOP.

CONSTITUTIONAL, LEGISLATIVE AND OTHER MANDATES

Members of the Provincial Legislature are elected to represent the people and their constitutional mandate is to ensure Government by the people, by providing a forum for public consideration of issues, by passing transformatory legislation, scrutinising and overseeing executive organs of state.

The core function of the Legislature is to pass laws for the North West Province and to oversee organs of state

The Main Services to be delivered by the North

West Provincial Legislature are the following:

- To pass or amend a constitution for the North West Province;
- To pass legislation for the North West Province;
- To recommend to the National Assembly legislation concerning any matter outside the authority of the North West legislature, or where national law prevails over the provincial law;
- To oversee the activities of the Executive Council and other organs of state; and
- To ensure public participation and oversight activities of the Legislature

VALUES AND PRINCIPLES

In striving for service excellence and best practice, the Legislature subscribes to the following values:

- a. Fairness, The Legislature shall at all times act in a fair manner towards executing its duties. We will also uphold our principles of impartiality and independence.
- b. Transparency, Accessibility and Accountability The Legislature is committed to upholding the Batho Pele principle of transparency, accountability and accessibility. The Legislature undertakes to, at all times, be accessible to all stakeholders, to be transparent in the conduct of its core business, and to take full accountability of its actions.
- c. Participation, The Legislature is committed to improving and developing its public participation processes. To involve stakeholders in the legislative process.
- d. Integrity, We are committed to upholding the integrity of the Legislature



COMPOSITION OF THE NWPL

Currently the Legislature is made up of 33 Members of Provincial Legislature (MPLs). Out of this number 11 are Members of the Executive Council. The remaining 22 MPLs, led by the Speaker, are the ones who must execute the mandate of the Legislature as outlined in the Constitution. It also has an Administrative staff with the Secretary as the Accounting Officer.

The composition outlined above is different from that of Departments in that they have only the political head as the politician, and their programs are executed by staff (constituted in terms of Public Service Act). It is for this reason that the strategic plan of the Legislature was not developed by the Secretary (Accounting Officer) as provided for by the Treasury Regulations



Hon. T. Modise
Speaker (ANC)



Hon. G. Madoda
Deputy Speaker (ANC)



Hon. M. Moiloa
Chairperson of Chairpersons (ANC)



Hon. S. Mereotlhe
Deputy Chair of
Chairpersons (ANC)



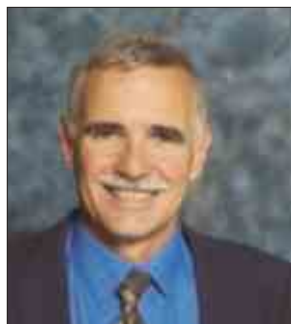
Hon. B. Mahlangu
Chief Whip (ANC)



Hon. V. Kekesi
Whip (ANC)



Hon. L.M. Mangope
Leader (UCDP)



Hon. C. Hattingh
Leader (DP)



Hon. A. Gerber
Leader (FF+)



Members of Provincial Legislature



Hon. S. Mahumopelo
Chairperson Finance &
Economic Development (ANC)



Hon. T. Mokaila
(ANC)



Hon. M. Molema (ANC)



Hon. J. Serfontein
(ANC)



Hon. M. Mahlakeng
(ANC)



Hon. A. Baloyi
(ANC)



Hon. M. Matladi
(UCDP)



Hon. R. Matlholwa
(UCDP)



Hon. T. Gwabeni
(ANC)



Hon. Y. Makume
(ANC)



Hon. P. Mocumi
(ANC)



Hon. N. Hantise
(ANC)



Hon. H. Groenewald
(DP)



Members of the Executive Council



Hon. B.E. Molewa
Premier



Hon. H. Yawa
MEC



Hon. M. Modiselle
MEC



Hon. E. Mayisela
MEC



Hon. D. Afrika
MEC



Hon. N. Num
MEC



Hon. J. Thibedi
MEC



Hon. J. Tselapedi
MEC



Hon. N. Duma
MEC



Hon. N. Rasmeni
MEC



Hon. P. Vilakazi
MEC



MEMBERS OF THE NORTH WEST PROVINCIAL LEGISLATURE

Commonwealth Parliamentary Association (CPA)

The Legislature has a CPA Branch called CPA North West Branch. The CPA North West Branch is a member of CPA Africa Region and CPA International. All Members of the North West Provincial Legislature including MECs are members of this Branch.

Association of Public Accounts Committee (APAC)

The Provincial Public Accounts Committee of the Legislature is a member of the APAC, which is an association of Public Accounts Committees of legislative bodies of South Africa. The aim of the association is to improve the quality and performance of Public Accounts Committees of South Africa, and to enhance the capacity of individual members of these committees.

Speaker's Forum

The Speaker and the Deputy Speaker of the Legislature are members of the Speakers' Forum. This is a voluntary association of Speakers of legislative bodies of South Africa. The purpose of this forum is to enable the Speakers to exchange information and experiences, to enhance their performance.

Secretaries Association of Secretaries of South Africa (SALSA)

The Secretary to the Legislature is a member of SALSA. This is a voluntary association of Secretaries to South African Legislatures. Like the Speakers' Forum, the purpose of this association is to enable Secretaries to exchange information and experiences, to advance their performance.



PART TWO

PROGRAMME PERFORMANCE

INTRODUCTION:

STATUTORY APPROPRIATION

R 12 144 000

VOTED FUNDS

R103 804 000

Appropriation (R 000)	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
Administration	60,733	60,733	40,845	19,888
Statutory Appropriation	12,144	12,144	12,264	(120)
Parliamentary Operations	30,927	30,927	13,445	17,482
Total	103,804	103,804	66,554	37,882
Executing Authority	Hon. T.R. Modise			
Accounting Officer	Dr B. Schalk			

CORE OBJECTIVE

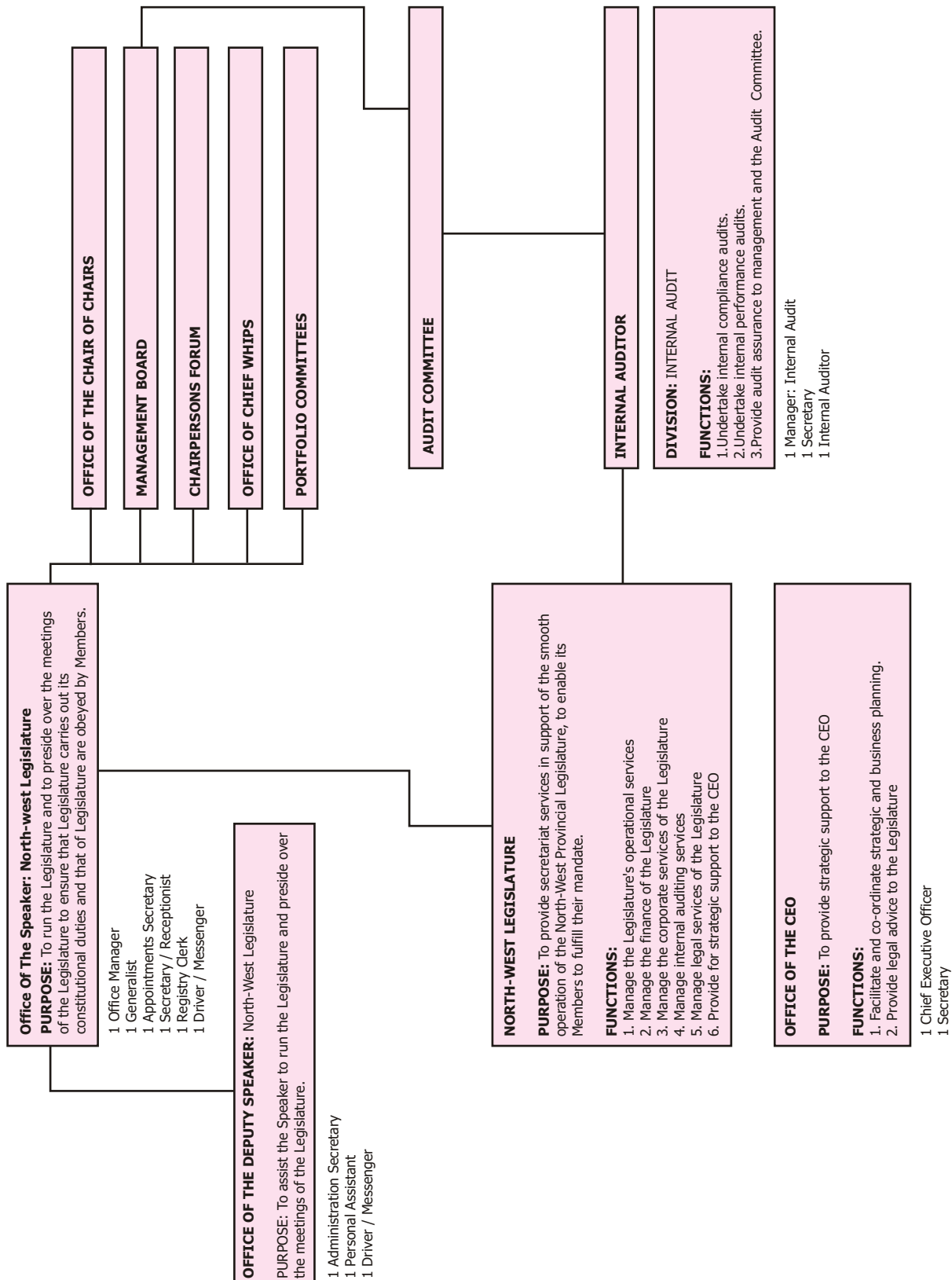
The core objective of the Legislature is to pass laws for the North West Province and to oversee their implementation by the Executive Council and other related structures.

FOCUS AREAS

- Review of all laws passed by the Legislature to determine their effectiveness with regards to transforming our society;
- Improving the way in which Sectorial parliaments are handled, so that they can become a tool for public participation in our legislative and oversight process;
- Raising awareness of young people about the existence of the Legislature by visiting and lecturing to students about the activities of the Legislature and how they (students) can participate;
- Professionalizing the administration of the Legislature;
- Strengthening our oversight effectiveness by scrutinizing annual reports in time, and conducting related oversight visits and public hearings; and
- Improving the effectiveness of public hearings to ensure quality input by members of the public in our legislative process.



