



**LIMPOPO**

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

**PROVINCIAL TREASURY**

# **ANNUAL REPORT**

## **2012-2013**

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**PROVINCIAL TREASURY**  
**PROVINCE OF LIMPOPO**  
**VOTE 5**  
**ANNUAL REPORT**  
**FINANCIAL YEAR 2012-2013**

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# PART A: GENERAL INFORMATION

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## 1. DEPARTMENT GENERAL INFORMATION

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## **2. LIST OF ABBREVIATIONS/ACRONYMS**

AFS	-	Annual Financial Statements
APP	-	Annual Performance Plan
CFO	-	Chief Financial Officer
COGHSTA	-	Co-Operative Governance, Human Settlement and Traditional Affairs
DRP	-	Disaster Recovery Plan
EXCO	-	Executive Council
GIAMA	-	Government Immovable Assets Management Act
GITO	-	Government Information and Technology Office
GM	-	General Manager
HOD	-	Head of Department
HR	-	Human Resources
HRD	-	Human Resource Development
IDIP	-	Infrastructure Delivery Improvement Programme
IFMS	-	Integrated Financial Management System
IYM	-	In-Year Monitoring
LADC	-	Limpopo Agricultural Development Corporation
LAH	-	Limpopo Academic Hospital
LEGDP	-	Limpopo Employment Growth and Development Plan
LDPW	-	Limpopo Department of Public Works
LIBSA	-	Limpopo Business Support Agency
LIMDEV	-	Limpopo Economic Development Enterprise
LPT	-	Limpopo Provincial Treasury
MEC	-	Member of Executive Council
N/A	-	Not Applicable

NT	-	National Treasury
PFMA	-	Public Finance Management Act
PPP	-	Public Private Partnerships
PRF	-	Provincial Revenue Fund
QTR	-	Quarter
SAQA	-	South African Qualifications Authority
SCM	-	Supply Chain Management
SCOPA	-	Standing Committee on Public Accounts
SISP	-	Strategic Information System Plan
SLA	-	Service Level Agreement
SMME	-	Small Medium and Micro Enterprises
TAC	-	Tender Advice Centre
U-AMP	-	User Asset Management Plan

### **3. STRATEGIC OVERVIEW**

#### **3.1. Vision**

To be the best Provincial Fundraiser, Allocator, Monitor, Manager and Evaluator of the Public Finance for socio-economic development in South Africa.

#### **3.2. Mission**

To provide ethical, consultative and people focused services through sound public financial management, including attaining and maintaining effective financial resource management

#### **3.3. Values**

- Commitment and a sense of urgency
- Professionalism
- Equity
- Appreciation
- Ubuntu and Batho Pele
- Transparency and Accountability
- Integrity and Honesty
- Mutual respect and Trust
- Participatory and Accessibility

#### **3.4. Strategic outcome orientated goals**

Provincial Treasury's strategic outcomes oriented goals are as follows:

- Effective and efficient administrative support in the Department
- Responsive, accountable, effective and efficient provincial and local government system

### **4. LEGISLATIVE AND OTHER MANDATES**

The Provincial Treasury is responsible for assisting the National Treasury in enforcing compliance with the measures established in terms of section 216(1) of the Constitution.

Limpopo Provincial Treasury has been established in terms of section 17 of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999). The functions and powers of the provincial treasury are provided in the PFMA under section 18(1) and (2).

The organisation is directly responsible for implementing, managing or overseeing the following legislation and the relevant regulations:

- Public Finance Management Act (PMFA) of 1999 (as amended by Act 29 of 1999);
- Municipal Finance Management Act (MFMA) 56 of 2003;

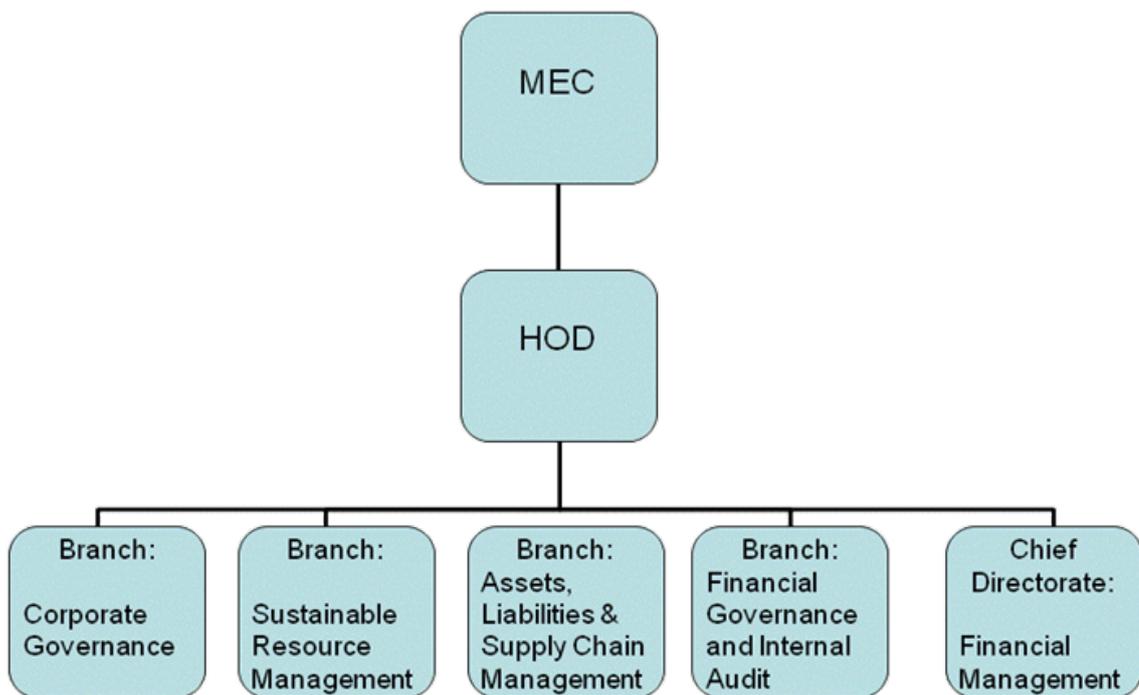
- Annual Division of Revenue Act

The Provincial Treasury also has an oversight role in performance oversight as mandated by **Framework for Managing Programme Performance Information**.

According to this Framework, Provincial Treasury is responsible for:

- Monitoring the implementation of the Framework by all institutions within their respective spheres
- Providing training on the use of performance information
- Providing input into processes to select and define performance indicators

## 5. ORGANISATIONAL STRUCTURE



## 6. ENTITIES REPORTING TO THE MEC

The Provincial Treasury does not have any entities reporting to the MEC

## 7. FOREWORD BY THE MEMBER OF THE EXECUTIVE COUNCIL (MEC)



**Mr. K.A. Phala**  
**Member of Executive Council**

Provincial Treasury has an important obligation and responsibility as mandated by section 18 of the Public Finance Management Act to oversee provincial finances and to ensure adherence to financial prescripts by all provincial departments, public entities and municipalities. During the period under review, the Provincial Treasury continued to be one of the departments under section 100 (1) (b) intervention. Key recovery projects were implemented during this period with major successes in the following:

- Cost containment measures resulted in the Province realising the much needed surplus and the province was able to table the 2012/13 budget with a surplus of R907 million. An amount of R748 million was set aside to finance the overdraft and the balance thereof has been utilised to fund recovery projects and provincial specific priorities.
- Unauthorised expenditure was reduced from R2.7 billion to R1.5 billion.
- Improved cash management was also achieved in the province where the provincial cash position as at 31 March 2013 was at R2.2 billion in the provincial bank accounts. An amount of R67 million worth of interest generated by the positive cash balance has made a significant contribution in funding of provincial priorities during the adjustment budget process.

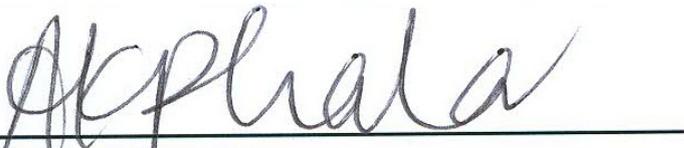
The 2012/13 financial year also saw challenges in provincial efforts towards achieving the objective of Clean Audit 2014. Audit outcomes of the province showed a regression in departments, municipalities and public entities. This regression includes the loss of Clean Audit outcomes previously achieved by two provincial departments as well as increases in disclaimers especially within the local government environment. This challenge requires the development and implementation of improved support and monitoring strategies by the Provincial Treasury to ensure that financial controls are developed and maintained.

The initiated recovery project of providing technical support to departments to clear their 2011/12 audit findings and to develop sustainable internal control interventions in these departments will assist in achieving improved audit outcomes. The Provincial Treasury will continue with its role of ensuring efficiency in public spending, elimination of wastage and to

improve the alignment between budget allocations and government priorities to contribute towards addressing the national challenges of poverty, inequality and unemployment.

We must emphasize that any achievement made during 2012/2013 financial year was through the collective support and dedication of the Head of the Department, Mr G Pratt, the Section 100 (1) (b) team and all employees of the Provincial Treasury. The significant role played by oversight legislative bodies and the office of the Auditor-General ensured and enabled the Department to comply with the Public Finance Management Act, 1999 (Act no: 1 of 1999), Municipal Finance Management Act No.56 of 2003, other legislations, regulations and policies which govern its mandate.

It is therefore my pleasure to present the Limpopo Provincial Treasury's Annual Report for 2012/2013 financial year.

A handwritten signature in black ink, appearing to read 'K.A Phala', is written over a solid black horizontal line.

**K.A Phala (MPL)**  
**MEC FOR DEPARTMENT OF FINANCE**

## 8. OVERVIEW OF THE ACCOUNTING OFFICER



**Mr. Monde Tom**  
**s100(1)(b) ADMINISTRATOR AND ACCOUNTING OFFICER**

We hereby present the Annual Report of the Limpopo Provincial Treasury for the 2012/13 financial year. This report consists of the Annual Performance Report, Audit Committee Report, Annual Financial Statement and the Human Resource Management Report.

The Department identified key recovery projects based on a diagnosis conducted by the section 100(1)(b) intervention team. Key milestones have been achieved in these recovery projects, identified as follows:

- i. Organisational Realignment and Learning**
  - Realignment of the Provincial Treasury's structure to the Generic Treasuries' structure.
- ii. Cash Management**
  - Improvements in the cash management cycle, reduction of the overdraft and unauthorised expenditure
- iii. Procurement**
  - Identification and implementation of strategic and common items for transversal provincial tenders to benefit from economy of scales as well as development of a price index modalities
- iv. Cost Containment**
  - Cost containment measures in order to alleviate identified budget pressures.

**v. Replacement of FINEST with LOGIS**

- Roll out of LOGIS at pilot sites for better management of procurement and payment processes as well as have the ability to manage inventories and assets in respective departments

**vi. Revenue Enhancement**

- The provincial revenue strategy will be developed and implemented

**vii. Reduction of Compensation of Employees budget**

- Head count project in the Department of Health and Education to confirm the number of employees and investigation into the root causes of the high percentage COE spend in Limpopo.

**viii. Infrastructure Management**

- Institutionalisation of the approved Limpopo Infrastructure Delivery Management System in all the departments that are involved in the infrastructure delivery value chain.

**ix. Management of payment within 30 days**

- Review of payment processes in all departments but more specifically in Health and Education to identify root causes of late payment of suppliers.
- Strengthening of co-operation with the Small Enterprise Development Agency (SEDA) to assist Provincial Treasury and departments to monitor payment complaints by suppliers

Achievements in these recovery projects have been outlined under the overview of departmental performance.

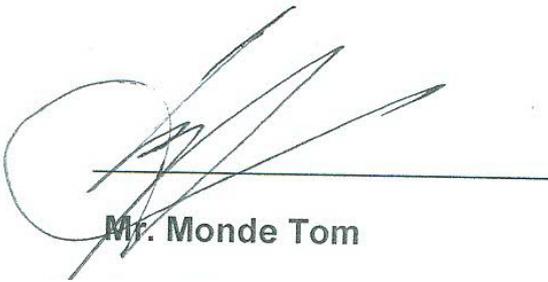
During the year under review, Provincial Treasury continued to support and monitor departments, municipalities and public entities to realise its vision and objective of sound financial management in the province. This included the following:

- Expenditure monitoring, specifically cost saving measures strategy, including the implementation of the Bank Overdraft Strategy
- The strengthening of the Supply Chain Management monitoring and assessment methodologies
- Continued assessment and monitoring of the provincial risk profile, and
- Providing Internal Audit service to all provincial departments

Provincial Treasury still had to operate with the challenge of vacancies in key top management positions. The regression in provincial audit outcomes has also been a

challenge during the period under review. This regression was more pronounced in municipalities where there were increases in disclaimed outcomes. To this end, the Provincial Treasury has restructured the Municipal Support team in order to provide better support to the municipalities. Dedicated MFMA support teams have now been established to support a particular district and its locals, thereby getting a better understanding of the issues in the allocated municipalities.

Provincial Treasury will continue to implement key recovery projects and put systems in place to ensure sustainability of these projects beyond the section 100(1)(b) intervention process. The filling of key top management positions will also be finalised to ensure that the departmental vision is realised.