ORGANOGRAM - OFFICE OF THE SPEAKER



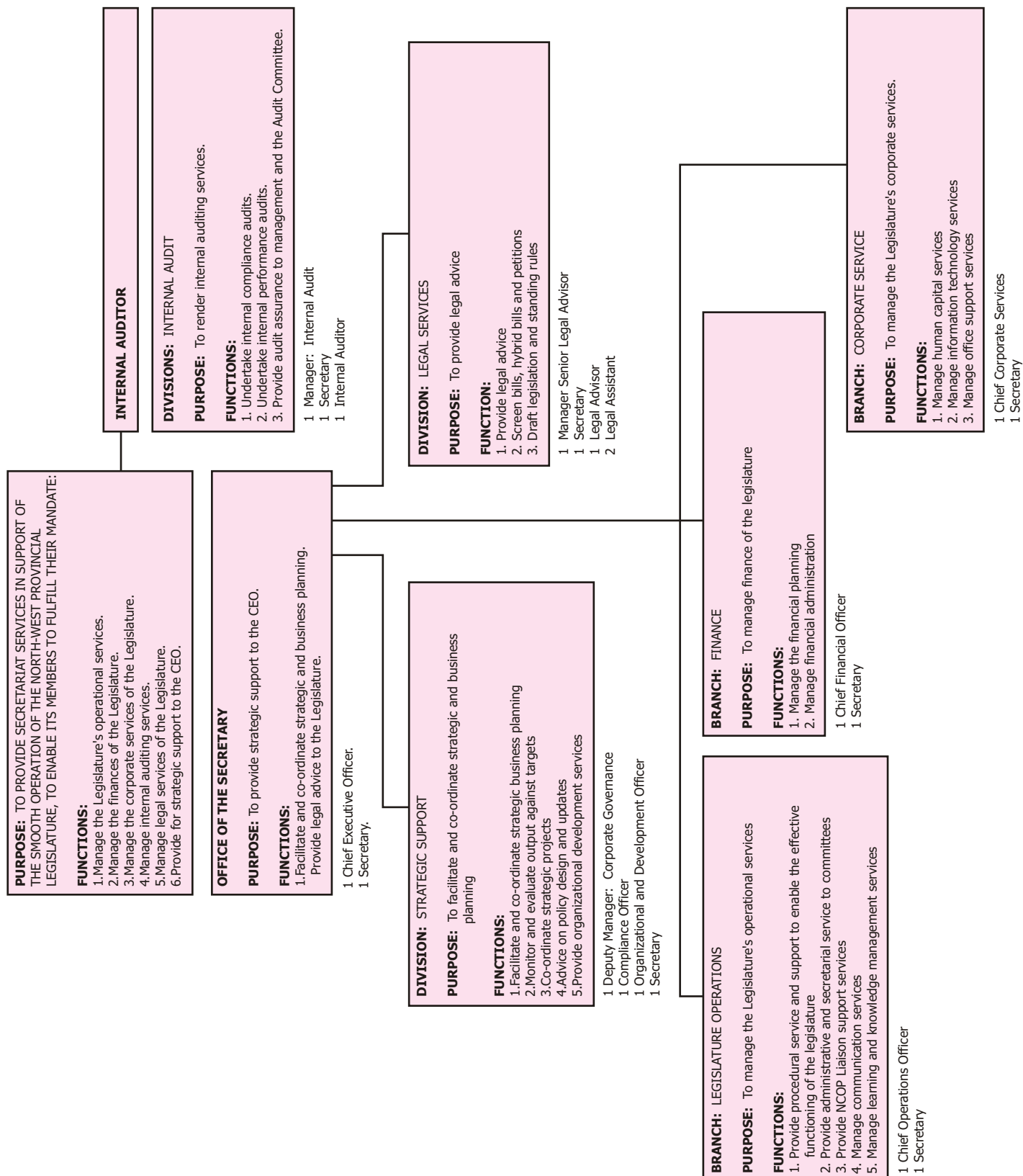


OFFICE OF THE SPEAKER

Functions	Compositions	Achievements	Challenges
<p>The objective of the Office is to promote a culture of participatory Democracy and representation of All Cultures, Voices and Opinions.</p> <p>To promote Efficient, Effective and Economic running of both Political and Administrative wings of the institution.</p> <p>To promote and enhance capacity for Members of NWPL e.g.:</p> <ul style="list-style-type: none"> • Training of committees. • Conducting public hearings. • Oversight work. • Study tours (Domestic and International). • Monitoring capacity of the Budget. • Conducting debates and exercising public representation. <p>To enhance effective production, monitoring and implementation of transformatory legislation.</p> <p>To promote public education. Improvement of coordination between the Executive and the Legislature.</p> <p>To ensure implementation of objectives and goals and set out on the strategic plan.</p> <p>To strengthen Democracy by interaction with different stakeholders and sectors.</p>	<p>Office Manager Personal assistant Admin Assistant Admin Assistant Chauffer 2 x Driver</p>	<p>Outreach and Public Education by means of the following:</p> <ul style="list-style-type: none"> • Radio talk shows, • Pamphlets, etc. <p>Hosting of Human Rights Day and the promotion of Human Rights Awareness.</p> <p>Participation at National Speaker's Forum by both Hon. Speaker and Deputy Speaker.</p> <p>Successful People's Assembly</p> <p>Declaration of Member's Interest.</p> <p>Establishment of Rules Committee and its sub-committee e.g Status of Women and Quality of Life Committee and Internal Supplies Committee.</p> <p>Adoption of rules of procedure by the Rules Committee.</p> <p>Presentation of Papers at CPA (Africa) as well as CPA (International) on behalf of South Africa and Africa respectively.</p> <p>Establishment of Relationships between Speaker's Office and the Office of the High Commissioner of Botswana.</p>	<p>Harmonization of the Political and Administrative wings without micro managing the administrative wing.</p> <p>Better coordination in terms of structural communication and coordination between NWPL and the NCOP.</p> <p>Establishment of Provincial Speaker's Forum.</p> <p>Capacity building of Members of North West Provincial Legislature.</p> <p>Implementation of Rule 112 of the Rules of the House and the conferral of Mandates as required by Section 61 (4) of the Constitution of the Republic of SA Act 108 of 1996.</p>



ORGANOGRAM - OFFICE OF THE SECRETARY





OFFICE OF THE SECRETARY

Functions	Compositions	Achievements	Challenges
The office of the Secretary directs all administrative activities and provides leadership to all employees and strategic support to the Executing Authority and Members of the NWPL.	Secretary: Dr. Schalk Personal Assistant Office Secretary Strategic Support Internal Audit Legal Services	Provided effective support to all role-players.	Harmonization of Political and Administrative wing.

STRATEGIC SUPPORT

Functions	Compositions	Achievements	Challenges
To facilitate and co-ordinate strategic and business planning. To monitor and evaluate outputs against targets To co-ordinate strategic projects; and To provide organizational development services.	Manager: strategic support was only appointed in March 2006.	The incumbent is only a month old in the section.	The incumbent is only a month old in the section.

LEGAL SERVICES

Functions	Compositions	Achievements	Challenges
<p>The Legal Services Division is responsible for rendering legal advice and services to the Legislature regarding all legal issues which the Legislature may encounter</p> <p>The Legal Services Division seeks to provide as nearly as possible the full range of legal advice and services that the Legislature requires.</p>	The Legal Services Division during the 2005/2006 financial year was comprised of one senior legal advisor and one legal advisor.	<p>Scrutinizing all existing and proposed provincial legislation to determine if it is in compliance with all applicable legal requirements.</p> <p>Assisting with tender process for Legislative Review Project which is funded by EU. Tender process currently underway</p>	<p>Existing Provincial Legislation which may not be consistent with all relevant legal requirements.</p> <p>Ensuring that legislation passed by the Legislature is consistent with all relevant legal requirements.</p>

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Functions	Compositions	Achievements	Challenges
<p>The Legal Services Division must ensure that they provide accurate legal advice and the highest quality legal services possible.</p> <p>The Legal Services Division must ensure that the Legislature complies with all legal requirements, particularly when passing legislation.</p> <p>Enabling the Legislature to engage with the legal framework within which it operates efficiently and effectively.</p> <p>Proposing amendments to the Rules of the Legislature.</p> <p>Ensuring that the legal interests of the Legislature are as well-protected as possible.</p>		<p>Drafting and Introducing North West Provincial Management Bill, 2006 in the Legislature</p> <p>Providing briefings to Legislature Committees regarding proposed legislation and of legislative developments at the National level.</p> <p>Providing an ongoing resource for advice when Members of the Legislature or Administrators</p> <p>Reviewing all existing contracts and of scrutinizing all contracts that the Legislature proposes entering into.</p> <p>Review of the Rules of the Legislature.</p> <p>Proposed amendments to Rules have been adopted by the Rules Committee</p>	<p>MPLs and Administrators who may not be sufficiently aware of all legal requirements which impact upon their work.</p> <p>Existing contracts which may contain terms which are detrimental to the Legislature's interests. New contracts should be on terms as favourable as possible for the Legislature.</p> <p>Rules of Procedure for the Legislature which may not properly or effectively address all issues which may arise during proceedings.</p> <p>Risk of legal proceedings against the Legislature, of legislation passed by the Legislature being invalid, or actions taken in terms of provincial legislation being invalid if correct legal advice is not provided.</p>

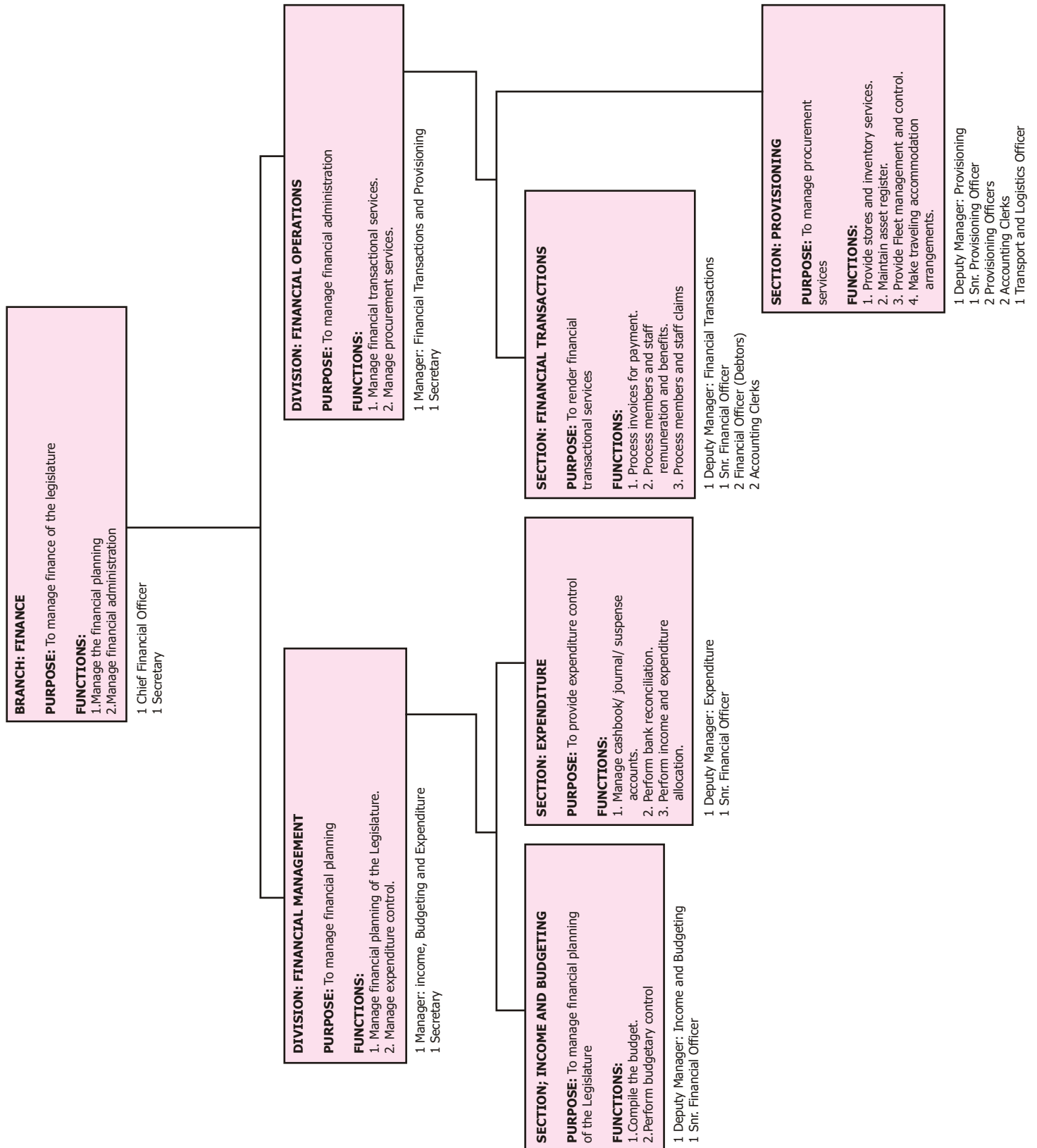


INTERNAL AUDIT

Functions	Compositions	Achievements	Challenges
<p>Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the Legislature's operations. It helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.</p>	<p>The Internal Audit Unit was composed of one Internal Auditor and one assistant Internal Auditor.</p>	<p>Obtained formal approval of Internal Audit Charter and Audit Committee Charters.</p> <p>An additional Audit Committee member was appointed in May 2005.</p> <p>Five audit committee meetings were held during the financial year.</p> <p>IA provided secretariat services to the Audit Committee.</p> <p>A formal risk assessment was facilitated with all role-players participating.</p> <p>Obtained formal approval for the operational plan and strategic plan from the Audit Committee and Management.</p> <p>Conducted and reported on nine audits conducted to management and audit committee.</p> <p>IA methodology adopted and a working tool.</p> <p>Internal audit unit added value to the management of the Legislature due to ability to identify risks and shortcomings as and when they occur, immediately reporting to management and thereby ensuring that corrective action was taken timeously or the residual risk was accepted by management.</p> <p>Continuous professional development of staff successfully achieved.</p> <p>Maintained good working relationships with management and staff.</p>	<p>An assistant internal auditor was appointed only in August 2005. Minimal staff in the unit.</p> <p>Level of the IA manager should be evaluated.</p> <p>Value of Internal Audit recommendations and services not always recognized and/or implemented by management.</p>



ORGANOGRAM FINANCE



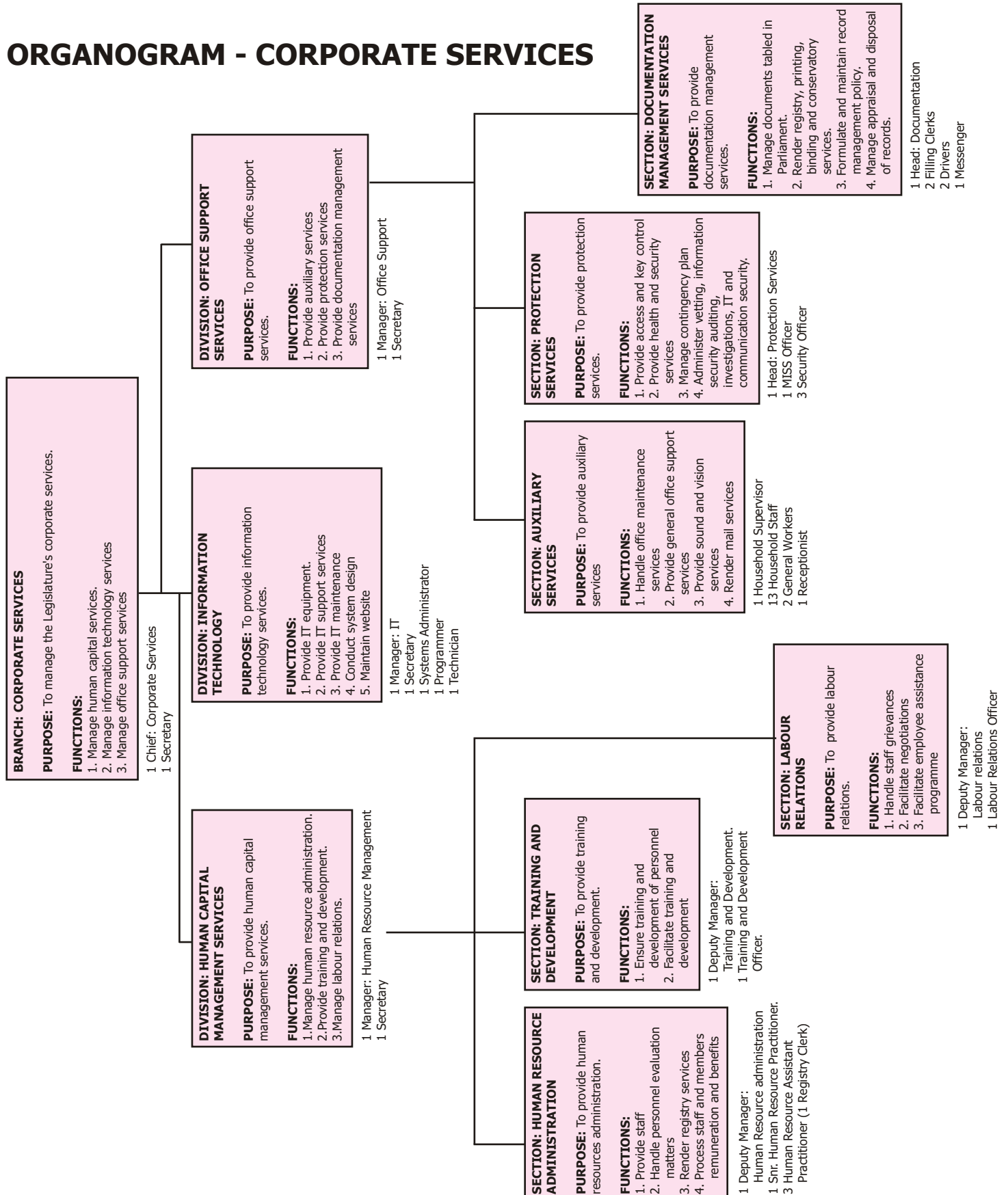


FINANCE

Functions	Compositions	Achievements	Challenges
Preparation and monitoring of budgets, overall control of funds in the Legislature and the management thereof.	Executive Manager Manager: Income, Budget & Expenditure	Preparation and submission of the coming financial year's budget on time;	To train and empower MPL's and staff on the budget process;
Procurement of goods and services, asset management and payment of all goods and services.	Manager: Financial Transactions & Provisioning	Monitoring, controlling and managing the budget;	To align the budget with the strategic plan; To incorporate EU funds into the budget;
Preparation of the Annual Financial Statements and reporting to ensure the smooth and transparent management of money allocated to the Legislature in a cost effective and efficient manner.	Four Deputy Managers Four Senior Financial Officers One Financial Officer One Provisioning Officer Two Accounting Clerks One Transport Officer Two Administrative Assistants	Controlling and managing expenditure; Preparation of the monthly and quarterly reports; Preparation and submission of the Annual Financial Statements on time.	To ensure that everybody complies with the PFMA, Treasury Regulations, North West Provincial Legislature Service Act, DORA, applicable policies and all other relevant financial legislation.



ORGANOGRAM - CORPORATE SERVICES





INFORMATION TECHNOLOGY

Functions	Compositions	Achievements	Challenges
<p>The objective of this Unit is to empower the Members and Staff of the Legislature through the usage of Information and Communication Technology.</p> <p>The Unit is also responsible for hardware and software related support and the research and development of new systems for the Legislature.</p>	<p>The composition of the IT section consists of:</p> <p>IT Manager</p> <p>Systems Administrator</p> <p>IT Technician</p> <p>Systems Developer.</p>	<p>Deployment of the Legislature website.</p> <p>Deployment of the Systems Management Server, for desktop and user management, hardware and software inventory system.</p> <p>Upgrade of new patch management system</p> <p>Implementation of the new PABX system.</p> <p>Development of new user telephone cost display system</p> <p>Development of IT policies</p> <p>Development of new internal control mechanisms</p> <p>Development of IT information manual</p>	<p>Shortage of Staff.</p> <p>Lack of Resources (budget)</p> <p>Lack of training</p> <p>Limited exposure to new technologies</p>



HUMAN CAPITAL MANAGEMENT SERVICES

Functions	Compositions	Achievements	Challenges
<p>To develop an integrated process aimed at involving relevant stakeholders in the generation of information, issues and solutions to create conditions for stakeholders to function as one by:</p> <p>Facilitating attainment of Legislature objective and realization of the institutions strategy.</p> <p>Developing consistent, equitable Human Resource policies and programs towards the success of the Legislature. Realizing the efficiencies in the use of the financial and human resources required to develop directorate capacity.</p> <p>Improving services rendered by the Directorates, individual members, employees and enhancing institutional performance and productivity.</p> <p>Forging a partnership between stakeholders which promotes stakeholders role and accountability for managing human resources programs designs, implementation and evaluation.</p>	<p>The structure of the directorate is composed of HR Manager, DM Training and Development, DM Labour Relations Head HR Administration, Personnel Officer, and Administrative Secretary.</p>	<p>Facilitation and coordination training and development intervention for both members and staff</p> <p>Coordination of Selection and placement of employees as per new organization.</p> <p>Facilitation and implementation of a new institutional organogram within the most efficient process.</p> <p>Coordination of Legislature strategic plan Established networks with relevant stakeholders.</p> <p>Leading Management Negotiation team</p> <p>Facilitation of signing of performance agreements</p>	<p>Compliance in the Labour Relations and other related pieces of labour legislations. Fast tracking formulation and review of policies and procedure.</p> <p>Acquiring an integrated HR and Finance system.</p> <p>Confirmation of post in the new organogram including addressing salary anomalies.</p> <p>Conducting a skills audit through a service provider.</p> <p>Striving to establish common conditions of service for the legislative sector</p> <p>Normalizing labour relations environment</p> <p>Acquiring an electronic performance management system</p>

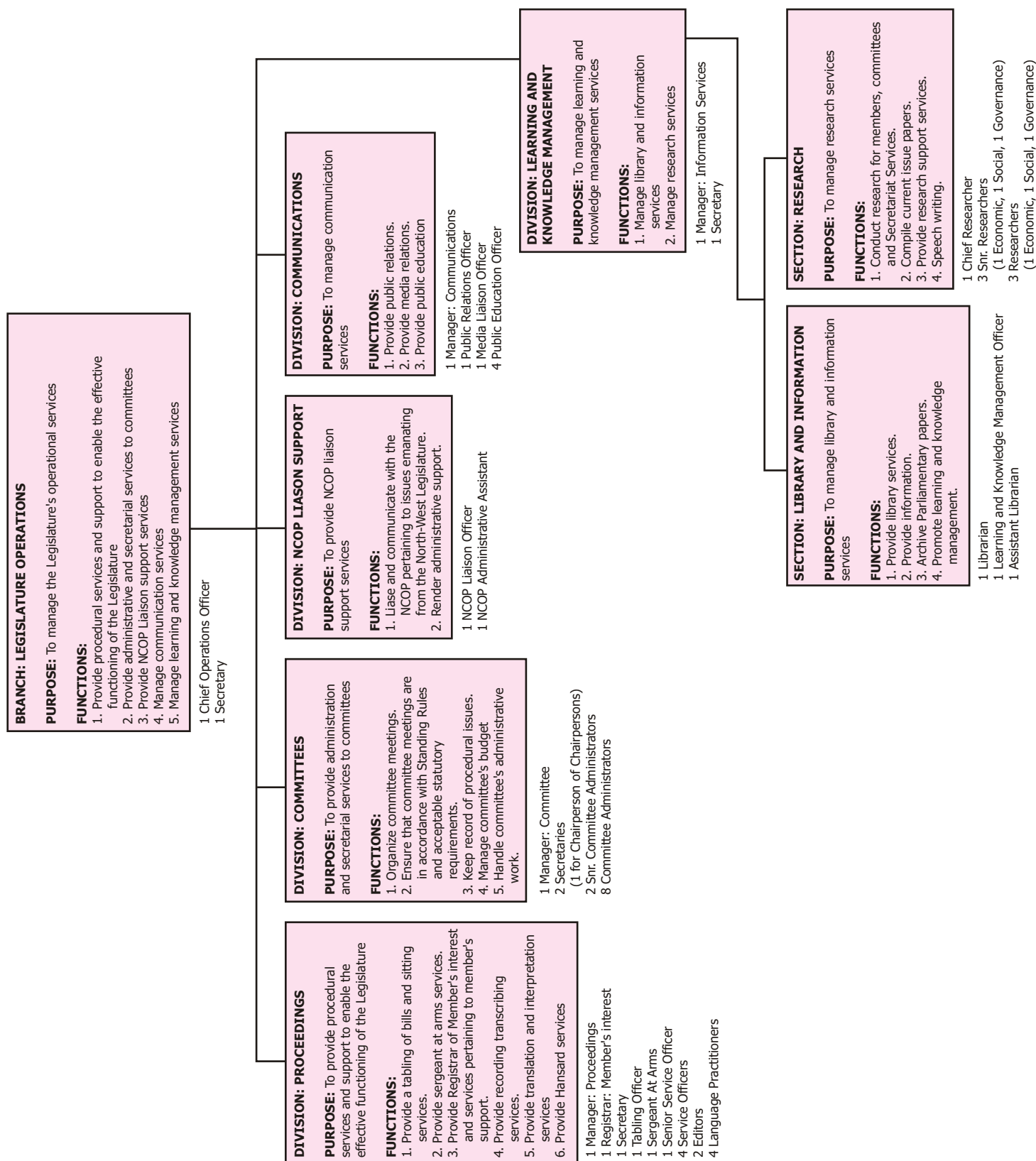


OFFICE SUPPORT SERVICES

Functions	Compositions	Achievements	Challenges
<p>To provide documentary, protection and household services in line with the best practices, to the visitors, officials and Members of the NWPL.</p> <p>Provide hygienic and safe environment to the visitors, officials and MPLs of the North West Provincial Legislature</p> <p>Conduct security assessments and access control</p> <p>Provide contingency plans</p> <p>Provide cleaning of offices, committee rooms, chamber and the surroundings of the North West Provincial Legislature</p> <p>Provide minor maintenance of the building</p> <p>Provide office relocation services and office space</p> <p>Provide mail, photocopying, fax, and postage services</p> <p>Offer registry and records services</p> <p>Provide refreshments to visitors, officials and MPLs</p>	<p>Manager: Office Support</p> <p>Deputy Manager: Protection Services Protocol and VIP Protection Officer</p> <p>Supervisor: Household Services</p> <p>Household Staff = 13</p> <p>Driver</p> <p>Messenger</p> <p>Administrative Assistant</p>	<p>Introduction of stock registers for proper control of stock</p> <p>Monthly stock-taking of stock</p> <p>Proper control of issuing of stock</p> <p>Purchase of cleaning equipments</p> <p>Introduction of control registers at registry</p> <p>Introduction of key control register</p> <p>Changing of door locks</p> <p>Improved cooperation with Department of Public Works in repairing minor damages e.g, electrical bulbs and plumbing.</p> <p>Draft household policy is sent for approval</p>	<p>Lack of adequate office space and storage space</p> <p>Lack of provisioning of Registry furniture by Dept of Public Works</p> <p>Lack of provisioning of Lockable Kitchen Units</p> <p>Lack of adequate toilets to the building</p> <p>Incomplete press boxes by Dept of Public Works</p> <p>Lack of proper air conditioning to the building</p> <p>Lack of supervisor in the registry office</p> <p>Upgrading of the chamber</p> <p>Lack of adequate household staff</p> <p>Lack of component based budget</p> <p>Lack of proper protection services structure</p> <p>Lack of access to maintenance budget</p>



ORGANOGRAM - LEGISLATURE OPERATIONS





COMMITTEES

Functions	Compositions	Achievements	Challenges
<p>The Committee Division is responsible for the overall management of Portfolio and Standing Committees which , amongst others entails the following-:</p> <p>Manage Committee budget and administrative work</p> <p>Ensure that Committee work is in accordance with Standing Rules and acceptable statutory requirements</p> <p>Keep record of procedural issues.</p>	<p>The staff complement is thirteen and comprises of the following :</p> <p>One manager</p> <p>Seven Committee Administers</p>	<ol style="list-style-type: none"> 1. Successful facilitation of the budget process 2. Utmost participation in public hearings around the province 3. Provided excellent support in the attainment of the following successful events-: <ul style="list-style-type: none"> HIV/AIDS Youth Seminar Girl to child a workplace Benchmarking in KwaZulu Natal by the Quality of Life and Status of Women Standing Committee Study Tour to China Henan Province on 06 - 14/08 2005 "Evaluating and measuring the police strategies in china" NWPL hosted APAC Conference at Sun City on 05 05/10 2005 and the theme was " Enhancing oversight and accountability in the 2nd decade of our democracy" Two Members attended SADCOPAC Conference in Tanzania on 07 14/05 2005 	<p>Involvement of Municipalities and the Public in Budget hearings</p> <p>Lack of capacity (both in terms of human resource and skills i.e. committee administration is a specialized and unique skill)</p> <p>Failure of some planned study tours to materialize</p> <p>Clashes in arranged Public hearings by different committees</p>



COMMUNICATIONS

Functions	Compositions	Achievements	Challenges
Responsible for the promotion of public participation, media relations and the promoting of the image and corporate identity of the legislature.	<p>It is composed of:</p> <p>Manager Communications x1</p> <p>Admin Assistant x1</p> <p>Public Relations Officer x1</p> <p>Media Officer x1</p> <p>Public Participation Officers x2</p>	<p>People are showing increased interest in legislature activities.</p> <p>Radio talk shows for NWPL were secured for Chairpersons of various committees and the Office of the Speaker.</p> <p>There is an increase in newspaper columns covering legislature activities</p> <p>Newsletter "Kgotla" was established and promotional material was printed and distributed during awareness campaigns, i.e. People's Assembly, Taking Parliament to the People and the Potchefstroom Awareness Campaign.</p> <p>Five Sectoral Parliaments took place, i.e. Human Rights Celebrations, Youth Parliament, Girl Child, Women's Parliament and People with Disability Public hearings were advertised in newspapers in the following four languages: Setswana, English, Afrikaans and IsiXhosa</p> <p>A draft communication strategy was developed</p>	<p>Staffing: (Public Education vacancies)</p> <p>Staff turnover</p> <p>Only SABC has an office in Mafikeng and result to selective coverage of Legislature by national and regional media to curb transport costs</p> <p>No proper record of media interaction, i.e. advertisements and promotion of legislature activities, etc. (need to affiliate in order to receive paper clippings).</p>