Mr. Monde Tom

**s100(1)(b) ADMINISTRATOR AND ACCOUNTING OFFICER  
PROVINCIAL TREASURY**

# PART B: PERFORMANCE INFORMATION

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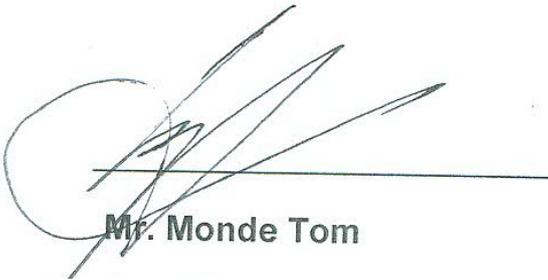
## 1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

### Statement of Responsibility for Performance Information for the year ended 31 March 2013

The Accounting Officer is responsible for the preparation of the department's performance information and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects the performance information of the department for the financial year ended 31 March 2013.



Mr. Monde Tom

**Administrator: Provincial Treasury,**

**Limpopo Government section 100(1)(b) Constitution, Intervention.**

**Accounting Officer**

**31 May 2013**



## **2. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES**

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the *Predetermined Objectives* heading in the *Report on other legal and regulatory requirements* section of the auditor's report.

Refer to page 141 of the Report of the Auditor General, published as Part E: Financial Information.

## **3. OVERVIEW OF DEPARTMENTAL PERFORMANCE**

### **3.1. Service Delivery Environment**

The Provincial Treasury provided the following services directly to the public:

- Published forty-six (46) editions of the provincial tender bulletin which were made available at no cost to the public and available at Provincial Treasury head office, district offices and the departmental website.
- A total of 2914 SMMEs and were trained and empowered on the government procurement process.

In its effort to enhance supply chain management performance, Limpopo Provincial Treasury (Provincial Supply Chain management office) issued Supply Chain Management prescripts, conducted SCM Compliance Assessments for all provincial departments and public entities, and also arranged SCM capacity building through training, workshops, as well as SCM Forums.

Municipalities have also been monitored and provided with hands on support on Municipal Budget Reporting Regulations implementation, debt management as well as other corporate governance matters.

### 3.2. Service Delivery Improvement Plan

The department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

#### Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
To provide financial management oversight	Provincial departments, municipalities and public entities	Newly formed public entities and municipalities	Monthly	Financial management oversight was performed for departments, municipalities and public entities. Monthly analysis of expenditure report for departments conducted and reported to HODs, EXCO and Provincial Audit Committees
Enhancement of Revenue Collection	Provincial Departments	Public Entities	Quarterly	Enhanced provincial revenue collections through bilateral with departments and the revenue enhancement strategy.

<b>Main services</b>	<b>Actual customers</b>	<b>Potential customers</b>	<b>Standard of service</b>	<b>Actual achievement against standards</b>
Reduction of Compensation of Employees (COE) from 68% to 66%	All departments	Public Entities	Monthly	Reduced the COE budget from 68.3% to 66.4% in 2012/2013
Monitoring of compliance to section 38 (1) (f) of the PFMA (the 30 days payment notice)	13 Provincial departments	Public entities	Monthly	All departments have not complied to the 30 day payment provisions of the PFMA. The province had an average compliance rate of 72% for the number of invoices paid within 30 days

**Consultation arrangements with customers**

<b>Type of arrangement</b>	<b>Actual Customers</b>	<b>Potential Customers</b>	<b>Actual achievements</b>
Improved and focused feedback through analysis reports  Provide workshops and trainings for beneficiaries	13 Provincial departments and 30 municipalities	Newly formed public entities and municipalities	8 monthly analysis reports and 4 quarterly reports developed  Budget formulation workshops held,  Budget preparation and APP workshops conducted
Meetings through the Provincial Revenue Forums	13 Provincial departments	Public Entities	Two Provincial Revenue Forum meetings held
Provincial HR task team	Provincial Departments	Public Entities	Provincial HR task team established and project plan developed and implemented.
Contact sessions with all departments	All Provincial Departments	Public entities	Contact sessions with all departments held to discuss compliance to the 30 day payment requirement.

**Service delivery access strategy**

<b>Access Strategy</b>	<b>Actual achievements</b>
Increase visibility in Municipalities through workshops, summits and trainings	Held quarterly Municipal CFO's Forum meetings, Conducted trainings on midyear assessments as per MFMA guidelines, Participated in the Municipal governance structures such as MPAC, Audit Committees, etc.
Four support visits per Department per annum	Four support visits per department were held through bilateral meetings
Contact sessions with Departments	Contact sessions with Department done on monthly basis.
Continuous contact sessions with departments	Contact sessions with all departments held

**Service information tool**

<b>Types of information tool</b>	<b>Actual achievements</b>
Monitoring reports, circulars, instruction notes and all budget documentation	Monitoring reports, circulars, instruction notes and all budget documentation are available in the departments website
Monitoring Reports, Verification Reports, Budget Circulars, Instruction Notes and Information sharing platforms	Monitoring Reports were compiled and submitted to Departments, Budget Circulars and Instruction Notes were issued. Information sharing platforms were held
Provincial HR task team report	The HR task team report in place which entails the PERSAL clean-up, identification and filling of critical posts and abolishment of unfunded posts,
Development of monitoring tool on compliance to section 38 (1) (f) of PFMA which also provides trend analysis	Yearly monitoring tool developed and will be implemented FY 2013/14

### **Complaints mechanism**

Complaints Mechanism	Actual achievements
Suggestion Boxes	Suggestion boxes not used by employees as they prefer to address their challenges with their immediate supervisors and labour relations sub-directorate
Premiers Hotline	No case reported
Presidential Hotline	Two cases reported and all resolved

### **3.3. Organisational environment**

The Provincial Treasury was one of the five departments in the province placed under Administration in terms of section 100(1)(b) of the Constitution of the Republic of South Africa on the 05 December 2011, due to financial management and cash flow challenges faced by the Limpopo Provincial Administration.

In the main, the province-wide service delivery challenges that triggered the intervention were:

- a) The province has an accumulated unauthorised expenditure of R2.7 billion.
- b) The province started the 2011/12 financial year with an overdraft of R1.7 billion and there was insufficient cash management across the province.
- c) The province was on the verge of running out of cash and would have failed to pay its employees as well as honouring payments of suppliers and providers of goods and services rendered.
- d) Some departments, particularly Health and Education implemented the Occupational Specific Dispensation without making the necessary provisions in their budget; and
- e) Poor supply chain and contract management, including the use of Programme Managements Units (PMUs) were being used to obviate normal procurement procedures.

The National Executive appointed a Team of s100(1)(b) Administrators to address the challenges in the five departments. Each of the five departments were allocated a s100(1)(b) Administrator Team with a Lead Administrator.

The objectives of the interventions were among others to:

- a) Strengthen the oversight responsibility and central control of finances by Provincial Treasury;
- b) Introduce systemic improvements in key processes for the whole Limpopo Administration, and
- c) To hold responsible officials accountable for any serious transgressions.

During the current financial year the s100(1)(b) Administration Team appointed to the Provincial Treasury completed a diagnostic review of the key challenges in the Provincial Treasury and found the following key matters that must be addressed in the Limpopo Provincial Treasury.

- a) Organizational Realignment and Strengthening of the Provincial Treasury;
- b) Improved financial management skills and capacity;
- c) Strengthened cash management procedures and internal controls;
- d) Compliance with the prescribed 30 day supplier payment turnaround requirement;
- e) Reduction in the accumulated and new unauthorised expenditure;
- f) Cost containment measures to be developed, implemented and monitored;
- g) Electronic accounting system used in Limpopo to be reviewed and improved;
- h) Revenue generation to be improved;
- i) Infrastructure spending and controls to be improved.
- j) Assistance to be provided to departments to achieve clean audits by 2014

One of the key recovery projects identified by the s100(1)(b) Intervention team was that the Provincial Treasury did not have the capacity to deliver on its mandate and that key senior manager posts had to be filled.

During the period under review, the department had vacancies at the top management layer where the Head of Department was transferred to another Department and two of the four Senior General Manager posts remained vacant for the entire year. The promotion of the former Senior General Manager: Financial Governance to Head of Department also created a vacuum in the Provincial Accountant General's office, while the early retirement of the Senior General Manager: Sustainable Resource Management left all Senior General Manager posts vacant at year end.

The Provincial Treasury also undertook a process of reviewing the organisational structure in order to align the structure to the recommended Provincial Treasury generic structure as developed by the National Treasury as part of the s100(1)(b) Intervention recovery plans and to ensure that the department is organised in a way that would enable it to achieve its mandate.

Progress on other Intervention Recovery Projects is tabled below:

In addition to the above a skills audit in the office of the Chief Financial Officers was identified as one of the initiatives that must be done in all provincial departments and the outcome of this process will be used to identify critical skill gaps to be addressed.

A tender to conduct the capacity and skills audit assessment was awarded in March 2013. The project will first be done in Provincial Treasury, Education and Health and will later be extended to other departments.

Another key recovery project was the need to replace the current FINEST accounting system used in the province with the National Treasury LOGIS system. The province has decided to start the rollout of the LOGIS system in three Departments, namely Provincial Treasury, Health and Education. The LOGIS system will be rolled out to all departments in a phased approach.

Further the province has also applied to National Treasury to implement a centralized supplier database system to manage all suppliers for all departments in the province.

One of the major reasons for the s100 (1) (b) intervention was the negative cash position of the province in November 2011. In order to strengthen the cash flow management controls in the province, Provincial Treasury issue cash allocation letters to each department indicating their cash allocation for each payment run date as well as the processes to be followed by departments to enable Provincial Treasury to release payment tapes. Schedule of payments runs dates were also sent to departments to enable them to inform service providers of the dates on which payments will be effected.

Currently, Provincial Treasury stringently monitors each department's cash flows and daily bank balances and also all payment-runs are now certified and approved by the Accounting Officer and Chief Financial Officer of each department before they are released from the BAS system by Provincial Treasury.

The objective is to enhance cash management and assist the province to maintain smaller cash balances in commercial bank accounts where lower interest is earned and to optimize interest returns in the CPD (Provincial account in South African Reserve Bank) account. There has been a significant turnaround in the cash position of the province during the year under review, and the province has ended the year with a positive cash balance.

The province has also reduced the accumulated unauthorized expenditure during 2012/13 and the outstanding unauthorized expenditure will be financed in 2013/14 and over the MTEF.

### **3.4. Key policy developments and legislative changes**

No major changes to relevant policies or legislation were there during the period under review or future financial periods.

## **4. STRATEGIC OUTCOME ORIENTED GOALS**

Provincial Treasury's progress on the set strategic outcomes oriented goals is as follows:

### **i. Effective and efficient administrative support in the Department**

Administrative support was provided to the Department in the following areas:

- Human Resource Planning and implementation
- Communication support
- Support in the mitigation of Risks
- Support on housekeeping matters
- Support in the implementation of MISS
- Support in the management of performance information

### **ii. Responsive, accountable, effective and efficient provincial and local government system**

Support was provided to provincial departments, public entities and municipalities in

- Budget and expenditure management
- Supply chain management and assets management
- Training on financial systems
- Training on preparation of annual financial statements

## **5. PERFORMANCE INFORMATION BY PROGRAMME**

### **5.1. Programme 1: Administration**

#### **Purpose:**

The purpose of the programme is to provide effective and efficient Strategic management, administrative support and sound financial management to Provincial Treasury.

The programme has the following sub-programmes namely:

- MEC Support Services (Office of the MEC)
- Management Services (Office of the HOD)
- Corporate Services
- Financial Management (Office of the CFO)

#### **Strategic Objectives:**

Programme 1 strategic objective statements as aligned to the Strategic Outcomes Oriented Goals are as follows:

- Provide strategic administrative support to 4 departmental programmes through the implementation of the HR Plan and a coordinated information management strategy during 2010/11 to 2014/15.
- Achieve clean audit in the Department by 2013/ 2014.