PROCEEDINGS

Functions	Compositions	Achievements	Challenges
The Section provides administrative, procedural and language services in a safe environment.	<p>The Section has got a staff component of 15, comprising of the following:</p> <p>Manager Proceedings x1</p> <p>Admin Assistant x1</p> <p>Table Officer x1</p> <p>Hansard Editor x1</p> <p>Language Practitioners x3</p> <p>Transcribing Typists x2</p> <p>Sergeant-at-Arms x1</p> <p>Service Officers x5</p>	<p>Staffing: The following positions were filled during this financial year: 1x Manager Proceedings 1x Admin Assistant 1x Table Officer 1x Hansard Editor 3x Language Practitioners (Setswana, isiXhosa and Afrikaans) Improved liaison: Improved co-operation and compliance by departments as a direct consequence of intensified and regular telephonic and electronic communication with Parliamentary Officers. Upgrading of House Systems: Tender for the upgrading of the House Systems was advertised and finalized, but the installation process could only be started in the next financial year. Improved provision of language services: The use of contract Interpreters is gradually being phased out in favor of the appointment of Language Practitioners. The latter are also responsible for the provision of translation service. All communiqué, with media and stakeholders is now translated into English, Afrikaans, Setswana and isiXhosa. Improve Hansard services: Tender for the printing of Hansard was advertised and finalized, but the actual appointment of a suitable service provider would be concluded in the next financial year. The unit is able to produce transcripts 48 hours after the Sitting.</p>	<p>Staff turnover and labour unrests have impacted negatively on the smooth functioning of the section.</p> <p>There is an urgent need to increase capacity of transcribing typists to cope with the increased workload. (PPAC hearings, Sectoral Parliaments, etc)</p> <p>The planned workshop on rules for Parliamentary Officers could not take place still pending the adoption of amendments to the rules.</p> <p>House Systems crashed in November 2005 forcing the Legislature to rent equipment pending the finalization of the tendering process.</p> <p>Staff related problems forced us to continue services of contract Interpreters to cope with the work load.</p> <p>There is slow progress in updating the backlog of printing the 2005/6 Hansard booklets pending the finalization of the tendering process.</p>



NCOP

Functions	Compositions	Achievements	Challenges
NCOP Liaison function is to promote an effective link between the NWPL and the NCOP, as well as to provide an effective support for the NWPL Special Delegates and Members of the NWPL to assist them in carrying out their functions	The NCOP Liaison Office is based in Cape Town and comprise of two Officials.	Improvement of office equipments (new computer and a printer) Communication flow between the NCOP and the NWPL has improved	Coordination of the Programme Uncoordinated visits of Delegation from the Province Short notice for joint meetings

LEARNING AND KNOWLEDGE MANAGEMENT

Functions	Compositions	Achievements	Challenges
Research Section The function of the Research Section is to provide an effective and efficient unbiased/unprejudiced support in terms of information provision through the process mentioned above as a response to the needs of Portfolio Committees, Members of the North West Provincial Legislature, Senior Management and Staff of the legislature.	The current staff compliment of the Research Section consists of a Chief Researcher and five Researchers.	Researchers were provided with necessary resources i.e. laptops, cameras, tape recorders and memory sticks. Coordinated, reviewed and developed 35 internal/administrative policies. Two Researchers were sent to assist at the Pan African Parliament. Facilitating commissions for the APRM (African Peer Review Mechanism). Formed and sustained a collaborative relationship with the North West University. Facilitating commissions for the Peoples Assembly. Engaged in report writing for the event "Taking Parliament to the People". Conducted successful oversight visits and compiled reports thereof. Three Researchers attended an Innovative Research Conference in Johannesburg. Benchmarked with the National Parliament for a week	Even though the number of Researchers has increased from three to five we are still encountering capacity problems because a Researcher serves more than one Portfolio Committee and this creates a backlog in terms of work to be done. Due to hectic legislature schedule and clashes to the legislature programme which led to the unsuccessfulness of eight identified community-based/services delivery projects. Lack of involvement of Researchers in drafting the Legislature Programme. A strategy for the sustenance of the Memorandum of Understanding between us and the UNW. Lack of recognition and support for Researchers



LEARNING AND KNOWLEDGE MANAGEMENT

Functions	Compositions	Achievements	Challenges
<p>Library and information</p> <p>The purpose of the Library is to identify, acquire, process library material and make it accessible to Members and Staff of the Legislature. It also provides easy access to number product groupings through subscriptions.</p>	<p>The Library section consists of only one Librarian</p>	<p>The Library was able to secure funds from the European Union Support Programme for computerization and security</p> <p>Increased journal subscription sites</p> <p>Improved Sabinet-on-line by adding a bill-tracker (to allow for tracking bills passed/to be passed in the National Parliament)</p> <p>Improvement in on-line information requests</p>	<p>Even though there is an improvement in visits of staff to the library, the library is still poorly utilised.</p> <p>Lack of Personnel - Library assistant to relieve when the Librarian is engaged with other activities or on leave.</p> <p>Unavailability of on-line computers for users in the library to allow for easy access of information through journal subscriptions.</p> <p>The Librarian computer is very slow and hence hampers the timeliness of on-line information requested.</p>



SUMMARY PER PROGRAMME

DEPARTMENTAL PAYMENTS

Per Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as % of Final Appropriation
Administration	60,733	40,845	19,259	33%
Member's Salaries	12,144	12,264	(120)	1%
Parliamentary operations	30,927	13,445	16,743	57%

AIM OF THE VOTE

- To provide for the remuneration of the Public Office bearers and Members of the Provincial Legislature
- To enable the administration to render services that will enable Members to meet and fulfil their constitutional obligations
- To provide for personnel, travelling, accommodation, and other activities of the Speaker's Office.

Overview of the service delivery environment for 2005/06

Great strides have been made in the administration and management of the NWPL.

Challenges in terms of the implementation and compliance with the PFMA were faced and we can proudly say that we are now managing and maintaining a good, clean administration.

Overview of the organizational environment for 2005/06

The Employee Assistance Programme was launched on **04 March 2005**. This programme will assist in ensuring that the wellbeing of NWPL staff is taken care of.

Key issues facing the Legislature:

a. A growing demand for services emanating from parliamentary processes, including:

- Developments in the oversight process
- The need for improved public participation and involvement
- Developments in co-operative government processes

b. The further development and implementation of institutional policies to guide implementation, including:

- Institutional governance (processes, roles and responsibilities, accountability and reporting)
- Parliamentary policies
- Divisional policies

c. The development and implementation of modern institutional systems allowing for delivery, especially:

- Management systems
- Functional systems

d. The organisational structure and human resource capacity to deliver on the objectives, focusing specifically on:

- Improved human resource capacity
- Training and development



e. Institutional culture and communication supporting implementation, focusing on:

- i. The creation of a culture for Parliament supporting the delivery of effective and efficient services
- ii. Improvement of internal and external communication

f. Providing a working environment enabling the delivery of services, including:

- i. Working space and accommodation
- ii. Facilities and equipment

Service delivery achievements:

Restructuring of the Legislature Administration division to support the Legislature's oversight role.

NWPL has played an active, developmental role involving itself in providing support to policy making and implementation.

Establishment of the fraud hotline

OFFICE OF THE SECRETARY

Statement Number	Output	Output performance measure / service delivery indicators	Actual Performance against target Actual
1. Directs all administrative activities and provides leadership to all employees and strategic support to the Executive Authority and Members of the NWPL.	Reports on the performance of the units	Compliance with the constitution and other relevant laws.	Harmonized administrative and political operations.

STRATEGIC SUPPORT (OPERATIONAL FROM MARCH 2006)

Statement Number	Output	Output performance measure / service delivery indicators	Actual Performance against target Actual
1. To facilitate and co-ordinate strategic and business planning	Writing of the budget speech and annual report	Compliance with the treasury regulations	Budget speech and annual report
3. Advice on policy design and updates	Policies taken to the service provider for design and editing	Compliance with the policy on policies	Policy manual is being compiled by the service provider



LEGAL SERVICES

Statement Number	Output	Output performance measure / service delivery indicators	Actual Performance against target Actual
1	Review on an ongoing basis all existing and proposed Provincial Legislation	Compliance with the Constitution and all applicable national legislation. Prepare reports and memos on problematic legislation. Potentially obtain external opinions regarding problematic legislation. Provide briefings to committees regarding proposed Legislation	100%- We have been reviewing existing legislation, and all proposed legislation. The Legislative review project is underway. Have drafted legislation to repeal the problematic North West Provincial Legislature Service Act which is being introduced in the House. Have provided briefings and opinions to committees on various pieces of legislation that is being considered. We have also advised the Legislature regarding Constitutional Court cases which relate to the compliance by Legislatures with Constitutional procedural requirements to promote public access. We also advise and assist regarding the processing of mandates by the Legislature for legislation referred to the Legislature by the NCOP.
2	Provide briefings and workshops to members and administrators	Members and Administrators who are able to understand and address legal issues which arise in their work. Committee briefings and workshops, reports, and manuals	100%- Have presented several briefings to Members of the Legislature and staff regarding important legislation. Am preparing manuals for Members and Staff on legal aspects of the Legislature and its proceedings. Also, will be presenting workshops to Committee Administrators during this month.
3	Review on an ongoing basis all existing and proposed Service Level Agreements that the Legislature has, or intends to, enter into	No Service Level Agreements that the Legislature has entered into that are detrimental to the Legislature's interests. Reports and memos on problematic agreements. Potentially attempt to re-negotiate problematic agreements.	100%- Existing agreements have been reviewed. Have terminated and will be terminating some problematic agreements in the near future. Have implemented a procedure where all new service level agreements are forwarded to Legal Services for review. Also, Legal Services has received training in drafting service level agreements to promote the drafting of effective service level agreements and the maintenance of effective relationships with service providers.



LEGAL SERVICES

Statement Number	Output	Output performance measure / service delivery indicators	Actual Performance against target Actual
1	Provide briefings and Opinions to Committees who are considering Legislation; Conduct an ongoing review process of the Rules of the Legislature to ensure that they are effectively assisting the smooth and effective conduct of the Legislature Proceedings and Committee processes	Committees who are well-briefed regarding legal issues and are able to effectively consider legislation before them; Rules of the Legislature which promote the effectiveness of the Legislature's proceedings and committee processes; The Rules of the Legislature must not have gaps, be vague, or hinder the smooth and effective conduct of the Legislature's proceedings and committee processes	100%- Several briefings and opinions have been provided to Committees regarding legislation that they are considering, including legislation referred to the Legislature by the NCOP. We have also advised Committees regarding procedural questions that they have requested assistance on. We have prepared a set of amendments to the Rules of the Legislature which was referred to the Parties in the Legislature, and will be adopted by the Rules Committee. We are currently preparing another set of proposed amendments to the Rules of the Legislature to address areas which have recently been identified as being not properly addressed.

INTERNAL AUDIT

Statement Number	Output	Output performance measure / service delivery indicators	Actual Performance against target Actual
1	Develop all outstanding policies and review existing ones	Approved and functional policies	Ongoing process, but have developed 10 financial policies that were presented for approval during March 2006.
2	Implementation of OD structure	Performance Management system in place	Ongoing process. Performance Management training took place during 2005 and performance contracts were drawn up, but were only signed in May 2006.



FINANCE

Statement Number	Output	Output performance measure / service delivery indicators	Actual Performance against target Actual
1	Perform and issue risk based internal audit reports. Develop and Issue annual and rolling three year strategic audit plans.	The rendering of internal audit services Issue reports according to the approved operational plan and set timeframes. Issue risk based operational and strategic plan on an annual basis obtain approval. Meet with the office of the Auditor General	Nine audit reports issued as per approved Internal Audit operational plan as per set timeframes. Developed risk based internal audit operational and strategic plans, approved by the Audit Committee. Ongoing meetings and communications between Internal audit and representatives of the Auditor General. 100% achievement of set targets.
2	Filling of proposed staff structure	Jobs effectively and efficiently performed	Due date for this was May 2005 but in Finance the positions were only filled in March 2006
3	Preparation and Management of Budget	Budget book and expenditure reports	Budget presented to Provincial Treasury on due date Final copy January 2006
4	Financial reporting	Monthly and quarterly reports and Annual Financial Statements	All report delivered on due date.
5	Asset Management	Up to date Asset Register	Up to date Asset Register (balanced monthly) for 2005/2006 by the end of March 2006



CORPORATE SERVICES - OFFICE SUPPORT SERVICES

Statement Number	Output	Output performance measure / service delivery indicators	Actual Performance against target Actual
1	To provide Auxiliary Services	To introduce control measures for stock Implement lockable cabinets for stock Introduction of the structured check-list for household employees	A register for stock control was introduced; stock taking is conducted on monthly basis. Lockable cabinets still awaited from Public Works for the storage of stock. The structured check-list is 80% in place. This is mainly due to shortage of manpower.
2	Provide Protection Services	Access Control Thumbprint Access Control Vetting and Screening of Personnel Contractors Conduct security audit and awareness	Access control is 70% in place, X-ray machine outstanding at main entrance; Procurements are with CFO since March 2006. Currently there is a card access system being rented or on contract. The system can only be implemented upon termination or end of the current contract. NIA has a huge backlog on vetting; the process of issuing and filling the Z204 is implemented. Security personnel are under training currently for awareness programs. Assessment from NIA and SAPS is awaited.
3	To provide Document Management Services	To introduce control measures for files To secure furniture To train Staff	Registers are in place for control of files. Public Works still busy with the process of securing furniture through a tender process. Training not yet provided by Department of Sports, Arts and Culture, however a request is tendered. Currently the unit is operating at 50% as the Deputy Manager: Documentation Management Services is not yet appointed.



HUMAN CAPITAL MANAGEMENT SERVICES

Statement Number	Output	Output performance measure / service delivery indicators	Actual Performance against target Actual
1	MPL's and Employee capacity building	Competent staff and executed constitutional mandate	Capacity building through needs assessment is on-going. Further funding was secured from European Union. A sector wide HR Strategic plan and Skills Audit plan was launched through a tender process.
2	Promotion of linkages between HR and Finance systems	Benchmarking and arrangements of presentation on possible best integrated system were made.	Proposal on integrated system was submitted for consideration and possible funding. Regular leave audit intervals were conducted and identified audit risks are been addressed. Relevant policies and procedures were developed and reviewed for implementation.
3	Establish and maintain stakeholder network	Cooperative governance	Sound cooperative relationship was established with identified stakeholders e.g. SITA, DPSA, and Legislative Sector HR Forum. Continuous advisory services are enjoyed and issues of common interest were discussed.
4	Manage and implementation of PMDS	Policy document and performance agreements	Inclusive consultative process was embarked upon. Policies and procedures were designed, reviewed and approved. These policies were implemented effective from the 1st April 2006. Implementation of new organogram, performance agreements were signed by senior managers and all employees will also sign.
5	Monitor effectiveness of policies and procedures	Approved policies	Reviewed policy formulation committee. Inclusive consultation was embarked upon. Ten HR related policies were reviewed and approved
6	Implementation of the New organogram	Realignment of Functions and role clarification	90% of new vacant positions were filled. Proportional demographic representation in compliance with EEA requirements



INFORMATION TECHNOLOGY

Statement Number	Output	Output performance measure / service delivery indicators	Actual Performance against target Actual
1	<p>To develop a policy framework for the evolvement of efficient management systems</p> <p>To Monitor and verify monthly SITA costs relating to transversal systems ensuring optimal management of cost drivers</p>	<p>Policy documents develop</p> <p>No transversal systems were implemented for the financial year (Finance & HR Systems)</p>	<p>3 IT Policies were passed</p> <p>IT Policy</p> <p>Backup Policy</p> <p>Systems Policy</p>
2	<p>To analyze constraints and measures planned to overcome them. The main risk with regard to the utilization of systems is the lack of skills and competencies. This will be addressed on a continuous basis by means of training, re-training and assistance.</p> <p>To plan quality improvement measures.</p> <p>To determine the requirements for the various systems and ensure that these requirements are addressed</p> <p>To determine the requirements for web maintenance and ensure that the users have sufficient knowledge to deliver a high quality product</p> <p>To establish information technology capacity</p>	<p>Develop Information Manual</p> <p>Institute tools for feedback</p> <p>Needs analysis / benchmarking systems</p> <p>Appoint webmaster / developer / programmer</p> <p>Training courses, awareness campaigns and workshops</p>	<p>The information manual was developed and posted on the intranet and distributed to staff</p> <p>A feedback option was posted on the website for customers</p> <p>Systems are researched and benchmarked at similar intuitions before being put in specifications</p> <p>Legislature seconded an Intern from SITA for the website management.</p> <p>Training formal and informal was given to the IT staff compliment. This will be intensified in the coming financial year.</p>



PARLIAMENTARY OPERATIONS - COMMUNICATIONS

Statement Number	Output	Output performance measure / service delivery indicators	Actual Performance against target Actual
1	Forge strong partnerships with the provincial government and civil society to improve public perception of the NWPL	Improved public perception and relations	More interest in legislature's functions and activities by the public Enhanced public perception and image of the legislature
2	Strengthen the interaction of Members of the NWPL with the media and public, including regional and national media	Increased exposure of Members' activities through the media	More media coverage Improved interaction with the media; i.e. frequent media briefings
3	Develop new communication products	Existence of promotional materials; i.e. newsletter	Improved popularization of Legislature events internally and externally; i.e production of a magazine "Kgotla"
4	Highlight the NWPL efforts to deal decisively with maladministration and corruption	Existence of an anti-corruption hotline and popularize it	Existence / popularization of an anti-corruption hotline
5	Increase public participation in the activities of the NWPL	Increase public participation in activities of NWPL Sectoral parliaments (public engagements and participation)	Improved and organized sectoral parliaments and focused groups
6	Create awareness of the NWPL oversight role and activities in an efficient and effective manner	Attendance of public hearings, oversight visits by Members	Well-prepared and popularized public hearings



PARLIAMENTARY OPERATIONS - COMMUNICATIONS Continued

Statement Number	Output	Output performance measure / service delivery indicators	Actual Performance against target Actual
7	Promote good co-operative communication governance	More public awareness, education and participation	Attendance of activities and events has improved There is a draft communication strategy
8	Build capacity	Improved skills and strengthening the unit through training, attendance of workshops and appointment of staff	Appointment of a manager All staff in the unit has been trained in public participation

NCOP

Statement Number	Output	Output performance measure / service delivery indicators	Actual Performance against target Actual
1	Provide a strong link between the NCOP and the NWPL	Coordinated and continuous communication	Provision of information and documents from NWPL and NCOP
2	Provide a welcoming and supportive environment for the Premier, Speaker, Special Delegates and members of the NWPL while on official duties in the NCOP and the national Parliament	Proper arrangement and preparation of provincial delegates visits to the NCOP	Access cards has been provided to delegates Refreshments are provided Relevant documents for meetings are provided
3	Facilitate the transmission of information swiftly, clearly and concisely	Improved provision of relevant information to Members	Daily receipt of documents through e-mail and fax
4	Provide the NWPL input on proceedings of the NCOP	Improved provincial participation in NCOP activities and timely submission of mandates	Timely submission of mandates
5	Manage the Cape Town office effectively and efficiently	Proper administration	Improved management of the office



PROCEEDINGS

Statement Number	Output	Output performance measure / service delivery indicators	Actual Performance against target Actual
1	Staffing: motivate for filling of posts and unfolding of the recruitment process	Unfolding of the recruitment process and appointment of suitable staff	<p>The following appointments were made: Hansard Editor (01/04/05) IsiXhosa Language Practitioner (01/07/05) Setswana Language Practitioner (01/10/05) Afrikaans Language Practitioner (01/03/06) Table Officer (01/03/06)</p> <ul style="list-style-type: none"> - Positions of Afrikaans and IsiXhosa Practitioners were advertised twice, because the top Afrikaans candidates failed to report for duty and the IsiXhosa Practitioner resigned in January 2006. - The services of contract interpreters were extended to close the gap. - The appointment of additional Transcribing Typists will be considered in the financial year due to increased workload.
2	To improve liaison with government departments and ensure efficient distribution of information	Ability of government departments to comply with procedural requirements in terms of Rules of Procedure and the PFMA.	<p>Updated contact details of Parliamentary Officers and increased distribution list to include offices of HODs.</p> <p>Arranged quarterly meetings with Parliamentary Officers to ensure a coordinated planning in line with the Legislature programme.</p> <p>The planned joint training on Rules and Protocol was delayed awaiting the adoption of revised rules.</p>
3	Motivate to upgrade Housing Systems (recording and sound systems)	Unfolding of tendering process and appointed of a suitable service provider	<p>The Legislature was forced to rent equipment after the House Systems crashed in November 2005.</p> <p>The tendering process was duly finalized in February 2006, but the installation started in May 2006.</p>
4	Improve the provision of language services in the Legislature	Improved interpreting service in the House and Committees. Ability to provide translation service for the Legislature.	<p>Service of contract Interpreters is gradually being phased out in favor of the appointment of Language Practitioners, who are also responsible for the provision of translation service.</p> <p>All communiqués with media and stakeholders from the Legislature is translated into English, Afrikaans, Setswana and IsiXhosa languages.</p> <p>Government departments will be encouraged to do the same in compliance with the Constitution.</p>



ANNUAL REPORT 2005 - 2006

PROCEEDINGS Continued

Statement Number	Output	Output performance measure / service delivery indicators	Actual Performance against target Actual
5	Improve Hansard Service	Recommend performance contract for Hansard service providers Ability to produce good quality transcripts and print Hansard booklets in time.	House transcripts are readily available 48 hours after the Sitting, but the printing of Hansard booklets on quotations basis could only allow us to print up to 2004 booklets only. A suitable service provider was appointed early in May 2006. The backlog for the printing of 2005 and 2006 booklets will be overcome during this financial year.

LEARNING AND KNOWLEDGE MANAGEMENT

Statement Number	Output	Output performance measure / service delivery indicators	Actual Performance against target Actual
1	Development and implementation of a sound planning and coordination system for Research and Library service	Availability of individual workplans and research plans and proposals Coordinated planning	Individual performance workplans have been developed and agreed upon even though not signed
2	Development, implementation and review of policies and procedural manuals/guidelines within the division	Availability of policies and review of policies that needed to be reviewed	The development of procedural/guidelines within the directorate is part of the continuous progress as part of the three year (MTEF) planning period
3	Development, implementation, monitoring and evaluation of systems	Availability of relevant systems and their regular monitoring and evaluation	Continuous progress as part of the three year (MTEF) planning period



LEARNING AND KNOWLEDGE MANAGEMENT Continued

Statement Number	Output	Output performance measure / service delivery indicators	Actual Performance against target Actual
4	Introduction of the electronic filing system	Availability of an electronic filing system	This function is now residing at the Documentation Management Services Section as previously the Registry was part of Information Services
5	Implementation, maintenance, monitoring and evaluation of the computerised library system	Existence of the computerised library system	Continuous progress as part of the three year (MTEF) planning period. A request has been send for funding by the European Union Parliamentary Support Program (PSP).
6	Development and implementation of the Library Security System	Existence of the security system in the Library	Continuous progress as part of the three year (MTEF) planning period Funding has been approved by the European Union Support Programme and implementation to take place in the next financial year.
7	Development of a monitoring and service provider database	Existence of service provider database	Continuous progress as part of the three year (MTEF) planning period
8	Involvement of community members in research projects	Community focused research projects	Dikgosi's consulted on proactive projects
9	Development of a social marketing model	Availability of a social marketing model	Does not fall under scope of operations to be differed to communication Section
10	Conducting school and university debates on legislative matters	Involvement of Researchers in Sectoral Parliament (Availability of discussion papers)	Researchers facilitated discussions/debates and provided researched reports on specific topics during sectoral parliaments (Youth Parliament and "Taking Parliament to the People"
11	Monitoring and evaluating the public participation strategy	On-going analysis of the public participation strategy	Continuous progress as part of the three year (MTEF) planning period



LEARNING AND KNOWLEDGE MANAGEMENT Continued

Statement Number	Output	Output performance measure / service delivery indicators	Actual Performance against target Actual
12	Upgrading the library equipments	Upgrading of computers /photocopiers/and other equipments in the library	Part of the computerisation of the library
13	Provision of relevant, reliable and timeous information to both Members and Staff	Quality of information provided to Members and Staff as per request based on the relevancy, reliability and timeousness of that information Purchase of library material on a regular basis	Subscribed to relevant on-line databases Subscription to journals
14	Ensuring that employees have relevant skills, competencies and knowledge to perform the assigned duties (training, workshops etc)	Number of workshops and conferences attended Relevant training offered everyone within the section	The Manager's Secretary attended training on "Office Management" Everyone in the Section attended a Team building workshop The Librarian and the Researchers have attended a seminar on paper clippings and a conference on Internet Retrieval techniques.
15	Implementation of the coaching and mentoring programs	Existence of coaching and mentoring programs	Weekly mentoring Coaching of interns by researchers
16	Conduct quarterly workshops on legislative research	Quarterly workshops on legislative research	Legislative review process has been outsourced and the company identified and formation of a committee proposed
17	Collaborate research activities with other research institutions	Collaborative agreements formed with research institutions	A memorandum of understanding was signed between the North West University and NWPL Interns from UNW were recruited to assist in identified research projects Quarterly meeting with the Research and Library cluster



LEARNING AND KNOWLEDGE MANAGEMENT Continued

Statement Number	Output	Output performance measure / service delivery indicators	Actual Performance against target Actual
18	Popularise the scientific legislative research	Proactive research identified and all the research process to be followed (i.e. submission of research proposals, preparation [this also include consultation], questionnaire design etc)	Projects identified, research proposals submitted and discussed with relevant Portfolio Committees, the consultation process started and some questionnaires administered and the process in on progress
19	Promote values of accountability and good governance through monitoring and evaluation of provincial departments and other state organs	Values of accountability of good governance promoted through monitoring and evaluation of provincial departments	Pre-oversight visits conducted and reports presented to Portfolio committees
20	Access, enforce the application, administration and the execution of laws, government policies and programs	Enhanced oversight	This is the function performed by Members of Parliament and do not have the authority to enforce or enhance the oversight.
21	Conduct policy audit and development	Existing policies reviewed and new ones developed	100% policy audit and development
22	Conduct bi-annual budget reviews	Bi-annual budget review reports	This is still the function of the Finance Branch



COMMITTEES

Statement Number	Output	Output performance measure / service delivery indicators	Actual Performance against target Actual
1	Provincial and inter-provincial legislation. To facilitate and support smooth consideration of legislation emanating from both NCOP and NWPL	Number of pieces of legislation passed	100% consideration and inputs into envisaged provincial legislation
2	To facilitate oversight function which includes monitoring and evaluation of the implementation of the laws.	Number of oversight visits and mandatory oversight over provincial departments and associated statutory institutions	100% Percent oversight functions undertaken as per the NWPL's programme even though the fourth quarter programme had to be overstretched due to interference on the NWLP programme by the NCOP's provincial activities and preparations for the local government elections.
	To facilitate effective and efficient functioning of all Committees	Good governance and satisfactory functioning of all committees	The year's quarterly programmes activities fully addressed except for the postponement of an international trip due to intervention by the Department of Foreign Affairs.
	To provide and facilitate training and development of employees.	Number of trained employees	100% training as espoused by the Human Resources Development sub-division. Personal Development Plans (PDPs) not addressed due to the absence of a Performance Management and Development System (PMDS), resulting in the non-development of performance agreements. The former system is currently in place.



PART 3

AUDIT COMMITTEE REPORT - 2005 / 2006

NORTH WEST PROVINCIAL LEGISLATURE

Report of the Audit Committee

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

Audit Committee Members and Attendance:

The audit committee consists of the members listed hereunder and meets a minimum of four times per annum as per its approved terms of reference. During the current year five meetings were held.

Name of Member	Number of Meetings Attended
Mr. D Thornhill (Chairperson) (external member)	5
Mr. FC Gondwe (external member)	5
Adv. M Apolus (external member)	3
Mr. E Ntshiea (Auditor General)	4
Mr. S Ngobeni (Auditor General)	2
Ms. N Mathibedi - CFO	4
Ms. P Steyn CFO (appointed 1 March 2006)	2

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1) (a) of the PFMA and Treasury Regulation 3.1.13 and 27(1) (10). The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

Whilst the various reports of the Internal Auditors

as well as the Audit Reports on the Annual Financial Statements and management letter of the Auditor General indicates that the system of internal control has shortcomings, the Audit Committee has noted the progress being made in this regard, especially in view of the significant and material non-compliance with prescribed policies and procedures that was reported on during the previous financial year. Progress has been made in improving the systems of internal controls largely as a result of an increase in human resources capacity. A number of policies and initiatives which seek to improve and address operational internal controls where they have been

found to be lacking or weak, have been formulated. Nevertheless, there is still a need for the improvement on the controls around physical movement of assets as well as the completeness of the Fixed Assets Register.