**Strategic objectives, performance indicators, planned targets and actual achievements**

**Strategic objectives**

<b>PROGRAMME 1: ADMINISTRATION</b>						
<b>No.</b>	<b>Strategic objectives</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
1	To provide strategic internal administrative support to four programmes in line with relevant prescripts during 2010/11 to 2014/15.	100% compliance with legislative reporting requirements	100% compliance with legislative reporting requirements	100% compliance with legislative reporting requirements	0	N/A
		100% compliance with institutional arrangements and implementation of EXCOM resolutions	100% compliance with institutional arrangements	33% compliance with the institutional arrangements	66%	Institutional arrangements were not operational due to the Administration focusing on Recovery Projects
		HR Plan implemented	Implementation of HR plan to ensure recruitment and retention of skilled personnel in order to achieve organisational performance	Implemented seven (7) HR Strategies in the HR plan to ensure recruitment and retention of skilled personnel in order to achieve organisational performance	0	N/A

<b>PROGRAMME 1: ADMINISTRATION</b>						
<b>No.</b>	<b>Strategic objectives</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
		1 out of the Top 10 Departmental Risks were mitigated in line with the risk management plan to provide reasonable assurance on the achievement of set objectives	Top 10 Departmental Risks mitigated in line with the risk management plan to provide reasonable assurance on the achievement of set objectives	4 of the Top 10 Departmental Risks were mitigated in line with the risk management plan to provide reasonable assurance on the achievement of set objectives	6	Process of the department being put under administration  Low skills level of some ERM employees  Ineffective monitoring processes Low level of risk maturity within the department
		100% Compliance with Communication Strategy and Records Management System for improved information	100% Compliance with Communication Strategy and Records Management System for improved information	100% Compliance with Communication Strategy and Records Management System for improved information	0	N/A

<b>PROGRAMME 1: ADMINISTRATION</b>						
<b>No.</b>	<b>Strategic objectives</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
		management	management	management		
		100% of prioritised Strategic Information Systems Plan (SISP) projects implemented to achieve departmental objectives through optimal use of information technology	100% of prioritised Strategic Information Systems Plan (SISP) projects implemented to achieve departmental objectives through optimal use of information technology	100% of prioritised Strategic Information Systems Plan (SISP) projects implemented to achieve departmental objectives through optimal use of information technology	0	N/A

<b>PROGRAMME 1: ADMINISTRATION</b>						
<b>No.</b>	<b>Strategic objectives</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
		100% compliance to GIAMA plan to ensure a safe and healthy built and office environment	100% compliance to GIAMA plan to ensure a safe and healthy built and office environment	100% of GIAMA plan was complied with to ensure a safe and healthy built and office environment	0	N/A
		50% (2 programmes) compliance with MISS Policy & Security Strategy for improved information and physical security; and prevention of fraud and corruption.	75% (3 programmes) compliance with MISS Policy & Security Strategy for improved information and physical security; and prevention of fraud and corruption.	No compliance assessment was conducted	Deviation cannot be determined because the assessment was not conducted.	Lack of capacity to conduct the assessment

<b>PROGRAMME 1: ADMINISTRATION</b>						
<b>No.</b>	<b>Strategic objectives</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
<b>2</b>	Improve financial management in the department from financial capability level 3 to level 3+ by 2014/15	Level 3 financial management capability attained.	Level 3 financial management capability attained.	Level 2 financial management capability attained.	1 level	Partial submission of evidence to support level 3
		89% of expenditure in line with allocated budget was achieved	98 - 100% of expenditure in line with allocated budget	80 %of expenditure in line with allocated budget was achieved	18 – 20 %	Delays in the filing of post and implementation austerity measure, as well delays in implementation of recovery projects.
		Performance of 4 Programmes monitored in line with Performance information frameworks and 74% of planned	Performance of 4 Programmes monitored in line with Performance information frameworks to ensure that 90% of	Performance of 4 Programmes monitored in line with Performance information frameworks and 70% of planned	0	N/A

PROGRAMME 1: ADMINISTRATION						
No.	Strategic objectives	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
		targets were achieved	planned targets are achieved	targets were achieved		

**Performance indicators**

PROGRAMME 1: ADMINISTRATION						
No.	Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
1	Number of reports submitted to Provincial Legislature in line with legislative requirements	5	9	9	0	N/A
2	Number of documents tabled in the Provincial Legislature	6	5	5	0	N/A
3	Number of programmes monitored for compliance	4	4	4 (only in the first quarter)	0	Institutional arrangements were not

<b>PROGRAMME 1: ADMINISTRATION</b>						
<b>No.</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
	to institutional arrangements					operational due to the Administration focusing on Recovery Projects.
<b>4</b>	Number of HR Strategies / Plans implemented in line with the approved HR Plan	7 strategies implemented for all the 3 quarters except for fourth quarter where two strategies were not implemented	7	7	0	N/A
<b>5</b>	Number of programmes supported and monitored in the implementation of Enterprise Risk Management plan to provide reasonable assurance on the achievement of set	4	4	4	0	N/A

<b>PROGRAMME 1: ADMINISTRATION</b>						
<b>No.</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
	objectives.					
<b>6</b>	Number of Policy Dialogue Forums	-	4	0	4	Policy Dialogue Forums were put on hold due to austerity measures
<b>7</b>	Number of Information Management Strategies implemented and monitored for improved information management in the department	2	2	2	0	N/A
<b>8</b>	Number of buildings provided with auxiliary services in line with the GIAMA Plan	9	9	9	0	N/A
<b>9</b>	Number of implementation reports on prioritised SISP projects in line with Operational Plan	50%	4	4	0	N/A

<b>PROGRAMME 1: ADMINISTRATION</b>						
<b>No.</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
<b>10</b>	Number of Security Policies and Investigation Strategies implemented and monitored for improved information and physical security; and prevention of fraud and corruption	1	2	2	MISS policy was partially monitored	Assessment of compliance to MISS by programmes was not conducted
<b>11</b>	Number of IYM reports compiled in line with National Treasury prescripts to monitor expenditure	12	12	12	0	N/A
<b>12</b>	Number of successful closure of books in line with National Treasury prescripts	100% (12)	12	12	0	N/A
<b>13</b>	Number of departmental plans and performance reports developed in line with National Treasury Frameworks	-	8	8	0	N/A

<b>PROGRAMME 1: ADMINISTRATION</b>						
<b>No.</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
14	Number of surveys conducted to evaluate support provided by LPT to departments, municipalities and public entities	-	4	1	3	Delays in survey responses from departments on the 1 <sup>st</sup> survey conducted.
15	Number of strategic sourcing, maintenance and disposal plans implemented in line with applicable SCM prescripts	-	5	5	0	N/A

**Strategy to overcome areas of under performance**

<b>Area of under performance</b>	<b>Strategies to address under performance</b>
1. Monitoring compliance to institutional arrangements	Capacity will be increased in the HOD's office and issue a circular guiding branches on the process.

2. Policy Dialogue Forums	The Policy Dialogue Forum will be revived in the new financial year
3. Conducting the survey to evaluate support provided by LPT to departments, municipalities and public entities	Survey report to be compiled based on received responses. Follow up interviews will be conducted in the next financial year based on responses received

**Changes to planned targets**

There were no in-year changes to indicators or targets in Programme 1.

**Sub-programme expenditure**

Sub- Programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	2,086	1,847	239	3,003	2,350	653
Management Services	2,383	2,177	206	3,488	2,815	673
Corporate Services	84,259	84,395	(136)	86,257	75,921	10,336
Financial Management (Office of the CFO)	30,927	31,109	(182)	34,959	29,603	5,356
<b>Total</b>	<b>119,655</b>	<b>119,528</b>	<b>127</b>	<b>127,707</b>	<b>110,689</b>	<b>17,018</b>

**5.2. Programme 2: Sustainable Resource Management**

**Purpose:**

The programme purpose is to provide support and monitor socio economic policy, financial management to departments and municipalities as well as corporate governance and improving service delivery through PPPs and infrastructure management programme in the province.

The programme has the following sub-programmes:

- Economic Analysis
- Fiscal Policy
- Budget Management
- Public Finance
- Intergovernmental Fiscal Relations (Municipal Finance

**Strategic Objectives:**

Programme 2 strategic objective statement as aligned to the Strategic Outcomes Oriented Goals is as follows:

- Provincial and Local Government institutions to obtain unqualified audit opinions in the
- management of government fiscal resources in line with PFMA & MFMA by 2014.

**Strategic objectives, performance indicators, planned targets and actual achievements**

**Strategic objectives**

<b>PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT</b>						
<b>No.</b>	<b>Strategic objectives</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
1	To achieve clean audit in 13 Provincial Departments and 30 Municipalities by 2014	7 Research / Budget documents produced to align the Fiscal Policy	7 Research / Budget documents produced to align the Fiscal Policy	7 Research / Budget documents produced to align the Fiscal Policy	0	N/A
		100% (R583,5m) collection of revenue target achieved	Develop and monitor implementation of revenue enhancement strategy	Developed and monitored implementation of revenue enhancement strategy	0	N/A
		2 budget document compiled, tabled and gazetted in line with the set standards and national treasury guidelines	2 budget document compiled, tabled and gazetted in line with the set standards and national treasury	2 budget document compiled, tabled and gazetted in line with the set standards and national treasury	0	N/A

<b>PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT</b>						
<b>No.</b>	<b>Strategic objectives</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
		13 departments monitored and supported in the implementation of planning and performance information	-	-	-	-
		13 provincial in year monitoring reports produced in line with section 32 of PFMA to ensure that 13 departments spend within 100% of their allocated budgets	12 provincial in year monitoring reports produced in line with section 32 of PFMA.	12 provincial in year monitoring reports were produced in line with section 32 of PFMA.	0	N/A
		11 departments monitored and supported in the	Provincial Infrastructure expenditure	Provincial Infrastructure expenditure were	0	N/A

<b>PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT</b>						
<b>No.</b>	<b>Strategic objectives</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
		implementation of IDIP to ensure that departments spend within 98 - 100% of their allocated infrastructure budgets	monitored	monitored in 8 infrastructure departments		
		100% of PPP projects for departments, municipalities and entities monitored and supported in line with Treasury Regulation 16	100% of PPP projects for departments, municipalities and entities monitored and supported in line with Treasury Regulation 16	100% of PPP projects for departments, municipalities and entities monitored and supported in line with Treasury Regulation 16	0	N/A
		7 municipalities receive unqualified audit opinion	15 municipalities receive unqualified audit opinion	2 Municipalities received unqualified audit	13	Lack of capacity in Budget and Treasury offices of municipalities

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT						
No.	Strategic objectives	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
				opinion		due to inability to attract skilled personnel.

**Performance indicators**

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT						
No.	Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
1	Number of Research documents produced to align the Provincial Fiscal Policy	7	7	7	0	N/A
2	Number of Revenue and debt management reports to ensure collection of budgeted revenue and recovery of outstanding debts	4	12	12	0	N/A

<b>PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT</b>						
<b>No.</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
3	Number of budget documents compiled, tabled and gazetted in line with the set standards and National Treasury guidelines  (Main Appropriation Bill and Adjustment Budget)	2	2	2	0	N/A
4	Number of departments and public entities monitored and supported in the implementation of planning and performance information frameworks to ensure achievement of set targets	13	21	16	5	Capacity challenges in the unit
5	Number of provincial in year monitoring reports	13	12	12	0	N/A

<b>PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT</b>						
<b>No.</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
	produced in line section 32 of PFMA to ensure that 13 departments spend within 98 - 100% of their allocated budgets					
<b>6</b>	Number of infrastructure departments monitored and supported in the implementation of IDIP.	7	3	3	0	N/A
<b>7</b>	Number of departments monitored on Infrastructure expenditure to improve infrastructure service delivery	-	8	8	0	N/A
<b>8</b>	Number of departmental infrastructure plans assessed to ensure alignment to LEGDP and	-	8	8	0	N/A

<b>PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT</b>						
<b>No.</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
	Provincial Integrated Infrastructure Master Plan					
<b>9</b>	Number of existing PPP projects for departments and municipalities monitored and supported in line with Treasury Regulation 16	-	12	12	0	N/A
<b>10</b>	Number of Municipalities monitored and supported on budget process and documentation, financial management and governance matters	30	30	30	0	N/A

**Strategy to overcome areas of under performance**

Area of under performance	Strategies to address under performance
1 Monitoring and support to departments and public entities and planning and performance information frameworks	The organisational structure has been reviewed to ensure dedicated capacity in this area. A Senior Manager: Performance Monitoring has been appointed as a dedicated resource.

**Changes to planned targets**

There were no in-year changes to indicators or targets in Programme 2.

**Sub-programme expenditure**

	2012/2013			2011/2012		
Sub- Programme Name	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	1,464	1,099	365	1,120	1,075	45
Economic Analysis	1,969	1,709	260	3,882	1,730	2,152
Fiscal Policy	12,815	10,926	1,889	10,974	10,562	412
Budget Management	4,410	3,868	542	3,976	3,766	210
Public Finance	6,136	4,898	1,238	4,984	4,671	313
Intergovernmental	15,883	12,557	3,326	12,609	12,566	43

<b>Relations</b>						
<b>Total</b>	<b>42677</b>	<b>35,057</b>	<b>7,620</b>	<b>37,545</b>	<b>34,370</b>	<b>3,175</b>

### **5.3. Programme 3: Assets, Liabilities and Supply Chain Management**

#### **Purpose:**

This programme's purpose is to provide policy direction, facilitating the effective and efficient management of Assets, Liabilities, Financial Systems and Supply Chain Management.

The programme consists of the following sub-programmes:

- Programme Support
- Asset and Liabilities Management
- Provincial Supply Chain Management
- Support & Interlinked Financial Systems

#### **Strategic Objectives:**

Programme 3 strategic objective statement as aligned to the Strategic Outcomes Oriented Goals is as follows:

- All provincial departments and public entities to obtain unqualified audit opinions on Assets, Cash-flow and Supply Chain Management in line with the PFMA and relevant SCM and Asset Management prescripts 2014.