That being said, the Audit Committee noted that the necessary controls and detailed procedural manuals

for the application of internal controls were not in place. The system of internal control is still not as effective as it can be as compliance with prescribed policies and procedures are lacking. During the year under review several instances of non-compliance were reported by internal auditors that resulted from a breakdown in the functioning of controls. Significant control weaknesses have been reported by the Auditor-General under emphasis of matter and in the management letter. The effect of these instances has been included in the annual financial statements and the report of the Accounting Officer. Controls are derived from the way management runs the organisation and



should be integrated into all business processes.

A risk assessment has been performed during the financial year to the satisfaction of the Audit Committee.

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

We cannot comment on the quality of in-year management reports and monthly reports submitted in terms of the Division of Revenue Act as we were not afforded with the opportunity for our review and/or comment on the said reports on every sitting of the committee.

Evaluation of Financial Statements

The Audit Committee has

- Reviewed and discussed with the Auditor-General and the Accounting Officer the audited annual financial statements to be included in the annual report;
- Reviewed the Auditor-General's management letter and management's response where significant issues were raised;

- Reviewed changes in accounting policies and practices;
- Reviewed significant adjustments resulting from the audit.

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

Chairperson of the Audit Committee

Date: 25 July 2006



PART 4

ACCOUNTING OFFICER'S REPORT

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

1. General review of the state of affairs

The North West Provincial Legislature is continuously faced with a daunting challenge of generally passing laws for the North West Province and with more emphasis on overseeing provincial departments including any other provincial state institutions.

The Legislature is in the process of introducing the performance Management System, the challenge is to select a computer system which will be suitable to the Legislature. The performance agreements have been signed by the majority of staff members.

We hosted an Association of Public Accounts Committee (APAC) conference which was well attended by national and international delegates at Sun City. We held a People's Assembly at Potchefstroom Ikageng Stadium which was a resounding success attended by approximately 31 000 00 people. We also successfully held our third session of the Provincial Legislature in the Vryburg Civic Centre.

Our programmes have not changed, our budget was increased from R 65 793 000 in 2004/05 to R 103 804 000 in 2005/06. For the 2005/06 financial year we spent R 66 554 000. We under spent our budget by R 37 250 000 due to the following reasons:

- (a) Most positions were filled in late i.e. February and March 2006;
- (b) Due to late appointments, benefits and other related expenditure could not be paid;

(c) Tender processes for the chamber and boardrooms systems could not be finalized in time;

(d) Extension to the building could not be completed and payment be made before 31 March 2006;

(e) Municipal elections;

(f) Recess period for MPLs;

(g) Visit by NCOP members for two weeks disrupted the program; and

(h) The study tours were cancelled or delegation was reduced at short notice.

We do not anticipate having savings in the coming financial year because we have filled most of the positions. We are also going to align the NCOP and other processes with our Legislature and make sure that the Legislature programme, although not easy, goes as planned.

2. Services rendered by the Legislature

The core function of the Legislature amongst others is generally to pass laws and to oversee all government departments and any other provincial state institutions in the North West Province. The Legislature also approves budgets to different Departments and their provincial state institutions for the execution of their respective duties.

The inventory on hand at year end is as follows:

Domestic consumables	R 8,000
Other consumables	R85,000
Stationery & printing	R19,000

3. Capacity Constraints



We do not have capacity constraints as we have reviewed the old structure and filled most of the positions in 2005/06.

4. Corporate Governance arrangements

We have two governing structures, namely, the Rules Committee and the Management Board. The Rules committee is the supreme governing body that develops policy direction and strategic plan of the Legislature.

We have appointed Executive Managers, including Executive Manager: Finance in order for us to have internal controls and ensure compliance. We have reviewed the existing policies and developed approximately 35 new ones such as internal controls including on asset disposal.

We have also done another risk assessment in 2005/06.

5. Asset Management

We have appointed a Senior Provisioning Officer, who since his appointment has been busy with bar-coding those assets which were not bar-coded, captured the assets in an asset register and ensure

that the stock bought and issued is recorded. The Manager: Financial Transactions and Provisioning has also been appointed and one of her duties is to manage the assets.

6. Performance information

We are in the process of delivering performance information on time. The monthly as well as quarterly reports will be looked at against the strategic/performance plans of each unit or division including Committees to determine whether their respective performance is in line with strategic goals.

7. Approval

The Annual Financial Statements have been approved by the Accounting Officer.

DR B. SCHALK

SECRETARY TO THE LEGISLATURE



PART 5



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

REPORT OF THE AUDITOR-GENERAL TO THE NORTH WEST PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 02 - THE PROVINCIAL LEGISLATURE FOR THE YEAR ENDED 31 MARCH 2006

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 53 to 85, 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 2005). The fixed asset opening balances have not been audited because of the timing of guidance from the National Treasury to the departments relating to treatment, valuation and disclosure of fixed assets. These financial statements are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with the International Standards on Auditing read with General Notice 544 of 2006, issued in Government

Gazette no. 28723 of 10 April 2006 and General Notice 808 of 2006, issued in Government Gazette no. 28954 of 23 June 2006. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements
- assessing the accounting principles used and significant estimates made by management
- evaluating the overall financial statement presentation.

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

3. BASIS OF ACCOUNTING

The Provincial Legislature's policy is to prepare financial statements on the modified cash basis of



accounting determined by the National Treasury as described in paragraph 1.1 of the accounting policies.

4. QUALIFICATION

4.1 Fixed assets

4.1.1 Additions

A material unreconciled difference amounting to R 6 307 093 existed between the asset register amount of R 1 645 907 and the annual financial statement amount of R 7 953 000.

5. AUDIT OPINION

In my opinion, except for the effect on the financial statements of the matters referred to in the preceding paragraph, the financial statements fairly present, in all material respects, the financial position of the Provincial Legislature at 31 March 2006, and the results of its operations and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury of South Africa as described in paragraph 1.1 of the accounting policies and in the manner required by the PFMA.

6. EMPHASIS OF MATTER

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

6.1 Unauthorised and fruitless and wasteful expenditure

Notes 8 and 9 indicate that unauthorised and fruitless and wasteful expenditure amounted to

R285 000 and R1 139 000 respectively. These amounts were carried forward from prior years and the process to get them cleared from the records is still outstanding.

6.2 Weaknesses in internal controls

Various internal control weaknesses, which were reflected in the prior year report, were again identified during the audit, for which the following serve as examples.

6.2.1 Budget control

- Certain budgeted amounts and estimates were not supported by appropriate documentation.
- Voted funds were underspent by R37 250 000, which represents 36% of the voted funds.

6.2.2 Policies and procedures

Policies and procedures were in certain instances not in place and therefore, the effective, efficient and economical running of the Legislature was hampered. The budget, human resource and asset management, debt write-off, back-up and performance management policies were only in draft form at the time of the audit.

6.3 Non-compliance with laws and regulations

6.3.1 The following non-compliance with the Income Tax Act, 1962 (Act No. 58 of 1962) (the act) were noted:

- Bursary payments for spouses and close family members were not taxed as required by section 10(1)q of the act.



- Reimbursement of cell phone expenses or the payment of cell phone allowances were not taxed as required by the specific inclusions paragraph of the act.
- Incentives in the form of lower rentals paid by some of the employees of the Legislature had not been taxed as required by the Seventh Schedule of the act.

6.3.2 Log sheets

The management of transport log sheets was inadequate as can be evidenced from the late approval, reconciliations and submission thereof to the Department of Transport.

Penalties amounting to R20 000 had been levied by the Department of Transport for the non-submission of these log sheets. This amount is regarded as fruitless in terms of section 1 of the PFMA.

6.4 Performance information

The following shortcomings were noted, in respect of performance information

- Not all objectives were specific, time bound and measurable.
- No proof could be supplied to confirm that performance was discussed at appropriate forums, and it could also not be confirmed that quarterly reviews of performance were conducted.

6.5 Service-based payment (bonus)

The legislature paid an amount of R217 000 and classified it as service based payment/bonus. The basis of this payment could not be determined and is also not catered for in their policy.

7. APPRECIATION

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

S. A. Fakie

Shauket Fakie
Auditor-General

Pretoria
28 July 2006



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



ACCOUNTING POLICIES FOR THE YEAR ENDED 31st MARCH

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

1. Presentation of the Annual Financial Statements

1.1 Basis of preparation

The Annual Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

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

2. Revenue

2.1 Appropriated funds

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

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

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund, unless approval has been given by the National/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 National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is paid into the National/Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the



National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position. Un-expended voted funds are surrendered to the Provincial Revenue Fund, unless otherwise stated.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the Legislature in accordance with laws and or regulations.

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

2.2.2 Sales of goods and services other than capital assets

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

2.2.3 Fines, penalties & forfeits

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

2.2.4 Sale of capital assets

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

2.2.5 Financial transactions in assets and liabilities

Repayments of loans and advances previously

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

Cheques issued in previous accounting periods that expire before being banked is 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.

2.2.6 Gifts, donations and sponsorships

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

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 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.

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



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

3. Expenditure

3.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system. The expenditure is classified as capital where the employees were involved, on a full time basis, on capital projects during the financial year. Capitalised compensation forms part of one or all of the expenditure for capital assets categories in the statement of financial performance.

All other payments are classified as current expense.

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

3.1.1 Short term employee benefits

Short-term employee benefits comprise of leave entitlements, 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.

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.

3.1.2.2 Post employment retirement benefits

The Legislature provides retirement 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. No provision is made for retirement benefits in the Annual Financial Statements of the Legislature. Any potential liabilities are disclosed in the Annual Financial Statements of the employer Legislature.

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. The expense is classified as capital if the goods and services were used on a capital project.



3.3 Financial transactions in assets and liabilities

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

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

3.4 Unauthorised expenditure

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

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

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

3.5 Fruitless and wasteful expenditure

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

the statement of financial performance.

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

3.6 Irregular expenditure

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

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

3.7 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system.

3.8 Expenditure for capital assets

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

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

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

4.4 Asset Register

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

Annexure 4 and 5 of the disclosure notes, reflect the total movement in the asset register of assets with a cost equal to and exceeding R5,000 (therefore capital assets only) for the current

financial year. The movement is reflected at the cost as recorded in the asset register and not the carrying value, as depreciation is not recognized in the financial statements under the modified cash basis of accounting. The opening balance reflected on Annexure 4 and 5 will include items procured in prior accounting periods and the closing balance will represent the total cost of the register for capital assets on hand.

5. Liabilities

5.1 Payables

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

5.2 Lease commitments

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

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

5.3 Accruals

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



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

5.4 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the 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 disclosed as part of the disclosure notes to the annual financial statements.

5.5 Commitments

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

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

6. Net Assets

6.1 Capitalisation reserve

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

6.2 Recoverable revenue

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

7. Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Legislature. Senior management includes the Speaker and Deputy Speaker responsible for the Legislature, the Secretary, the Executive Managers and any key advisors.

Compensation paid to key management personnel including their family members where relevant, are disclosed as part of the disclosure notes to the annual financial statements.



APPROPRIATION STATEMENT FOR THE YEAR ENDED 31st MARCH

Appropriation per programme									
	Adjusted Appropriation	Shifting of Funds	Virement	2005/06			2004/05		
	R'000	R'000	R'000	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	44,141	-	-	44,141	32,815	11,326	74.3%	26,954	23,121
Transfers and subsidies	40	-	-	40	50	(10)	125.0%	26	36
Payment for capital assets	16,552	-	-	16,552	7,980	8,572	48.2%	18,818	15,286
2. Members' Salaries									
Current payment	-	-	-	-	-	-	0.0%	-	-
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-
Payment for capital assets	-	-	-	-	-	-	0.0%	-	-
3. Parliamentary Operations									
Current payment	30,627	-	-	30,627	13,418	17,209	43.8%	18,718	10,867
Transfers and subsidies	50	-	-	50	27	23	54.0%	36	33
Payment for capital assets	250	-	-	250	-	250	0.0%	1,050	507
Subtotal	91,860	-	-	91,860	54,290	37,570	59.2%	66,602	52,870
Statutory Appropriation									
Current payment	12,144	-	-	12,144	12,264	(120)	101.0%	11,861	12,923
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-
Payment for capital assets	-	-	-	-	-	-	0.0%	-	-
TOTAL	103,804	-	-	103,804	66,554	37,250	64.1%	77,463	65,793
Reconciliation with Statement of Financial Performance									
Add: Departmental revenue received				72				52	
				103,876	66,554			77,515	65,793



APPROPRIATION STATEMENT FOR THE YEAR ENDED 31st MARCH

Appropriation per economic classification									
2005/06									
Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
28 125	-	-	28 125	18 924	9 201	67.3%	18 419	13 949	
46 643	-	-	46 643	27 309	19 334	58.5%	29 253	20 059	
80	-	-	80	77	3	95.9%	62	59	
11 225	-	-	11 225	6 557	4 668	58.4%	17 743	17 381	
5 077	-	-	5 077	1 386	4 181	25.0%	2 125	1 388	
-	-	-	-	27	(27)	0.0%	-	144	
91 660	-	-	91 660	54 290	37 370	59.2%	85 632	52 930	
Total									

Current payment
 Compensation of employees
 Goods and services
 Transfers and subsidies
 Households
Payments for capital assets
 Buildings and other fixed structures
 Machinery and equipment
 Software and other intangible assets

Statutory Appropriation									
2005/06									
Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
12 144	-	-	12 144	12 264	(120)	101.0%	11 861	12 923	
12 144	-	-	12 144	12 264	(120)	101.0%	11 861	12 923	