**Strategic objectives, performance indicators planned targets and actual achievements**

**Strategic objectives**

<b>Programme 3 : Assets, Liabilities and Supply Chain Management</b>						
<b>No.</b>	<b>Strategic objectives</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
<b>1</b>	To achieve clean audit in 13 Provincial Departments and 8 Public Entities by 2014	Asset Management Policy Implementation monitored in 13 departments to decrease the number of departments qualified on assets from 4 to 3	Asset Management Policy Implementation monitored in 13 departments and 5 Public Entities to improve on the management of assets	Asset Management Policy Implementation monitored in 13 departments and 5 Public Entities to improve on the management of assets	0	N/A
		14 provincial cash forecasting and implementation reports to ensure that departments spend within available funds.	14 provincial cash forecasting and implementation reports produced to ensure that departments spend within available funds.	14 provincial cash forecasting and implementation reports produced to ensure that departments spend within available funds.	0	N/A
		13 reports on technical support given to 13 departments on banking issues to ensure that the provincial banker meets	13 reports produced on technical support given to 13 departments on banking services	13 reports produced on technical support given to 13 departments on banking services	0	N/A

Programme 3 : Assets, Liabilities and Supply Chain Management						
No.	Strategic objectives	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
		its SLA targets.				
		1 Set of Provincial Revenue Fund Annual Financial Statements and 12 reconciliation statements for PRF, Bank Charges, Interest and Own Revenue Accounts to ensure unqualified audit opinion on PRF.	1 Set of Provincial Revenue Fund Annual Financial Statements and 12 reconciliation statements for PRF, Bank Charges, Interest and Own Revenue Accounts to ensure unqualified audit opinion on PRF.	12 reconciliation statements for PRF, Bank Charges, Interest and Own Revenue Accounts to ensure unqualified audit opinion on PRF.	1	1 Set of Provincial Revenue Fund Annual Financial Statements not prepared due to reconstruction of opening balances from 2003/04
		100% compliance to SCM guidelines and prescripts to ensure transparent, equitable, fair, competitive and cost-effective procurement system in the province	100% compliance to SCM prescripts achieved to ensure transparent, equitable, fair, competitive and cost-effective procurement system in the province	44% compliance to SCM prescripts achieved	56%	Inadequate capacity in SCM units, Mobility of SCM practitioners, structural challenges and lack of ethics

Programme 3 : Assets, Liabilities and Supply Chain Management						
No.	Strategic objectives	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
		Identification and management of transversal contracts to ensure a cost-effective procurement system in the province.	Identified and managed transversal contracts to ensure a cost-effective procurement system in the province.	Identified and managed transversal contracts to ensure a cost-effective procurement system in the province	0	N/A
		Empowerment of SMMEs and Cooperatives on government procurement processes.	Trained SMMEs on government procurement processes	2914 SMMEs trained on government procurement processes	1414	Increased interest and participation by local enterprises in the workshops
		Provided effective financial systems support in order to improve financial management	12 departments provided with financial systems support in order to improve financial and HR data	12 departments provided with financial systems support in order to improve financial and HR data	0	N/A

Programme 3 : Assets, Liabilities and Supply Chain Management						
No.	Strategic objectives	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
			management	management		

**Performance indicators**

Programme : 3 Assets, Liabilities and Supply Chain Management						
No.	Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
1	Number of Inventory Management Monitoring and Support Reports to improve the effectiveness, efficiency and economical Inventory Management	10	10	10	0	N/A
2	Number of Asset Management	10	10	10	0	N/A

<b>Programme : 3 Assets, Liabilities and Supply Chain Management</b>						
<b>No.</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
	Monitoring and Support Reports to improve effectiveness, efficiency and economical Asset Management					
<b>3</b>	Number of cash forecasting and implementation reports to ensure that departments spend within available funds.	14	14	14	0	N/A
<b>4</b>	Number of banking services reports on technical support provided to 13	10	13	13	0	N/A

<b>Programme : 3 Assets, Liabilities and Supply Chain Management</b>						
<b>No.</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
	departments.					
<b>5</b>	Number of Provincial Revenue Fund (PRF) Annual Financial Statements and reconciliation statements for PRF, Bank Charges, Interest and Own Revenue Account to ensure unqualified audit opinion on PRF.	12	13	12	1	Reconstruction of opening balances from 2003 /04
<b>6</b>	Number of SCM prescripts developed and enforced to ensure transparent, equitable, fair, competitive and cost-effective procurement system in the province.	10	4	5	1	It was necessary to develop another prescript on the quotation check list to assist provincial departments and public entities to have an effective

<b>Programme : 3 Assets, Liabilities and Supply Chain Management</b>						
<b>No.</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
						quotation management system
<b>7</b>	Number of Provincial Departments and Public Entities assessed on SCM compliance	18 (12 Provincial Departments and 6 Public Entities)	20	20	0	N/A
<b>8</b>	Number of Provincial Departments and Public Entities monitored on SCM compliance	18 (12 Provincial Departments and 6 Public Entities)	20	20	0	N/A
<b>9</b>	Number of departments trained on SCM Bid Committee Systems.	N/A	12	12	0	N/A
<b>10</b>	Number of SCM Forums held to support departments and public entities	8	10	10	0	N/A
<b>11</b>	Number of existing bids evaluated in line with	1	4	2	2	Review of the bid evaluation process

<b>Programme : 3 Assets, Liabilities and Supply Chain Management</b>						
<b>No.</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
	prescripts to ensure transparent, equitable, fair, competitive and cost-effective procurement system in the province.					by the Administrator which resulted in delays in the appointment of Bid Evaluation Committee members
<b>12</b>	Number of reports on compliance to transversal contracts by departments & suppliers issued	-	4	4	0	N/A
<b>13</b>	Number of SMMEs skilled on bidding with government.	2126 SMMEs	1500	2914	1414	Increased interest and participation by local enterprises in the workshops
<b>14</b>	Number of SMMEs assessed on their capacity to deliver on government procurement	85 SMMEs	60	112	52	Increased interest in the service rendered and its derived benefits among the clientele

<b>Programme : 3 Assets, Liabilities and Supply Chain Management</b>						
<b>No.</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
15	Number of reports on financial systems utilization produced and analyzed.	12	12	12	0	N/A
16	% implementation of IFMS asset module in departments	70% IFMS implemented at the Department of Health	100%	0	100%	The IFMS: Asset Register module is no longer available to be rolled out as a standalone module as per the National Treasury (NT) directive. The module will be rolled out once the Procurement Management Module (PMM) is ready to be implemented.

**Strategy to overcome areas of under performance**

Area of under performance	Strategies to address under performance
1. Annual Financial Statements for the Provincial Revenue Fund (PRF)	To reconcile monthly cash receipts from National and provincial sources to the Provincial Revenue bank statement and compile monthly management report.
2. Evaluation of existing bids	Improve the governance structures within the Provincial Treasury.
3. Implementation of the IFMS Asset Module	Wait for the integration of the IFMS procurement into the Asset module and introduce LOGIS in the provincial government which is integrated into BAS

**Changes to planned targets**

There were no in-year changes to indicators or targets in Programme 3.

**Sub-programme expenditure**

Sub-Programme Name	2012/2013			2011/2012		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
<b>Programme Support</b>	62,561	13,655	48,906			
<b>Asset Management</b>	10,632	8,931	1,701	8,965	8,662	303
<b>Liabilities</b>	10,179	8,267	1,912	10,044	8,231	1,813

<b>Management</b>							
<b>Supply Chain Management</b>	21,783	20,744	1,039	20,462	19,125	1,337	
<b>Support and interlinked Systems</b>	23,894	23,152	742	27,073	23,524	3,549	
<b>Total</b>	<b>129,049</b>	<b>74,749</b>	<b>54,300</b>	<b>66,544</b>	<b>59,542</b>	<b>7,002</b>	

#### **5.4. Programme 4: Financial Governance**

##### **Purpose:**

- To ensure sound financial management and financial accountability in the province through capacity building, financial reporting, financial management policies development and support of oversight structures/bodies.
- To ensure that all Departments and public entities have implemented an effective risk management and internal control processes.
- To provide internal audit services to all Limpopo provincial departments in compliance with the
- approved internal audit plan

##### **Strategic Objectives:**

Programme 4 strategic objective statement as aligned to the Strategic Outcomes Oriented Goals is as follows:

- Provincial and Local Government institutions to obtain unqualified audit opinions in the management of government fiscal resources in line with PFMA & MFMA by 2014.

**Strategic objectives, performance indicators planned targets and actual achievements**

**Strategic objectives**

<b>Programme 4 : Financial Governance</b>						
<b>No.</b>	<b>Strategic objectives</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
<b>1</b>	To achieve clean audits in 13 Provincial departments and 5 Public Entities by 2014	Provided financial management and transversal systems training to nominated officials in 13 votes and 8 public entities	Provided financial management and transversal systems training to nominated officials in 13 votes and 5 public entities to improve financial management skills in the province	101 transversal systems and 8 financial management training courses offered to nominated officials in 13 votes and five public entities	0	N/A
		75 officials trained on financial management				
		Supported 13 votes	Supported 12 votes on	Supported 12 votes	1 level	Inconsistent

Programme 4 : Financial Governance						
No.	Strategic objectives	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
		supported for them to improve their audit outcomes	financial management for improved financial management capability level of 3+	on financial management and the financial management capability level of 2 was achieved		implementation of controls and non-submission of information to support achieved levels
		Supported 13 votes and 8 public entities on financial reporting frame work.	Supported 13 votes and 8 public entities on financial reporting framework to improve financial reporting.	Supported 13 votes and 5 public entities on financial reporting framework to improve financial reporting.	3	These three Entities (i.e. TIL; LIBSA & LADC will now be covered under LIMDEV due to amalgamation).
		Prepared Consolidated Annual financial statements for votes and public entities.	Consolidated Annual Financial Statements for votes and public entities prepared in line with PFMA	Consolidated Annual Financial Statements for votes and public entities not prepared in line with PFMA	7	Consolidated AFS for votes could not be prepared due to outstanding PRF AFS and Consolidated AFS

Programme 4 : Financial Governance						
No.	Strategic objectives	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
						for Public Entities could not be prepared as the department was waiting for audited AFS for Limpopo Tourism
		Prepared credible annual financial statements.	Annual Financial Statements for Tribal Levies and Trust Accounts prepared	Annual Financial Statements for Tribal Levies and Trust Accounts not prepared	9	Provincial Legislature approved opening balances on 11 October 2012 and is in a process of being gazetted and thereafter AFS to be submitted
		Review risk management implementation in line with the prescripts for all	Risk Management framework implementation guidance	Risk Management framework implementation	3 public entities	There was an error on the APP; the target should have

Programme 4 : Financial Governance						
No.	Strategic objectives	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
		budget votes and public entities to minimise government risks to assure delivering set objectives.	and monitoring provided to all 13 budget votes and 8 public entities to minimise government risks to assure delivering set objectives.	guidance and monitoring provided to all 12 budget votes and 5 public entities to minimise government risks to assure delivering set objectives.		been set as 12 votes since we do not monitor nor assess Legislature.  These three Entities (i.e. TIL; LIBSA & LADC will now be covered under LIMDEV due to amalgamation)
		Provide assistance and assurance on internal controls towards a clean audit for departments and public entities.	Reviewed and improved adequacy of 4 high risk financial process internal control procedures towards a clean audit for departments and public entities.	Reviewed and improved adequacy of 4 high risk financial process internal control procedures (SCM, Revenue Management, Payroll Management and Asset	0	N/A

Programme 4 : Financial Governance						
No.	Strategic objectives	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
				Management) towards a clean audit for departments and public entities.		
		Compliance with 2011/12 approved risk based internal audit plan achieved for 12 votes to achieve improved internal controls in departments	Compliance with 2012/13 approved risk based internal audit plan achieved for 12 votes to achieve a clean audit in departments	Compliance with 2012/13 approved risk based internal audit plan achieved for 12 votes to achieve a clean audit in departments	0	N/A

**Programme 4 : Financial Governance**

No.	Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
1	Number of courses conducted on transversal systems in line with National Treasury standards	99 (transversal systems)	96	101	5	More nominations than expected were received
	and financial management courses in line with SAQA	9 (financial Management)	8	8	0	N/A
2	Number of Skills Audit conducted in respect of all finance staff within offices of Chief Financial Officers in Provincial Departments and Public Entities	N/A	1	0	1	The Skills Audit was dependent on the Assessment Tool from National Treasury which was later found to be inadequate for this process

<b>Programme 4 : Financial Governance</b>						
<b>No.</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
<b>3</b>	Number of long-term financial management programme rolled-out to Provincial Departments and Public Entities	N/A	1	0	1	A Directive from National Treasury to deviate from the normal process of appointing service provider for AAT (SA) long term programme was received only towards end of February 2013
<b>4</b>	Number of votes monitored in resolving AG audit findings to improve audit outcomes	13	13	13	0	N/A

<b>Programme 4 : Financial Governance</b>						
<b>No.</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
<b>5</b>	Number of audit committee meetings supported	23	23	16	7	7 Audit Committee meetings not supported in the fourth quarter due to delays in appointment of Audit Committee members
<b>6</b>	Number of votes supported with regards to SCoPA matters	13	13	13	0	N/A
<b>7</b>	Number of votes assessed for compliance with transversal financial	13	12	12	0	N/A

<b>Programme 4 : Financial Governance</b>						
<b>No.</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
	policies					
<b>8</b>	Number of votes and public entities supported in preparing annual financial statements in line with the PFMA.	13 (votes)	13	13	0	N/A
		8 (public entities)	8	8	0	N/A
<b>9</b>	Number of consolidated Annual financial statements for votes and for public entities prepared and submitted to the Auditor General	No progress (Votes)	4	0	4	Consolidated AFS for votes could not be prepared due to outstanding PRF AFS
		No progress (Public Entities)	3	0	3	Awaiting Audited AFS for Limpopo Tourism
<b>10</b>	Number of Annual Financial Statement prepared for Tribal Levies and Trust	Preliminary consolidated AFS prepared, but not	9	0	9	Provincial Legislature approved opening balances on 11 October 2012 and is

<b>Programme 4 : Financial Governance</b>						
<b>No.</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
	Accounts.	finalised				in a process of being gazetted and thereafter AFS to be submitted
<b>11</b>	Number of votes and Public Entities assessed on Risk Management Performance	13 votes	21	17	4	<p>There was an error on the APP; the target should have been set as 12 votes since we do not monitor nor assess Legislature.</p> <p>These three Entities (i.e. TIL; LIBSA &amp; LADC will now be covered under LIMDEV due to amalgamation)</p>

<b>Programme 4 : Financial Governance</b>						
<b>No.</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
12	Number of Provincial Risk Profiles monitored	1	1	1	0	N/A
13	Number of votes and public entities assessed in implementing reviewed and improved high risk financial process Internal Control procedures	13 votes assessed in the implementation of Internal Controls in all quarters except 4 <sup>th</sup> quarter.	21	14 (10 Votes and 4 Public Entities)	7	2 votes and 1 public entity not assessed due to delay in development of Public Entities assessment tool, merging the two Process mappings and testing of the tool took too much time than expected. Two votes were not assessed due to the delays in first quarter on development of the assessment tools.