Net changes against the provincial Revenue Fund
 changes against the National/Provincial
 legislative committee / parliamentary
 fund

2006/06					2004/05			
Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
13,020	-	-	11,020	11,446	1,574	87.9%	8,919	-8,007
5,307	-	-	5,307	1,416	3,261	26.7%	1,060	925
30,523	-	-	30,523	21,256	9,267	69.7%	17,908	15,031
40	-	-	40	50	(10)	125.0%	26	36
-	-	-	-	-	-	0.0%	-	-
-	-	-	-	-	-	0.0%	-	-
-	-	-	-	-	-	0.0%	-	-
-	-	-	-	-	-	0.0%	-	-
11,225	-	-	11,225	6,557	4,668	58.4%	17,743	17,361
186	-	-	186	113	85	57.1%	127	83
20	-	-	20	7	13	35.0%	15	-
60,255	-	-	60,255	40,846	19,348	67.8%	45,708	31,443
TOTAL								

subprogramme

a Staff
 payment
 and subsidies
 for capital assets
 Resource
 payment
 and subsidies
 for capital assets
 Extension
 Services
 payment
 and subsidies
 for capital assets
 Extension
 Services
 payment
 and subsidies
 for capital assets



DETAILED PER PROGRAMME ONE - ADMINISTRATION FOR THE YEAR ENDED 31st MARCH

2005/06					2004/05				
Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000	
28 125	-	-	28 125	18 924	9 201	67.3%	16 419	13 949	
16 016	-	-	16 016	13 891	2 125	86.7%	10 535	9 172	
40	-	-	40	50	(10)	125.0%	26	36	
11 225	-	-	11 225	6 557	4 668	58.4%	17 743	17 361	
5 327	-	-	5 327	1 396	3 931	26.2%	1 075	781	
-	-	-	-	27	(27)	0.0%	-	144	
60 733	-	-	60 733	40 845	19 888	67.3%	45 798	41 443	

Classification
ment
n of employees
services
d subsidies to:
capital assets
other fixed structures
d equipment
other intangible assets



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DETAILED PER PROGRAMME THREE - PARLIAMENTARY OPERATIONS FOR THE YEAR ENDED 31st MARCH

Departmental subprogramme	2005/06						2004/05		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation	Final Appropriation R'000	Actual Expenditure R'000
Programme 3: Office payment and subsidies for capital assets (Members)	1,445	-	-	1,445	797	648	55.2%	480	332
	-	-	-	-	-	-	0.0%	-	-
	-	-	-	-	-	-	0.0%	300	273
	-	-	-	-	-	-	0.0%	-	-
Programme 4: Members' payment and subsidies for capital assets	10,000	-	-	10,000	6,769	10,001	34.8%	8,984	6,939
	50	-	-	50	27	23	54.0%	36	33
	-	-	-	-	-	-	0.0%	-	-
	-	-	-	-	-	-	0.0%	-	-
Programme 5: Members' payment and subsidies for capital assets	1,250	-	-	1,250	133	1,117	10.6%	300	269
	-	-	-	-	-	-	0.0%	-	-
	250	-	-	250	-	250	0.0%	750	234
	-	-	-	-	-	-	0.0%	-	-
Programme 6: Members' payment and subsidies for capital assets	3,500	-	-	3,500	1,305	2,195	37.3%	2,760	778
	-	-	-	-	-	-	0.0%	-	-
	-	-	-	-	-	-	0.0%	-	-
	-	-	-	-	-	-	0.0%	-	-
Programme 7: Members' payment and subsidies for capital assets	-	-	-	-	-	-	0.0%	200	98
	-	-	-	-	-	-	0.0%	-	-
	-	-	-	-	-	-	0.0%	-	-
	-	-	-	-	-	-	0.0%	-	-
Programme 8: Members' payment and subsidies for capital assets	1300	-	-	1,300	748	552	57.5%	500	410
	-	-	-	-	-	-	0.0%	-	-
	-	-	-	-	-	-	0.0%	-	-
	-	-	-	-	-	-	0.0%	-	-
Programme 9: Members' payment and subsidies for capital assets	500	-	-	500	321	179	64.2%	250	197
	-	-	-	-	-	-	0.0%	-	-
	-	-	-	-	-	-	0.0%	-	-
	-	-	-	-	-	-	0.0%	-	-
Programme 10: Members' payment and subsidies for capital assets	6,032	-	-	6,032	4,345	1,687	72.0%	5,244	1,883
	-	-	-	-	-	-	0.0%	-	-
	-	-	-	-	-	-	0.0%	-	-
	-	-	-	-	-	-	0.0%	-	-
30,927	-	-	30,927	13,445	17,482	43.5%	19,804	11,427	



DETAILED PER PROGRAMME THREE - PARLIAMENTARY OPERATIONS FOR THE YEAR ENDED 31st MARCH

Classification	2005/06							2004/05	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
rent	30,027	-	-	30,027	13,418	17,259	43.8%	18,718	10,887
invoiced	-	-	-	-	27	23	94.0%	30	33
if subsidies to:	50	-	-	50	-	-	-	-	-
capital assets	-	-	-	-	-	-	0.0%	-	-
other fixed structures	250	-	-	250	-	250	0.0%	1,050	507
of equipment	-	-	-	-	-	-	0.0%	-	-
other intangible assets	-	-	-	-	-	-	-	-	-
	30,027	-	-	30,027	13,445	17,482	43.5%	19,804	11,427

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

Detail of these transactions can be viewed in note 9 (Transfers and subsidies) and Annexure 1 (A-L) to the Annual Financial Statements.

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

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

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 8 (Details of special functions (theft and losses) to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement):

Per Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	60,733	40,845	19,888	33%
Members' Salaries	12,144	12,264	(120)	1%
Parliamentary	30,927	13,445	17,482	57%

Administration

Posts filled late.

Due to late appointments, benefits & other related expenses not paid.

Tender processes for systems not yet finalised.

Extension of building not completed and payment not finalised.

Parliamentary Operations

Municipal elections.

Recess period for Members of Parliament.

Visit by NCOP members for two weeks.

Study tours cancelled or delegation reduced.



NOTES TO THE APPROPRIATION STATEMENT FOR YEAR ENDED 31st MARCH 2006

Per Economic classification	2005/06 R'000	2004/05 R'000
Current payment:		
Compensation of employees	9,201	2,470
Goods and services	19,334	9,194
Transfers and subsidies:		
Households	13	(7)
Payments for capital assets:		
Buildings and other fixed structures	4,668	382
Machinery and equipment	4,181	837
Software and other intangible assets	(27)	(144)



STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2006

	Note	2005/06 R'000	2004/05 R'000
REVENUE			
Annual appropriation	1	91,660	65,602
Statutory appropriation	2	12,144	11,861
Departmental revenue	3	72	52
TOTAL REVENUE		103,876	77,515
EXPENDITURE			
Current expenditure			
Compensation of employees	4	31,188	26,872
Goods and services	5	27,309	20,059
Total current expenditure		58,497	46,931
Transfers and subsidies	6	77	69
Expenditure for capital assets			
Buildings and other fixed structures	7	6,557	17,361
Machinery and Equipment	7	1,396	1,288
Software and other intangible assets	7	27	144
Total expenditure for capital assets		7,980	18,793
TOTAL EXPENDITURE		66,554	65,793
SURPLUS/(DEFICIT)		37,322	11,722
Add back unauthorised expenditure	8	-	-
Add back fruitless and wasteful expenditure	9	-	948
SURPLUS/(DEFICIT) FOR THE YEAR		37,322	12,670
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds			
Departmental Revenue	12	37,250	12,618
	13	72	52
SURPLUS/(DEFICIT) FOR THE YEAR		37,322	12,670



STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2006

	Note	2005/06 R'000	2004/05 R'000
ASSETS			
Current assets		37,307	12,618
Unauthorised expenditure	8	285	285
Fruitless and wasteful expenditure	9	1,139	1,139
Cash and cash equivalents	10	35,878	11,184
Receivables	11	5	10
TOTAL ASSETS		37,307	12,618
LIABILITIES			
Current liabilities		37,307	12,618
Voted funds to be surrendered to the Revenue Fund	12	37,250	12,618
Departmental revenue to be surrendered to the Revenue Fund	13	57	-
TOTAL LIABILITIES		37,307	12,618
NET ASSETS		-	-



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		103,876	77,515
Annual appropriated funds received	1.1	91,660	65,602
Statutory appropriated funds received		12,144	11,861
Departmental revenue received		72	52
Net (increase)/decrease in working capital		5	(11)
Surrendered to Revenue Fund		(12,633)	(3,309)
Current payments		(58,497)	(46,931)
Transfers and subsidies paid		(77)	(69)
Net cash flow available from operating activities	14	<u>32,674</u>	<u>27,195</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(7,980)	(18,793)
Net cash flows from investing activities		<u>(7,980)</u>	<u>(18,793)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		-	-
Increase/(decrease) in net assets		-	-
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		24,694	8,402
Cash and cash equivalents at the beginning of the period		11,184	2,782
Cash and cash equivalents at end of period	15	<u>35,878</u>	<u>11,184</u>



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2006

1. Annual Appropriation

1.1 Annual Appropriation

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

	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation received 2004/05 R'000
Administration	60,733	60,733	-	45,798
Members' Salaries	-	-	-	-
Parliamentary Operations	30,927	30,927	-	19,804
Total	91,660	91,660	-	65,602

2. Statutory Appropriation

	2005/06	2004/05
Member of executive committee/parliamentary officers	12,144	11,861
Total	12,144	11,861

3. Departmental revenue to be surrendered to revenue fund

	Notes	2005/06	2004/05
Tax revenue			
Sales of goods and services other than capital assets	3.1	57	-
Fines, penalties and forfeits		15	52
Total revenue collected		72	52
Less: Departmental Revenue Budgeted			
Departmental revenue collected		72	52

3.1 Sales of goods and services other than capital assets

	2005/06	2004/05
Sales of goods and services produced by the department		
Other sales	57	-
Total	57	-



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2006

4. Compensation of employees

	2005/06 R'000	2004/05 R'000
4.1 Salaries and Wages		
Basic salary	20,377	18,180
Service Based	812	-
Periodic payments	27	158
Other non-pensionable allowances	5,447	4,287
	<u>26,663</u>	<u>22,625</u>
4.2 Social contributions		
4.2.1 Employer contributions		
Pension	2,855	2,828
Medical	1,664	1,415
UIF	6	4
	<u>4,525</u>	<u>4,247</u>
Total compensation of employees	<u>31,188</u>	<u>26,872</u>
Average number of employees	<u>119</u>	<u>100</u>

5. Goods and services

	Note	2005/06 R'000	2004/05 R'000
Advertising		775	409
Bank charges and card fees		133	32
Bursaries (employees)		119	142
Communication		3,170	2,406
Computer services		21	594
Consultants, contractors and special services		4,028	4,172
Tracing agents & Debt collections		150	56
Entertainment		3,541	1,273
External audit fees	5.1	811	472
Equipment less than R5000		34	15
Freight service		-	4
Government motor transport		1	-
Honoraria (Voluntarily workers)		-	440
Inventory	5.2	2,059	1,439
Learnerships			4
Legal fees		14	901
Medical Services		6	-
Maintenance, repairs and running cost		4,015	2,897
Professional bodies and membership fees		175	195
Resettlement cost		-	20
Transport provided as part of the departmental activities		2,875	1,376
Travel and subsistence	5.3	4,471	2,699
Venues and facilities			
Protective, special clothing & uniforms			
Training & staff development		431	273
Town & regional planning		480	240
		<u>27,309</u>	<u>20,059</u>



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2006

	2005/06 R'000	2004/05 R'000
5.1 External audit fees		
Regulatory audits	811	472
Performance audits	-	-
Other audits	-	-
Total external audit fees	<u>811</u>	<u>472</u>

	2005/06 R'000	2004/05 R'000
5.2 Inventory		
Other inventory	1	24
Domestic consumables	1,553	981
Learning and teaching support material	69	210
Parts and other maintenance material	93	207
Stationery and printing	343	17
	<u>2,059</u>	<u>1,439</u>

	2005/06 R'000	2004/05 R'000
5.3 Travel and subsistence		
Local	4,171	2,624
Foreign	300	75
Total travel and subsistence	<u>4,471</u>	<u>2,699</u>

6. Transfers and subsidies

	Notes	2005/06 R'000	2004/05 R'000
Households	Annex 1	<u>77</u>	<u>69</u>
		<u>77</u>	<u>69</u>

		2005/06 R'000	2004/05 R'000
7 Expenditure for capital assets			
Buildings and other fixed structures	Annex 4	6,557	17,361
Machinery and equipment	Annex 4	1,396	1,288
Software and other intangible assets	Annex 5	27	144
Total		<u>7,980</u>	<u>18,793</u>

8 Unauthorised expenditure

Opening balance	285	285
Unauthorised expenditure – current year	-	-
Unauthorised expenditure awaiting authorisation	<u>285</u>	<u>285</u>

Incident	Disciplinary steps taken/criminal proceedings	2005/06
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Opening balance	1,139	191
Fruitless and wasteful expenditure – current year	-	948
Current	-	948
Capital	-	-
Fruitless and wasteful expenditure awaiting condonement	1,139	1,139

10 Cash and cash equivalents

Consolidated Paymaster General Account	35,878	11,184
	<u>35,878</u>	<u>11,184</u>



DISCLOSURE NOTE TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2006

11 Receivables

				2005/06 R'000	2004/05 R'000
		Less than one year	One to three years	Older than three years	
				Total	Total
Staff debt	1.1	3	-	-	6
Other Debtors	1.2	2	-	-	4
		5	-	-	10

Receivables(Cont.)