Programme 4 : Financial Governance						
No.	Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
						There was an error on the APP; the target should have been set as 12 votes since we do not monitor nor assess Legislature. These three Entities (i.e. TIL; LIBSA & LADC will now be covered under LIMDEV due to amalgamation) .
14	Number of votes monitored in the implementation of internal audits findings and recommendations to achieve improved internal controls in	13	12	12	0	N/A

<b>Programme 4 : Financial Governance</b>						
<b>No.</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target to Actual Achievement for 2012/2013</b>	<b>Comment on deviations</b>
	departments					
<b>15</b>	Number of votes audited by the Provincial Internal Audit in compliance with the approved 2012/13 risk based audit plan to achieve improved internal controls in departments	12	12	12	0	N/A

**Strategy to overcome areas of under performance**

Area of under performance	Strategies to address under performance
1. Conducting of Skills Audit in respect of all finance staff within offices of Chief Financial Officers in Provincial Departments and Public Entities	The skills audit will be conducted from the 1st quarter of the next financial year.
2. Roll out of the long-term financial management programme to Provincial Departments and Public Entities	Will be rolled out in the 1 <sup>st</sup> quarter of the next financial year
3. Assessment for compliance to transversal financial policies	Secondment of officials to areas where they can perform.

**Changes to planned targets**

There were no in-year changes to indicators or targets in Programme 4.

**Sub-programme expenditure**

Sub- Programme Name	2012/2013			2011/2012		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Programme Support	1,608	1,066	542	1,472	1,430	42
Accounting Services	53,188	44,438	8,750	50,245	45,831	4,414
Risk management	8667	6964	1,703	7,605	6,275	1,330

<b>Total</b>	<b>63,463</b>	<b>52,468</b>	<b>10,995</b>	<b>59,322</b>	<b>53,536</b>	<b>5,786</b>
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## 6. SUMMARY OF FINANCIAL INFORMATION

### 6.1. Departmental receipts

Departmental receipts	2012/2013			2011/2012		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	940	697	243	756	601	155
Interest, dividends and rent on land		123,384	(123,384)	24,294	28,479	(4,185)
Financial transactions in assets and liabilities	491	293	198	481	691	(210)
<b>Total</b>	<b>1,431</b>	<b>124,360</b>	<b>(122,943)</b>	<b>25,531</b>	<b>29,771</b>	<b>4,240</b>

The department over collected revenue by R122 million, due to the increased interest received during the year.

## 6.2. Programme Expenditure

Programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	119,655	119,529	126	127,707	110,689	17,018
Sustainable Resource Management	42,677	35,057	7,620	37,545	34,370	3,175
Assets, Liabilities and SCM	129,049	74,749	54,300	66,544	59,542	7,002
Financial Governance	63,463	52,468	10,995	59,322	53,536	57,86
<b>Total</b>	<b>354,844</b>	<b>281,803</b>	<b>73,041</b>	<b>291,118</b>	<b>258,137</b>	<b>32,981</b>

**6.3. Transfer payments, excluding public entities**

Programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	5,127	2,336	2,791	7,910	7,480	430
Sustainable Resource Management	400	436	(36)	400	792	(392)
Assets, Liabilities and SCM	330	1320	(990)	250	243	7
Financial Governance	-	23	(23)	420	416	4
<b>Total</b>	<b>5,857</b>	<b>4,115</b>	<b>1,742</b>	<b>8,980</b>	<b>8,931</b>	<b>49</b>

**6.4. Public Entities**

The department does not have public entities

**6.5. Conditional grants and earmarked funds paid**

The department does not have conditional grants

**6.6. Conditional grants and earmarked funds received**

The department does not have conditional grants

**6.7. Donor Funds**

The department did not receive donor funding for the financial year

**6.8. Capital investment, maintenance and asset management plan**

The department does not have infrastructure projects.

# PART C: GOVERNANCE

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## 1. INTRODUCTION

Commitment by the department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the department has good governance structures in place to effectively, efficiently and economically utilize the state resources, which is funded by the tax payer.

## 2. RISK MANAGEMENT

Provide a brief description of the following:

- Nature of risk management
  - The department conducted a risk identification and assessment during strategic planning which focussed on the strategic plan of the department.
- Risk management strategies to identify risks and manage the risks
  - The departments' strategies to identify and mitigate risk are based on departmental policies which are in line with Public Sector Risk Management Framework.
- Progress made in addressing risks identified
  - A number of risks have been mitigated successfully. Noteworthy was that the lack of accountability on tribal levies and trust accounts due to non-existence of historical financial records has been successfully mitigated. The department facilitated the legislative process to approve the historical opening balances and prescripts how to split the funds are being implemented

## 3. FRAUD AND CORRUPTION

### **ANNUAL REPORT ON IMPLEMENTATION OF FRAUD PREVENTION PLAN: LIMPOPO TREASURY.**

The Department has an approved fraud prevention plan in place which applies to all employees, stakeholders, contractors, vendors / suppliers and anybody doing business with Limpopo Treasury. It is the first time that the Security and Investigation Services unit conducted a fraud risk assessment through which fraud risks were identified and registered in the departmental fraud register and the risks owners were informed of the identified risks. Since the implementation of the plan cases of fraud have been minimal.

The Security and Investigation Services unit conduct quarterly fraud and corruption awareness workshops, in the Department. Staff members were trained on how to report

fraud and corrupt activities in their work environment and how they will be protected in terms of The Protected Disclosure Act 26 of 2000 or Whistle Blowing Policy. During the workshops staff members were advised on how and to whom they must report fraud and corruption and the availability of the National Anti-Corruption Hotline of Public Service Commission on 0800 701 701.

The role of the Security and Investigation Services unit is to oversee the Department's approach to fraud prevention, fraud detection strategies and response to fraud and corruption incidents reported internally by employees or other external parties through the National Anti-Corruption Hotline (NACH).

The Security and Investigation Services unit also meet in the Security Risk Management Committee on a quarterly basis to discuss the following issues:

- Progress made in implementing fraud prevention plan,
- Reports received by the Department regarding fraud incidents with the view to making any recommendations to the Head of Department and register the incident in the departmental fraud register,
- Progress made with all investigations initiated, and
- All allegations received from the National Anti-Corruption Hotline.

Limpopo Provincial Treasury is committed towards the highest possible standards of openness, probity and accountability. In line with this commitment the department expects and encourages employees and public members to come forward and voice their concerns about any impropriety related to the department's work environment. In turn, these officials will be protected against any occupational detriment. The Protected Disclosure Act 26 of 2000 or Whistle Blowing is intended to encourage and enable employees to raise their concerns within the department rather than overlooking a problem or blowing the whistle to external bodies. Should a Line Manager receive an allegation of fraud or corruption, he or she will ensure that the Accounting Officer or the Head of Security and Investigation Services are advised at the earliest opportunity.

#### **4. MINIMISING CONFLICT OF INTEREST**

All Senior Managers are compelled in terms of the Public Service Act to annually disclose all their financial interests. All employees are also encouraged to disclose any possible conflict of interest that may exist. They are also advised not to conduct remunerative work outside the public service without first obtaining permission to do so from the MEC. The Risk Management and internal audit units also conducted a

comparison of the employees identity numbers to the identity numbers on the Companies and Intellectual Property Commission (CIPC) database to identify any possible conflicts that may exist. All supply chain officials also declare that they have no conflict of interest and bid committee members declare that they have no conflict of interest prior to any bid being evaluated or adjudicated.

Where any conflict of interest is identified, the case is handed to the department's security and investigation unit for further investigations and if a conflict is confirmed the matter is processed through the departments disciplinary processes.

## **5. CODE OF CONDUCT**

All employees employed by Provincial Treasury are inducted and part of the induction is the advocacy of the Public Service Code of Conduct and each employee's responsibility to adhere to the code. The Provincial Treasury at all times strives to adhere to the Public Service Code of Conduct.

## **6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES**

The following occupational health and safety issues were identified at the three main buildings of the Department and four SCM Advice Centres offices in the districts:

<b>Health, safety &amp; Environmental issue</b>	<b>Number of buildings affected</b>	<b>Action taken</b>	<b>Effect on the Department</b>
Building conditions: Building cracks and roof leaks	Building cracks One building (Ismini Towers) –	Matter referred to Department of Public Works for attention	Growing cracks may, in the long run render the building unsafe, thus exposing the occupants to safety risks
	Roof leaks: Two buildings (Finance House and Sekhukhune SCM Advice Centre)	Roof leaks were repaired at Finance House	Safety of employee is ensured and risks of damage to property is minimized

Health, safety & Environmental issue	Number of buildings affected	Action taken	Effect on the Department
Shortage of cleaners at SCM Advice Centre	Four SCM Advice Centres	Contract cleaners were appointed at the four SCM Advice Centres from 1/3/2012-28/2/2013	Improved cleanliness and conducive working environment
Miscellaneous goods in corridor, passages, emergency escape routes, on floor of open floor offices and in fire extinguishers cabinets	Three buildings (Ismini Towers, Internal Audit and Finance house)	Most miscellaneous (old chairs, tables, computers, etc.) goods were removed and auctioned	Improved housekeeping thus minimizing safety and fire risks
Sprinkler and fire alarm systems were faulty/out of order	Two buildings (Ismini Towers and Finance House)	Communicated matter to Public Works and the landlord.	Smoke, which is the first sign of a fire, will not be detected, and therefore a small fire may grow and become difficult to control and cause serious occupational injuries and damage to property
Air conditioners/central ventilation systems not regularly serviced	Two buildings (Ismini Towers and Internal Audit)	Once-off servicing of air conditioners were done	Air conditioners/central ventilation systems performance is affected negatively and as result, office occupants experience office thermal discomfort which also affects

Health, safety & Environmental issue	Number of buildings affected	Action taken	Effect on the Department
			employee
Depreciated and fused lamps	All three main buildings and Mopani SCM Advice Centre	Depreciated and fused lamps were replaced	Improved illumination/lighting levels in offices which also affect positively employee performance.
Not enough emergency exit signs, and in some places where they are available, they are not clearly visible to lead people to safety in case of an emergency	Two buildings (Ismini Towers and Finance House	Polokwane Municipality was requested to assist in identifying strategic positions where these signs should be posted.	People may not easily evacuate the building in an emergency and may get trapped and sustained serious occupational injuries

## 7. INTERNAL CONTROL UNIT

The internal control unit assessed the departments supply chain, payroll and asset management internal controls during the year under review.

# PART D: HUMAN RESOURCE MANAGEMENT

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## 1. LEGISLATURE THAT GOVERN HR MANAGEMENT

The information provided herein is governed by the section 92(3)(b) or 133(3)(b) of the Constitution, Chapter 1, Part III J.3 and J.4 of the Public Service Regulations as contemplated in section 40(1)(d)(i) and (3) and 65(1)(a) and (2) of the Public Finance Management Act and paragraph 18.3.1 of the Treasury Regulation.

## 2. INTRODUCTION

Limpopo Provincial Treasury had 503 posts on its establishment and a staff complement of 441 with a vacancy rate of 12.3% at the end of the financial year 2012/13. These posts are the post available after the PERSAL Clean-up Strategy was implemented in the province which resulted in the abolishment of 196 posts on the structure.

The department had the following key HR Priorities;-

- Align the current structure with the National Treasury and DPSA generic structures;
- Align HR needs with strategic business goals ;
- Development and implement Employment Equity Plan;
- Intensify HIV and Aids intervention strategies;
- Recruitment and Retention;
- Reduction of CoE;
- Improvement of Performance Management; and
- Continuous skills development.

The joint effort, between the s100(1)(b) Intervention Team, Department of Public Service and Administration (DPSA), Office of the Premier (OTP), National Treasury and Provincial Treasury, to align Provincial Treasury's structure to its mandates and the provincial treasury generic structure was 95% complete by the end of the year under review.

A total of 29 posts out of a target of 53 posts were filled during the year, this process was affected by the slow progress made in aligning the work of the Provincial Human Resource Task Team, the structure review and the reduction of Compensation of Employee costs by 2%. The SMS employment equity status at year end was 45% female and 55% male, against the national target of 50% and the employment of people with disabilities was at 2% against the national target of 2%.

The department has through the assistance of the s100(1)(b) Intervention Team, sourced the services of Price Waterhouse Coopers to build financial capacity through a project based learning programme within and across the other departments under s100(1)(b) Administration within the province.

### 3. HUMAN RESOURCE OVERSIGHT STATISTICS

#### 3.1. Personnel related expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- Amount spent on personnel
- Amount spent on salaries, overtime, homeowner's allowances and medical aid.

**Table 3.1.1 Personnel expenditure by programme**

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services Expenditure (R'000)	Personnel Expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
<b>Programme 1: Corporate Governance</b>	121 181	58 911	1 695	6 050	49%	313
<b>Programme 2: Sustainable Resource Management</b>	35 057	31 843	81	96	91%	461
<b>Programme 3: Assets, Liabilities and SCM</b>	74 748	43 218	201	12 789	58%	420
<b>Programme 4: Financial Governance</b>	52 468	44 840	800	3 555	85%	313
<b>TOTAL</b>	<b>283 455</b>	<b>178 812</b>	<b>2 777</b>	<b>22 490</b>	<b>63%</b>	<b>405</b>

**Table 3.1.2 Personnel costs by salary band**

Salary band	Personnel Expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R)
Lower skilled (Levels 1-2)	649	0.3	5	129 800
Skilled (level 3-5)	4 810	2.6	32	150 313
Highly skilled production (levels 6-8)	32 608	17.4	126	258 794
Highly skilled supervision (levels 9-12)	100 913	53.8	208	485 159
Senior and Top management (levels 13-16)	34 464	18.4	41	840 585
Contract (Levels 1-2)	454	0.2	0	0
Contract (Levels 3-5)	259	0.1	8	32 375
Contract (Levels 6-8)	919	0.5	15	61 267
Contract (Levels 9-12)	2 288	1.2	4	572 000
Contract (Levels 13-16)	1 260	0.7	2	630 000
Periodical Remuneration	2 688	1.4	12	224 000
<b>Total</b>	<b>181 312</b>	<b>96.6</b>	<b>453</b>	<b>400 247</b>

**Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme**

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Programme 1: Administration	44 342	74	1	0	2 025	3.4	2 406	4
Programme 2: Sustainable resource management	25 465	76.1	0	0	957	2.9	706	2.1
Programme 3: Assets & liabilities management	34 592	75.3	9	0	854	1.9	1 256	2.7
Programme 4: Financial governance	35 333	73	0	0	1 256	2.6	1 476	3.1
<b>TOTAL</b>	<b>139 732</b>	<b>74.4</b>	<b>10</b>	<b>0</b>	<b>5 092</b>	<b>2.7</b>	<b>5 844</b>	<b>3.1</b>

**Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band**

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	413	63.6	0	0	61	9.4	66	10.2
Skilled (Levels 3-5)	3 364	68.2	1	0	296	6	330	6.7
Highly skilled production (Levels 6-8)	24 425	72.3	0	0	1 198	3.5	1 669	4.9
Highly skilled supervision (Levels 9-12)	78 995	75.3	9	0	1 907	1.8	3 067	2.9
Senior management (Levels 13-16)	27 867	78.6	0	0	1 360	3.8	683	1.9
Contract (Levels 1-2)	454	96.2	0	0	0	0	0	0
Contract (Levels 3-5)	258	97.4	0	0	0	0	0	0
Contract (Levels 6-8)	919	99.4	0	0	0	0	0	0
Contract (Levels 9-12)	2 129	91.6	0	0	69	3	26	1.1
Contract (Levels 13-16)	910	70.2	0	0	201	15.5	3	0.2
Periodical Remuneration	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>139 734</b>	<b>74.4</b>	<b>10</b>	<b>0</b>	<b>5 092</b>	<b>2.7</b>	<b>5 844</b>	<b>3.1</b>

### 3.2. Employment and Vacancies

The following tables summarise the number of posts in the establishment, according to the approved structure. The number of employees, vacancy rate and any staff that are additional to the establishment are tabled. Please note that (twenty-four) 24 posts were created additional to the establishment.

**Table 3.2.1 Employment and vacancies by programme**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1: Administration, Permanent	188	171	9	19
Programme 2: Sustainable resource management, Permanent	69	57	17.4	1
Programme 3: Assets & liabilities management, Permanent	103	92	10.7	4
Programme 4: Financial governance, Permanent	143	121	15.4	0
<b>TOTAL</b>	<b>503</b>	<b>441</b>	<b>12.3</b>	<b>24</b>

**Table 3.2.2 Employment and vacancies by salary band**

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1-2), Permanent	5	5	0	0
Skilled (Levels 3-5), Permanent	35	32	8.6	0
Highly skilled production (Levels 6-8), Permanent	141	126	10.6	0
Highly skilled supervision (Levels 9-12), Permanent	240	208	13.3	0
Senior management (Levels 13-16), Permanent	53	41	22.6	0
Contract (Levels 3-5), Permanent	8	8	0	8
Contract (Levels 6-8), Permanent	15	15	0	15
Contract (Levels 9-12), Permanent	4	4	0	1
Contract (Levels 13-16), Permanent	2	2	0	0
<b>TOTAL</b>	<b>503</b>	<b>441</b>	<b>12.3</b>	<b>24</b>

**Table 3.2.3 Employment and vacancies by critical occupations**

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related, Permanent	120	110	8.3	23
Archivists curators and related professionals, Permanent	1	0	100	0
Cashiers tellers and related clerks, Permanent	3	2	33.3	0
Cleaners in offices workshops hospitals etc., Permanent	16	15	6.3	0
Client inform clerks(switchboard receipt inform clerks), Permanent	6	5	16.7	0
Communication and information related, Permanent	1	1	0	0
Finance and economics related, Permanent	53	50	5.7	0
Financial and related professionals, Permanent	139	118	15.1	0
Financial clerks and credit controllers, Permanent	27	21	22.2	0
Head of department/chief executive officer, Permanent	2	2	0	0
Human resources & organisational development & relate prof, Permanent	10	9	10	0
Human resources clerks, Permanent	6	6	0	0
Human resources related, Permanent	7	7	0	0
Language practitioners interpreters & other communications, Permanent	1	1	0	0
Legal related, Permanent	1	1	0	0
Library mail and related clerks, Permanent	1	1	0	0
Logistical support personnel, Permanent	13	13	0	0
Material-recording and transport clerks, Permanent	1	1	0	0
Messengers porters and deliverers, Permanent	4	4	0	0
Other administration & related clerks and organisers, Permanent	8	8	0	0
Other administrative policy and related officers, Permanent	1	1	0	0
Other information technology personnel., Permanent	3	3	0	0
Other occupations, Permanent	2	2	0	0
Risk management and security services,	2	2	0	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Permanent				
Secretaries & other keyboard operating clerks, Permanent	33	29	12.1	0
Security officers, Permanent	1	1	0	0
Senior managers, Permanent	37	25	32.4	0
Social work and related professionals, Permanent	2	2	0	0
Trade/industry advisers & other related profession, Permanent	2	1	50	1
<b>TOTAL</b>	<b>503</b>	<b>441</b>	<b>12.3</b>	<b>24</b>

### Notes

The CORE classification, as prescribed by the DPSA, was used for completion of this table.

### 3.3. Job Evaluation

All salary level 12 downwards posts were evaluated during the 2008/2009 and 2009/2010 financial year, the Department evaluated seven (7) appealed posts during 2010/2011 Financial Year. No posts were therefore evaluated during 2011/2012 and 2012/2013 Financial year.

The Provincial Treasury structure is approved with 673 posts excluding the post of MEC. 4 (four) Contract posts on salary level 7 and one (1) Infrastructure Specialist on level 11, and 19 internship are not structural posts, and are accounted for outside the Establishment.

**Table 3.3.1 Job Evaluation by Salary band**

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	25	25	100	0	0	0	0
Skilled (Levels 3-5)	44	44	100	0	0	0	0
Highly skilled production (Levels 6-8)	229	229	100	3	1%	0	0
Highly skilled supervision (Levels 9-12)	310	310	100	6	2%	0	0
Senior Management Service Band A	44	44	100	0	0	0	0
Senior Management Service Band B	11	11	100	0	0	0	0
Senior Management Service Band C	5	5	100	0	0	0	0
Senior Management Service Band D	1	1	100	1	100%	0	0
Contract (Levels 1-2)	0	0	0	0	0	0	0
Contract (Levels 3-5) <i>Internship</i>	8	8	100	0	0	0	0
Contract (Levels 6-8) <i>11 Internship 4 sec 100</i>	15	15	100	0	0	0	0
Contract (Levels 9-12) <i>2 add. Post 2 contract</i>	5	5	100	0	0	0	0
Contract (Band A)	0	0	0	0	0	0	0
Contract (Band B)	0	0	0	0	0	0	0
Contract (Band C)	1	1	100	0	0	0	0

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Contract (Band D)	1	1	100	0	0	0	0
<b>Total</b>	<b>699</b>	<b>699</b>	<b>100</b>	<b>10</b>	<b>1.4</b>	<b>0</b>	<b>0</b>

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. No posts were upgraded during 2012/2013.

**Table 3.3.2 Profile of employees whose positions were upgraded due to their posts being upgraded**

Beneficiary	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Employees with a disability</b>					<b>0</b>

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

**Table 3.3.3 Employees with salary levels higher than those determined by job evaluation by occupation**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Cleaners in offices workshops hospitals etc., Permanent	2	2	3	Resolution 3/2009
Financial clerks and credit controllers, Permanent	1	5	6	Downgraded 2008/2009
Financial clerks and credit controllers	1	6	7	Resolution 3/2009
Financial clerks and credit controllers	1	6	7	Downgraded 2008/2009
Financial clerks and credit controllers	2	7	9	Downgraded 2008/2009
Financial clerks and credit controllers	2	7	10	Downgraded 2008/2009
Financial clerks and credit controllers	4	7	8	Downgraded 2008/2009
Financial clerks and credit controllers	2	8	10	Downgraded 2008/2009
Administrative related	3	6	7	Downgraded 2008/2009
Administrative related	1	11	12	Resolution 3/2009
Secretaries & other keyboard operating clerks, Permanent	1	7	8	Resolution 3/2009

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Financial and related professionals, Permanent	8	9	10	Resolution 3/2009
Financial and related professionals, Permanent	1	8	9	Downgraded 2008/2009
Financial and related professionals, Permanent	2	11	12	Resolution 3/2009
Finance and economics related, Permanent	1	9	10	Resolution 3/2009
Logistical support personnel, Permanent	1	9	10	Resolution 3/2009
<b>Percentage of total employed</b>				7.5%

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

**Table 3.3.4 Profile of employees who have salary levels higher than those determined by job evaluation**

Beneficiary	African	Asian	Coloured	White	Total
Female	11	0	1	0	12
Male	20	1	0	0	21
<b>Total</b>	31	1	1	<b>0</b>	<b>33</b>
Employees with a disability	0	0	0	0	0

<b>Total Number of Employees whose remuneration exceeded the grade determined by job evaluation in 2012/13</b>	-
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### 3.4. Employment Changes

The following tables summarise the number of posts in the establishment, according to the approved structure. The number of employees, vacancy rate and any staff that are additional to the establishment are tabled. Please note that (4 (four) Contract posts on salary level 7 and one (1) Infrastructure Specialist on level 11, and 19 internship are not structural posts, and are counted outside the Establishment, the total amounts to 699. 3 (three) Level 12 structural posts (Program 4: financial governance) are filled on contract, (1) One level 14 under PPP and HOD respectively.

**Table 3.4.1 Advertising and filling of SMS posts as at 1 April 2012 to 31 March 2013**

Advertising and Filling of SMS posts from 01 October 2010 to 30 September 2011			
SMS Level	Advertising	Filling of Posts	
	Number of Vacancies per Level Advertised in 6 Months of Becoming Vacant	Number of Vacancies per Level Filled in 6 Months of Becoming Vacant	Number of Vacancies per Level not Filled in 6 Months but Filled in 12 Months
Director-General/ HOD	0	0	0
Salary Level 16, but not HOD	0	0	0
Salary Level 15	5	0	0
Salary Level 14	3	0	0
Salary Level 13	7	1	3
<b>Total</b>	<b>15</b>	<b>1</b>	<b>3</b>
<p><b>Reasons for not having complied with the filling of funded vacant SMS posts - Advertised within 6 months and filled within 12 months after becoming vacant.</b></p> <p>The Department complied, and acted in terms of funded vacant positions.</p>			

Advertising and Filling of SMS posts as on 01 April 2012 to 31 March 2013.			
SMS Level	Advertising	Filling of Posts	Number of Vacancies per Level not Filled in 6 Months but Filled in 12 Months
	Number of Vacancies per Level Advertised in 6 Months of Becoming Vacant	Number of Vacancies per Level Filled in 6 Months of Becoming Vacant	
Director-General/ HOD	0	0	0
Salary Level 16, but not HOD	0	0	0
Salary Level 15	2	2	0
Salary Level 14	1	1	0
Salary Level 13	2	2	0
<b>Total</b>	<b>5</b>	<b>5</b>	<b>0</b>
<p><b>Reasons for not having complied with the filling of funded vacant of SMS Advertised within 6 months and filled within 12 months after becoming vacant.</b></p> <p>The department complied in terms of funded and vacant.</p>			

**Table 3.4.2 Annual turnover rates by salary band**

Salary Band	Number of employees at beginning of period-April 2012	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate

Salary Band	Number of employees at beginning of period-April 2012	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2), Permanent	6	0	0	0
Skilled (Levels 3-5), Permanent	32	0	1	3.1
Highly skilled production (Levels 6-8), Permanent	127	3	10	7.9
Highly skilled supervision (Levels 9-12), Permanent	217	0	12	5.5
Senior Management Service Band A, Permanent	32	0	0	0
Senior Management Service Band B, Permanent	7	0	0	0
Senior Management Service Band C, Permanent	2	0	1	50
Senior Management Service Band D, Permanent	1	0	0	0
Contract (Levels 1-2), Permanent	10	0	2	20
Contract (Levels 3-5), Permanent	4	8	4	100
Contract (Levels 6-8), Permanent	0	15	0	0
Contract (Levels 9-12), Permanent	3	2	1	33.3
Contract (Band B), Permanent	1	0	0	0
Contract (Band C), Permanent	1	0	1	100
<b>TOTAL</b>	<b>443</b>	<b>28</b>	<b>32</b>	<b>7.2</b>

**Table 3.4.3 Annual turnover rates by critical occupation**

Critical Occupation	Number of employees at beginning of period-April 2012	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, Permanent	79	26	8	10.1
Cashiers tellers and related clerks, Permanent	2	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	16	0	1	6.3
Client inform clerks (switchboard reception clerks), Permanent	7	0	1	14.3
Communication and information related, Permanent	1	0	0	0

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Critical Occupation	Number of employees at beginning of period-April 2012	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Finance and economics related, Permanent	53	0	1	1.9
Financial and related professionals, Permanent	124	1	9	7.3
Financial clerks and credit controllers, Permanent	20	0	0	0
Head of department/chief executive officer, Permanent	1	0	0	0
Human resources & organisat developm & relate prof, Permanent	9	0	0	0
Human resources clerks, Permanent	7	0	0	0
Human resources related, Permanent	6	0	0	0
Language practitioners interpreters & other comun, Permanent	1	0	0	0
Legal related, Permanent	1	0	0	0
Library mail and related clerks, Permanent	2	0	0	0
Logistical support personnel, Permanent	14	0	2	14.3
Material-recording and transport clerks, Permanent	2	0	1	50
Messengers porters and deliverers, Permanent	5	0	1	20
Other administrat & related clerks and organisers, Permanent	12	0	4	33.3
Other administrative policy and related officers, Permanent	1	0	0	0
Other information technology personnel., Permanent	3	0	0	0
Other occupations, Permanent	12	0	2	16.7
Risk management and security services, Permanent	2	0	0	0
Secretaries & other keyboard operating clerks, Permanent	32	0	0	0
Security officers, Permanent	1	0	0	0
Senior managers, Permanent	28	0	2	7.1
Social work and related professionals, Permanent	2	0	0	0
Trade/industry advisers & other related profession, Permanent	0	1	0	0
<b>TOTAL</b>	<b>443</b>	<b>28</b>	<b>32</b>	<b>7.2</b>

**Notes**

The CORE classification, as prescribed by the DPSA, were used for completion of this table.

The table below identifies the major reasons why staff left the department.

**Table 3.4.4 Reasons why staff left the department**

Termination Type	Number	% of Total Resignations
Death, Permanent	4	12.5
Resignation, Permanent	11	34.4
Expiry of contract, Permanent	5	15.6
Transfers, Permanent	2	6.3
Discharged due to ill health, Permanent	1	3.1
Retirement, Permanent	9	28.1
<b>Total number of employees who left as a % of total employment</b>	<b>32</b>	<b>100</b>
<b>Other</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>32</b>	<b>100</b>

**Table 3.4.5 Promotions by critical occupation**

Occupation	Employees 1 April 2012	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
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<b>Occupation</b>	<b>Employees 1 April 2012</b>	<b>Promotions to another salary level</b>	<b>Salary level promotions as a % of employees by occupation</b>	<b>Progressions to another notch within a salary level</b>	<b>Notch progression as a % of employees by occupation</b>
Administrative related	79	2	2.5	24	30.4
Cashiers tellers and related clerks	2	0	0	1	50
Cleaners in offices workshops hospitals etc.	16	0	0	13	81.3
Client inform clerks (switchboard receipt inform clerks)	7	0	0	5	71.4
Communication and information related	1	0	0	0	0
Finance and economics related	53	2	3.8	23	43.4
Financial and related professionals	124	2	1.6	56	45.2
Financial clerks and credit controllers	20	0	0	14	70
Head of department/ chief executive officer	1	0	0	3	300
Human resources & organisation development & relate prof	9	0	0	7	77.8
Human resources clerks	7	0	0	3	42.9
Human resources related	6	0	0	5	83.3
Language practitioners interpreters & other communication	1	0	0	0	0
Legal related	1	0	0	1	100
Library mail and related clerks	2	0	0	1	50
Logistical support personnel	14	0	0	4	28.6
Material-recording and transport clerks	2	0	0	1	50
Messengers porters and deliverers	5	0	0	4	80
Other administration & related clerks and organisers	12	0	0	7	58.3
Other administrative policy and related	1	0	0	2	200

Occupation	Employees 1 April 2012	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
officers					
Other information technology personnel.	3	0	0	2	66.7
Other occupations	12	0	0	0	0
Risk management and security services	2	0	0	1	50
Secretaries & other keyboard operating clerks	32	0	0	22	68.8
Security officers	1	0	0	1	100
Senior managers	28	0	0	20	71.4
Social work and related professionals	2	0	0	2	100
<b>TOTAL</b>	<b>443</b>	<b>6</b>	<b>1.4</b>	<b>222</b>	<b>50.1</b>

**Table 3.4.6 Promotions by salary band**

Salary Band	Employees 1 April 2012	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2), Permanent	6	0	0	3	50
Skilled (Levels 3-5), Permanent	32	0	0	31	96.9
Highly skilled production (Levels 6-8), Permanent	127	0	0	53	41.7
Highly skilled supervision (Levels 9-12), Permanent	217	4	1.8	99	45.6
Senior management (Levels 13-16), Permanent	42	2	4.8	34	81
Contract (Levels 1-2),	10	0	0	0	0

Salary Band	Employees 1 April 2012	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Permanent					
Contract (Levels 3-5), Permanent	4	0	0	0	0
Contract (Levels 9-12), Permanent	3	0	0	2	66.7
Contract (Levels 13-16), Permanent	2	0	0	0	0
<b>TOTAL</b>	<b>443</b>	<b>6</b>	<b>1.4</b>	<b>222</b>	<b>50.1</b>

### 3.5. Employment Equity

The total staff establishment as at 31 March 2013 is at 441, of which 4 employees disclosed their disability status. The percentage of total disability within the Limpopo Provincial Treasury is at 0.9% against the National target of 2%.

The total number of Senior Management as at 31 March was 42 staff of which 23 are Males and 19 are Females. The Department is at 45% female and 55% males against the National target of 50% female representation. The status of disability representation at SMS level is at 2%.

**Table 3.5.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2013**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and	15	0	0	1	12	0	0	0	28

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
managers									
Professionals	133	0	2	4	50	2	0	2	193
Technicians and associate professionals	57	0	0	0	66	0	0	1	124
Clerks	22	0	0	0	48	1	0	2	73
Service and sales workers	0	0	0	1	2	0	0	0	3
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	4	0	0	4	16	0	0	0	20
<b>Total</b>	<b>231</b>	<b>0</b>	<b>2</b>	<b>6</b>	<b>194</b>	<b>3</b>	<b>0</b>	<b>5</b>	<b>441</b>
Employees with disabilities	1	0	0		3	0	0	3	4

**Table 3.5.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2013**

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management(L15-L16)	1	0	0	0	0	0	0	0	1
Senior Management(L13-L14)	21	0	0	1	18	0	0	0	40

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management, Permanent	145	0	1	2	56	2	0	2	208
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	42	0	0	0	80	1	0	3	126
Semi-skilled and discretionary decision making, Permanent	11	0	0	0	21	0	0	0	32
Unskilled and defined decision making, Permanent	1	0	0	0	4	0	0	0	5
Contract (Top Management), Permanent	0	0	0	1	0	0	0	0	1
Contract (Senior Management), Permanent	0	0	0	0	1	0	0	0	1
Contract (Professionally qualified), Permanent	0	0	1	2	1	0	0	0	4
Contract (Skilled technical), Permanent	5	0	0	0	10	0	0	0	15
Contract (Semi-skilled), Permanent	5	0	0	0	3	0	0	0	8
<b>Total</b>	<b>231</b>	<b>0</b>	<b>2</b>	<b>6</b>	<b>194</b>	<b>3</b>	<b>0</b>	<b>5</b>	<b>441</b>

**Table 3.5.3 Recruitment**

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	1	0	0	1	3
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and	0	0	0	0	0	0	0	0	0

experienced specialists and mid-management									
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified), Permanent	1	0	0	0	1	0	0	0	2
Contract (Skilled technical), Permanent	5	0	0	0	10	0	0	0	15
Contract (Semi-skilled), Permanent	5	0	0	0	3	0	0	0	8
<b>Total</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>28</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

**Table 3.5.4 Promotions**

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	1	0	0	0	0	1
Senior Management	17	0	0	1	17	0	0	0	35

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management	67	0	1	0	32	1	0	2	103
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	12	0	0	0	38	1	0	2	53
Semi-skilled and discretionary decision making	10	0	0	0	21	0	0	0	31
Unskilled and defined decision making	1	0	0	0	2	0	0	0	3
Contract (Professionally qualified), Permanent	0	0	1	1	0	0	0	0	2
<b>Total</b>	<b>107</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>110</b>	<b>2</b>	<b>0</b>	<b>4</b>	<b>228</b>
Employees with disabilities	1	0	0	0	1	0	0	0	2

**Table 3.5.5 Terminations**

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	1	0	1
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	8	0	0	0	4	0	0	0	12
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	7	0	0	0	3	0	0	0	10
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contract (Top Management), Permanent	0	0	1	0	0	0	0	0	1
Contract (Professionally qualified), Permanent	1	0	0	0	0	0	0	0	1
Contract (Semi-skilled), Permanent	2	0	0	0	2	0	0	0	4
Contract (Unskilled), Permanent	1	0	0	0	1	0	0	0	2
<b>Total</b>	<b>19</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>32</b>
Employees with Disabilities	1	0	0	0	0	0	0	0	1

**Table 3.5.6 Disciplinary action**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
None	0	0	0	0	0	0	0	0	0

**Table 3.5.7 Skills development**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	15	0	1	1	12	0	1	0	30
Professionals	144	0	2	3	50	2	0	2	203
Technicians and associate professionals	52	0	0	0	46	0	0	0	98
Clerks	33	0	0	0	59	1	0	2	95
Service and sales workers	0	0	0	1	2	0	0	0	3
Elementary occupations	7	0	0	0	26	0	0	0	33
<b>Total</b>	<b>251</b>	<b>0</b>	<b>3</b>	<b>5</b>	<b>195</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>462</b>
Employees with disabilities	1	0	0	0	2	0	0	0	3

### 3.6. Performance Rewards

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

***Table 3.6.1 Performance Rewards by race, gender and disability***

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African, Male	14	230	6.1	343	24 524
Asian, Male	0	2	0	0	0
Coloured Male	0	0	0	0	0
White Male	1	6	16.7	13	13 106
African Female	31	191	16.2	405	13 060
Asian Female	0	0	0	0	0
Coloured Female	1	3	33.3	25	24 837
White Female	0	5	0	0	0
People with disabilities	1	4	25	15	14 769
<b>TOTAL</b>	<b>48</b>	<b>441</b>	<b>10.9</b>	<b>801</b>	<b>16 686</b>

**Table 3.6.2 Performance Rewards by salary band for personnel below Senior Management Service.**

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower Skilled (Levels 1-2)	4	5	80	19	4 750	4
Skilled (level 3-5)	18	32	56.3	81	4 500	18
Highly skilled production (level 6-8)	8	126	6.3	109	13 625	8
Highly skilled supervision (level 9-12)	16	208	7.7	449	28 063	16
Contract (Levels 3-5)	0	8	0	0	0	0
Contract (Levels 6-8)	0	15	0	0	0	0
Contract (Levels 9-12)	1	4	25	13	13 000	1
Periodical Remuneration	0	12	0	0	0	0
<b>Total</b>	<b>47</b>	<b>410</b>	<b>11.5</b>	<b>671</b>	<b>14 277</b>	<b>47</b>

**Table 3.6.3 Performance Rewards by critical occupation**

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative related	9	110	8.2	255	28 333
Cashiers tellers and related clerks	0	2	0	0	0
Cleaners in offices workshops hospitals etc.	14	15	93.3	55	3 929
Client inform clerks (switchboard receipt inform clerks)	2	5	40	10	5 000
Communication and information related	0	1	0	0	0
Finance and economics related	3	50	6	51	17 000
Financial and related	8	118	6.8	293	36 625