		2005/06 R'000	2004/05 R'000
11.1	Staff Debt		
	Tax debt	3	6
		3	6
11.2	Other debtors		
	Traffic fines	2	4
		2	4

12 Voted funds to be surrendered to the Revenue Fund

	2005/06 R'000	2004/05 R'000
Opening balance	12,618	3,257
Transfer from Statement of Financial Performance	37,250	12,618
Voted funds not requested/not received	-	-
Paid during the year	(12,618)	(3,257)
Closing balance	37,250	12,618

12.1 Voted funds not requested/not received

Funds to be rolled over	8,198	-
Funds not to be requested		

13 Departmental revenue to be surrendered to the Revenue Fund

	2005/06 R'000	2004/05 R'000
Opening balance	-	-
Transfer from Statement of Financial Performance	72	52
Paid during the year	(15)	(52)
Closing balance	57	-



DISCLOSURE NOTE TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2006

14 Net cash flow available from operating activities		
Net surplus/(deficit) as per Statement of Financial Performance	37,322	12,670
(Increase)/decrease in receivables – current	5	(10)
(Increase)/decrease in other current assets	-	(948)
Increase/(decrease) in payables – current	-	(1)
Surrenders to Revenue Fund	(12,633)	(3,309)
Expenditure on capital assets	7,980	18,793
cash flow generated by operating activities	32,674	27,195

15 Reconciliation of cash and cash equivalents for cash flow purposes

Consolidated Paymaster General account	35,878	11,184
	35,878	11,184

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

16 Contingent liabilities

Liable to	Nature	<i>Note</i>	2005/06 R'000	2004/05 R'000
Housing loan guarantees	Employees	Annex 2	628	425
Claims against the department		Annex 3	59	-
			687	425

17 Commitments per programme

Capital expenditure		
Approved and contracted	7,434	-
Approved but not yet contracted	8,984	597,990
	16,418	597,990
Total Commitments	16,418	597,990

18 Accruals Listed by economic classification

	30 Days	30+ Days	2005/06 R'000 Total	2004/05 R'000 Total
Goods and services	-	1,647	1,647	3,459
	-	1,647	1,647	3,459

Listed by programme level



DISCLOSURE NOTE TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2006

	2005/06 R'000	2004/05 R'000
19 Employee benefits		
Leave entitlement	217	389
Thirteenth cheque	594	359
Capped leave commitments	142	-
	<u>953</u>	<u>748</u>

20 Lease Commitments

20.1 Operating leases

	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	2005/06 Total R'000	2004/05 Total R'000
Not later than 1 year	-	3,451	146	3,597	120
Later than one year not later than five year	-	6,994	-	6,994	11,667
Total present value of lease liabilities		<u>10,445</u>	<u>146</u>	<u>10,591</u>	<u>11,787</u>

21 Irregular expenditure

21.1 Reconciliation of irregular expenditure

Opening balance	4,459	757
Irregular expenditure – current year	1,368	3,702
Irregular expenditure awaiting condonement	<u>5,827</u>	<u>4,459</u>

Analysis

	2005/06 R'000	2004/05 R'000
Current	1,368	3,702
Prior years	<u>4,459</u>	<u>757</u>
	<u>5,827</u>	<u>4,459</u>

22 Key management personnel

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

	No. of Individuals	2005/06 R'000	2004/05 R'000
Political office bearers	2	1,565	-
Officials			
Level 15 to 16	1	831	365
Level 14	4	1,325	1,914
Family members of key management personnel		<u>3,721</u>	<u>2,279</u>



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2006

ANNEXURE 1 STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2004/05
	Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
Transfers							
Regional Council Levy	90	-	-	90	77	85.6%	62
	90	-	-	90	77	85.6%	62
Total	90	-	-	90	77	85.6%	62

ANNEXURE 2 STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2006 LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2005	Guarantees issued during the year	Guarantees released/paid/cancelled/reduced during the year	Closing balance 31 March 2006	Guaranteed interest for year ended 31 March 2006	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing							
ABSA		1,228	156	98	18	-	236	-
Standard Bank		434	106	41	41	-	106	-
Nedbank		618	67	123	-	-	190	-
Peoples Bank		399	78	-	-	-	78	-
Future Bank		89	18	-	-	-	18	-
Total		2,768	425	262	59	-	628	-



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2006

ANNEXURE 3 STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2006

Nature of Liability	Opening Balance 01/04/2005	Liabilities during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Claims against the Legislature					
Summons	-	59	-	-	59
Total	-	59	-	-	59

ANNEXURE 4 CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	24,766	6,557	-	31,323
Non-residential buildings	24,766	6,557	-	31,323
MACHINERY AND EQUIPMENT	3,252	1,396	-	4,648
Transport assets	652	345	-	997
Computer equipment	1,031	235	-	1,266
Furniture and office equipment	467	781	-	1,248
Other machinery and equipment	1,102	35	-	1,137
TOTAL CAPITAL ASSETS	28,018	7,953	-	35,971



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2006

ANNEXURE 4.1

ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash	Capital WIP	In-Kind	Total
	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	6,557	-	-	6,557
Non-residential buildings	6,557	-	-	6,557
MACHINERY AND EQUIPMENT	1,396	-	-	1,396
Transport assets	345	-	-	345
Computer equipment	235	-	-	235
Furniture and office equipment	781	-	-	781
Other machinery and equipment	35	-	-	35
TOTAL CAPITAL ASSETS	7,953	-	-	7,953

ANNEXURE 4.2

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

	Additions	Disposals	Total Movement
	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	17,361	-	17,361
Non-residential buildings	17,361	-	17,361
MACHINERY AND EQUIPMENT	1,288	-	1,288
Transport assets	142	-	142
Computer equipment	449	-	449
Furniture and office equipment	441	-	441
Other machinery and equipment	256	-	256
TOTAL CAPITAL ASSETS	18,649	-	18,649



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2006

ANNEXURE 5

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

	Opening Balance R'000	Additions	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
Computer software	144	27	-	-	-	171
	144	27	-	-	-	171

ANNEXURE 5.1

ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash R'000	Capital WIP R'000	In-Kind R'000	Total R'000
Computer software	27	-	-	27
TOTAL	27	-	-	27

SOFTWARE AND OTHER INTANGIBLE ASSETS MOVEMENT SCHEDULE AS AT 31 March 2005

	Opening Balance R'000	Additions	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
Computer software		144	-	-	-	144
		144	-	-	-	144



PART 6

HUMAN RESOURCE MANAGEMENT LABOUR RELATIONS

Collective agreements, 1 April 2005 to 31 March 2006

There was one collective agreement on Improvement of Conditions of Services entered into between Management and the Union.

Subject Matter	Date
Improvement of Conditions Service	14 October 2005

Disciplinary hearings finalised, 1 April 2005 to 31 March 2006

No disciplinary hearings were convened for this reporting financial year.

Misconduct finalised, 1 April 2005 to 31 March 2006

Type of misconduct	Number	% of total
Violation of the Court Order and engagement in an unlawful and unprotected industrial action	44	
Total	44	

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

No grievances were lodged for this reporting financial year.

Suspensions for the period 1 April 2005 to 31 March 2006

Type of suspension	Number	% of total
Precautionary suspension	6	
Total	6	

Disputes lodged with the CCMA for the period 1 April 2005 to 31 March 2006 By the Employer

Number of disputes	Number	% of total
Interpretation of collective agreement	1	
Total number of disputes lodged	1	



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By the Union

Number of disputes	Number	% of total
Unfair Labour Practice	1	
Matters of Mutual Interest	1	
Picketing Rules	1	
Unfair Suspension or disciplinary action	2	
Total number of disputes lodged	6	

Industrial actions for the period 1 April 2005 to 31 March 2006

Total number working days lost	1
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HUMAN RESOURCES MANAGEMENT						
EXPENDITURE						
1.1. Personnel Cost: MPL's and Administration Staff	Programme	Total Expenditure	Personnel Expenditure	Training Expenditure	Professional and Special Services	Personnel cost as a % of total expenditure
MPL'S	R	14,218,034	R	13,770,964	R	447,070
Admin Staff	R	19,476,256	R	19,408,349	R	57,907
TOTAL	R	33,694,290	R	33,179,313	R	514,977
						100
1.2. Personnel cost by salary bands of Administration Staff	Salary bands	Personnel expenditure	% of total personnel cost	Average personnel cost per employee		
Contract	R	1,300,804	7	R	185,829	
Lower skilled	R	1,372,454	7	R	105,573	
Skilled	R	8,733,567	45	R	124,765	
Highly Skilled Supervision	R	2,511,470	13	R	76,105	
Professional & Management Committee	R	5,692,349	29	R	813,193	
TOTAL	R	19,610,645	100			
1.3. Salary related items expenditure	Administration Staff	Total	% of personnel costs of programme	Item	Total	% of personnel costs of programme
Basic salary	R	11,335,088	58.40	Basic salary	R	7,270,908
Pension	R	1,473,545	7.59	Motor allowance	R	2,037,510
Housing allowance/subsidy	R	1,292,874	6.66	Pensions	R	1,385,572
Motor allowance/financing	R	1,099,536	5.67	S&T	R	1,479,477
Bonus	R	812,577	4.19	Allowance for P.O.B	R	879,548
Medical aid	R	991,700	5.11	Medical Aid	R	690,036
Leave discounting	R	184,740	0.95	Regional service levy	R	27,913
S&T	R	644,534	3.32	TOTAL	R	13,770,964
Contract	R	881,017	4.54			
Housing Indridge benefit	R	92,721	0.48			
Role playing allowance	R	55,155	0.28			
Overtime	R	294,110	1.52			
Acting allowance	R	14,509	0.07			
Regional service levy	R	49,417	0.25			
UIF	R	6,460	0.03			
Non-pensionable (Head of Department)	R	100,418	0.52			
Litigation award	R	10,000	0.05			
Advance	R	3,500	0.02			
Agency fee	R	265	0.00			
Non-pensionable cash allowance	R	66,183	0.34			
TOTAL	R	19,408,349	100			



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2. Employment and vacancies by programme						
Programme	Number of posts	Number of posts filled	Vacancy rate	Contract Appointments		
MPL's	22	22	0	0		
Administration Staff	125	101	19	7		
TOTAL	147	123	19	7		
2.1. Employment and vacancies by levels						
Categories	Number of posts	Posts filled	Vacancy rate	Contracts		
Lower skilled	16	13	19	0		
Skilled	78	70	10	4		
Highly Skilled Supervision	45	33	27	2		
Professional & Management Committee	8	7	13	1		
TOTAL	147	123	16	7		
3. Employment changes						
3.1 Annual turnover by salary level						
Programme	Appointment	Terminations	Turnover rates %	Promotions		
Lower skilled	2	1	0.77			
Skilled	23	3	2.31			
Highly Skilled Supervision	11		0.00	5		
Professional & Management Committee	2		0.00			
TOTAL	38	4	3.08	5		
3.2. Reasons of employment termination						
Termination type	Number	% of total employment				
Death	1	0.77				
Resignation	4	3.08				
Expiry of contract		0.00				
Operation requirements		0.00				
Misconduct		0.00				
Incapacity/inefficiency		0.00				
Ill-health		0.00				
Retirement		0.00				
Other		0.00				
TOTAL	5	3.85				
4. Employment equity and skills development						
4.1. Occupation categories of administration staff						
		Male				
Occupation category	African	Coloured	India	White	TOTAL	
Senior managers	2				1	3
Professionals	1				2	3
Technicians & Associates Professionals	2				2	2
Highly skilled workers	9				9	18
Skilled workers					0	0
Clerks	5				5	10
Service workers	1				1	2
TOTAL	20	0	0	0	20	38



Occupation category	Female				TOTAL
	African	Coloured	India	White	
Senior managers		3			4
Professionals		2		1	3
Technicians & Associates Professionals		2			2
Highly skilled workers		45		1	46
Skilled workers		64	3		68
Clerks		3			3
Service workers		18			18
TOTAL		137	3	1	144

4.2 Designation categories of MPL's

Designation	No.	Gender		African	Coloured	Population
		M	F			
Speaker	1			1		
Deputy Speaker	1		1			
Chief Whip	1		1			
Deputy C. Whip	1			1		
Chairperson	10		7	3	9	
Deputy Chairperson	1			1		
Leader of Official Opposition Party	1		1			
Whip	4		3	1		
MPL	2		2			
TOTAL	22		15	7	18	0



4.3. Human Resources Development						
4.3.1. Administration staff						
Course attended	Service provider	Duration	Cost	Donor	No. of Employee Attended	
Secretarial Workshop	NSC	2 days	R 22,152		4	
Presentation Skills	Superior Performance	3 days	R 14,432		2	
IT Conference	Marcus Events	1 day	R 5,699		1	
Payroll Conference	SA Payroll Association	1 day	R 1,995		1	
Time Management	Superior Performance	1 day	R 2,508		2	
Security	Frontier Security Training	1 month	R 2,200		1	
Computer Literacy	North West University	5 days	R 3,420		2	
Facilitator's Training	University of Pretoria	1 month	R 15,000		1	
Team Mate Report Writing	PWC	1 month	R 500		1	
TOTAL			R 67,907		15	
4.3.2. MPL's						
Course attended	Service provider	Duration	Cost	Donor	No. of Employee Attended	
Structural Development	Consultancy in Session	1 day	R 13,688			
PFMA and MFMA	Provincial Treasury	1 day				
PFMA	SAIGA	4 days	R 70,680			
Oversight Budgeting and Monitoring	Manto Mangement	2 days		AWEPA		
Strategic Planning Framework	Consultancy in Session	1 day	R 18,240			
Finance Training	University of Stellenbosch	2 days	R 316,000			
Gender Mainstreaming	Footprints Consulting	2 days		AWEPA		
Woman Empowerment	Superior Performance	1 day	R 11,548			
Status of Woman and Quality of Life	Superior Performance	2 days		AWEPA		
Status of Woman and Quality of Life	Upright Communications	2 days	R 16,914			
TOTAL			R 447,070			
4.4. Bursary granted						
Awared to	No. of beneficiary	Amount				
Administration staff	12 R	67,990				
Dependents of administration staff	10 R	72,530				
TOTAL	22 R	140,520				

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