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Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
professionals					
Financial clerks and credit controllers	1	21	4.8	25	25 000
Head of department/chief executive officer	0	2	0	0	0
Human resources & organisation development & relate prof	0	9	0	0	0
Human resources clerks	1	6	16.7	30	30 000
Human resources related	0	7	0	0	0
Language practitioners interpreters & other communication	0	1	0	0	0
Legal related	0	1	0	0	0
Library mail and related clerks	0	1	0	0	0
Logistical support personnel	1	13	7.7	11	11 000
Material-recording and transport clerks	0	1	0	0	0
Messengers porters and deliverers	3	4	75	21	7 000
Other administration & related clerks and organisers	3	8	37.5	14	4 667
Other administrative policy and related officers	0	1	0	0	0
Other information technology personnel.	0	3	0	0	0
Other occupations	0	2	0	0	0
Risk management and security services	0	2	0	0	0
Secretaries & other keyboard operating clerks	3	29	10.3	37	12 333
Security officers	0	1	0	0	0
Senior managers	0	25	0	0	0
Social work and related professionals	0	2	0	0	0
Trade/industry advisers & other related profession	0	1	0	0	0
<b>Total</b>	<b>48</b>	<b>441</b>	<b>10.9</b>	<b>802</b>	<b>16708</b>

**Notes:** The CORE classification, as prescribed by the DPSA, was used for completion of this table.

**Table 3.6.4 Performance related rewards (cash bonus), by salary band for Senior Management Service**

Salary Band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	1	33	3	130	130 000	0.5
Band B	0	8	0	0	0	0
Band C	0	1	0	0	0	0
Band D	0	1	0	0	0	0
<b>Total</b>	<b>1</b>	<b>43</b>	<b>2.3</b>	<b>130</b>	<b>130 000</b>	<b>0.5</b>

**Table 3.6.5. Performance agreements submitted for SMS's as at September 2012**

Levels	Number of funded SMS posts		Number of SMS members		Vacancies		Nature of appointment		Number of members with signed PAs		Number of members without signed PAs		Reasons for not signing
	NO	%	NO	%	NO	%	Perm	cont	NO	%	NO.	%	
Hod	1	100	1	100	0	0	0	1	1	100	0	0	n/a
15	2	100	2	100	5	83.3	0	0	2	100	0	0	n/a
14	7	100	7	100	4	33.3	06	1	7	100	0	0	n/a
13	33	100	33	100	11	25	0	0	33	100	0	0	n/a
Total number of all employees on the approved establishment							<b>441</b>						
	Level	Filled/Vacant		Perm/contract		If vacant, since when							
CFO	13	Filled		Permanent		n/a							

HoD	15	Filled	Contract	n/a
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### 3.7. Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

**Table 3.7.1 Foreign workers by salary band**

Salary Band	01 April 2012		31 March 2013		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	1	50	1	50	0	0
Contract (level 9-12)	1	50	1	50	0	0
Contract (level 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>100</b>	<b>2</b>	<b>100</b>	<b>0</b>	<b>0</b>

**Table 3.7.2 Foreign workers by major occupation**

Major Occupation	01 April 2012		31 March 2013		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and managers	2	100	2	100	0	0

### 3.8. Leave utilisation

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

**Table 3.8.1 Sick leave**

Salary Band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	16	75	3	1	5	4
Skilled (levels 3-5)	161	85.7	26	8.4	6	61
Highly skilled production (levels 6-8)	765	81	99	31.8	8	518
Highly skilled supervision (levels 9 -12)	1092	89.6	146	46.9	7	1 570
Top and Senior management (levels 13-16)	185	85.9	24	7.7	8	530
Contract (Levels 1-2)	15	93.3	4	1.3	4	3
Contract (Levels 3-5)	7	28.6	2	0.6	4	2
Contract (Levels 6-8)	5	100	1	0.3	5	3
Contract (Levels 9-12)	18	83.3	4	1.3	5	42
Contract (Levels 13-16)	15	66.7	2	0.6	8	58
<b>Total</b>	<b>2279</b>	<b>85.7</b>	<b>311</b>	<b>100</b>	<b>7</b>	<b>2791</b>

**Table 3.8.2 Disability leave (temporary and permanent)**

Salary Band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	28	100	2	9.1	14	12
Highly skilled production (Levels 6-8)	100	100	7	31.8	14	69
Highly skilled supervision	246	100	11	50	22	316

(Levels 9-12)						
Senior management (Levels 13-16)	25	100	2	9.1	13	69
<b>Total</b>	<b>399</b>	<b>100</b>	<b>22</b>	<b>100</b>	<b>18</b>	<b>466</b>

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

**Table 3.8.3 Annual Leave**

Salary Band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	128	5	26
Skilled Levels 3-5)	844	34	25
Highly skilled production (Levels 6-8)	2973	137	22
Highly skilled supervision(Levels 9-12)	5542	225	25
Senior management (Levels 13-16)	1017	42	24
<b>Total</b>	<b>103</b>	<b>13</b>	<b>8</b>

**Table 3.8.4 Capped leave**

Salary Band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as at 31 December 2012
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	1	1	1	98
Highly skilled supervision(Levels 9-12)	66	9	7	143
Senior management (Levels 13-16)	5	1	5	86
<b>Total</b>	<b>72</b>	<b>11</b>	<b>7</b>	<b>129</b>

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

**Table 3.8.5 Leave payouts**

Reason	Total Amount (R'000)	Number of Employees	Average per employee
Leave payout for 2011/12 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2012/13	254	19	13 368
Current leave payout on termination of service for 2012/13	0	3	0
<b>Total</b>	<b>254</b>	<b>22</b>	<b>13 368</b>

### 3.9. HIV/AIDS & Health Promotion Programmes

**Table 3.9.1 Steps taken to reduce the risk of occupational exposure**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Field workers e.g. Internal Audit staff	Education and awareness sessions on HIV and AIDS, STI's and TB management in the workplace. Regular supply of male and female condoms.
Cleaners	Provision of protective clothing e.g hand gloves Education on protective clothing.

**Table 3.9.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)**

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Ms Anna Oliphant has been designated as the Senior Manager- Transformation Services to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001.
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate		X	A dedicated unit is available and the EHW manager, Deputy Manager OHS and Deputy Manager Wellness Management have been appointed to promote the health

Question	Yes	No	Details, if yes
the number of employees who are involved in this task and the annual budget that is available for this purpose.			and well-being of the employees. The annual budget available is R238,300.00
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	x		An in-house EAP is available for the employees. Key elements: <ul style="list-style-type: none"> <li>• Provide short-term psycho-social counselling and support services</li> <li>• Management consultations</li> <li>• Facilitate EHW committees</li> <li>• Provide preventative or proactive programmes</li> <li>• Awareness campaigns and life skills education</li> <li>• Facilitate fitness and sport activities</li> <li>• Conduct mini surveys and needs analysis</li> <li>• Monitor and evaluate programme implementation</li> </ul>
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		x	Individual committee structures have been established namely: <b>HIV and AIDS committee</b> Ms Moloi RB Ms Ndou FD Mr Mangoale MJ Mr Mabunda KS  <b>OHS committee</b> Mr Mokena CM Ms Phoshoko MB Mr Mangoale MD Mr Banda MS Ms Gweba RM Mr Moloto PL Mr Mathosa MS Mr Nkuna MR Ms Nxumalo P Ms Lebelo MF Ms Mathabela ZJ  <b>Social club committee.</b> Ms Mabunda BE Ms Leso S Mr Hlomela G Ms Maphada NS
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so	x		OHS policy Wellness management HIV and AIDS and TB management are to be reviewed

Question	Yes	No	Details, if yes
reviewed.			
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		An approved HIV and AIDS policy is available. It will be reviewed and integrated with TB management.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		<ul style="list-style-type: none"> <li>▪ HCT campaigns are being organised on site on quarterly basis.</li> <li>▪ The uptake rate is still not satisfactory as it is under 50% as a national bench mark.</li> </ul>
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.			<ul style="list-style-type: none"> <li>• Annual costed EHW operational plan with targets and indicators</li> <li>• Monthly progress reporting.</li> <li>• Quarterly monitoring reports</li> <li>• Quarterly gaps monitoring reports</li> </ul>

### 3.10. Labour Relations

**Table 3.10.1 Collective agreements**

Subject Matter	Date
None	

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

**Table 3.10.2 Misconduct and disciplinary hearings finalised**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0

Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**Table 3.10.3 Types of misconduct addressed at disciplinary hearings**

Type of misconduct (based on annexure A)	Number	% of total
None	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**Table 3.10.4 Grievances logged**

	Number	% of Total
Number of grievances resolved	10	66
Number of grievances not resolved	5	33
<b>Total number of grievances lodged</b>	<b>15</b>	<b>100</b>

**Table 3.10.5 Disputes logged**

	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	1	100
<b>Total number of disputes lodged</b>	<b>1</b>	<b>100</b>

**Table 3.10.6 Strike actions**

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

**Table 3.10.7 Precautionary suspensions**

Number of people suspended	0
Number of people who's suspension exceeded 30 days	0
Average number of days suspended	0

Cost (R'000) of suspension	0
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### 3.11. Skills development

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

**Table 3.11.1 Training needs identified**

Occupational Category	Gender	Number of employees as at 1 April 2012	Training needs identified at start of the reporting period			Total
			Skills Programmes & other short courses	Other forms of training		
Legislators, senior officials and managers	Female	13	Masters Programmes Executive Development Programme Public Service Induction Khaedu	4 3 3 3	none	13
	Male	17	Masters Programmes Executive Development Programme Public Service Induction Khaedu	4 2 2 2	none	10
Professionals	Female	54	Masters Programmes BComm streams B.Admin B.Tech Skills Programmes National Diplomas Management Development Programme	3 5 2 2 2 3 6	none	23
	Male	149	Masters Programmes B.Comm streams B.Admin B.Tech	2 4 1 2	none	

Occupational Category	Gender	Number of employees as at 1 April 2012	Training needs identified at start of the reporting period			
			Skills Programmes & other short courses	Other forms of training	Total	
			Skills Programmes	3		17
			National Diplomas	1		
			Management Development Programme	4		
Technicians and associate professionals	Female	46	B.Tech/M Tech	1	none	1
	Male	52	B.Tech	1	none	1
Clerks	Female	62	Bursaries	14	none	71
			Skills Programmes	57		
	Male	33	Bursaries	9	none	42
			Skills Programmes	33		
Service and sales workers	Female	2	0	0	none	2
	Male	1	0	0	none	1
Elementary occupations	Female	26	Hygiene & Cleaning	10	none	10
			AET Level 2	1		
	AET Level 3		3			
	Male	7	AET Level 4	6		
			Hygiene & Cleaning	1	none	1
			Bursary	1		
Sub Total	Female	203				
	Male	259				
Total		462				

**Table 3.11.2 Training provided for the period**

Occupational Category	Gender	Number of employees as at 1 April 2012	Training provided within the reporting period			
			Skills Programmes & other short courses	Other forms of training	Total	
Legislators, senior officials and	Female	13	Executive Development Programme	6		34
			Induction for SMS	18		
			Bursaries	4		
			Project Based Learning Orientation	3	None	

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Occupational Category	Gender	Number of employees as at 1 April 2012	Training provided within the reporting period			
				Skills Programmes & other short courses	Other forms of training	Total
<b>managers</b>			Microeconomic Impact Assessment Strategic internal control, corporate governance and integrated risk management Health & Safety	1 1 1		
	<b>Male</b>	<b>17</b>	Executive Development Programme Induction for SMS Bursaries Project Based Learning Orientation Business Counter Intelligence MS Excel Intermediate & Advanced MS Project, Adv, Excel, report writing & editing International Financial Reporting Standards Public Service Trainers Conference Information Management Governance Revised Code of Good Practice for BBBEE	5 17 5 3 1 1 1 2 1 1 2	None	<b>39</b>
<b>Professionals</b>	<b>Female</b>	<b>54</b>	Bursaries Disciplinary Procedure & dispute hearing Health & Safety Induction & Orientation Training for Quality Assurance MS Excel Intermediate & Advanced MS Project, Adv, Excel, report writing & editing International Financial Reporting Standards IPM Conference Logistics Management in the Public Sector Revised Code of Good Practice for BBBEE	10 17 3 1 1 1 1 1 1 1 1 6	None	<b>43</b>
	<b>Male</b>	<b>149</b>	Bursaries Disciplinary Procedure & dispute hearing Health & Safety Induction & Orientation Training for Quality Assurance MS Excel Intermediate & Advanced MS Project, Adv, Excel, report writing & editing International Financial Reporting Standards Strategic Planning Budgeting &	7 27 5 7 1 1 3 1	None	<b>68</b>

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Occupational Category	Gender	Number of employees as at 1 April 2012	Training provided within the reporting period			
				Skills Programmes & other short courses	Other forms of training	Total
			Forecasting SA Fraud Examiners Logistics Management Public Service Trainers Conference IPM Conference Innovative Recruitment & Talent Management Strategies Revised Code of Good Practice for BBBEE Mentoring & Coaching	1 3 1 1 1 1 7 1		
<b>Technicians and associate professionals</b>	<b>Female</b>	<b>46</b>		0	None	
	<b>Male</b>	<b>52</b>	Disciplinary Procedure & dispute hearing Information Management Governance	1 1	None	<b>2</b>
<b>Clerks</b>	<b>Female</b>	<b>62</b>	Bursaries Public Administration Learnership Health & Safety Induction & Orientation MS Project, Adv, Excel, report writing & editing SCM introduction, forecasting & acquisition Demand Management in the Public Sector IPM Conference Innovative Recruitment & Talent Management Strategies Revised Code of Good Practice for BBBEE Internal Audit Learnership	19 1 5 7 2 1 4 2 2 1 11	None	<b>55</b>
	<b>Male</b>	<b>33</b>	Bursaries Health & Safety Induction & Orientation MS Excel Intermediate & Advanced MS Project, Adv, Excel, report writing & editing SCM introduction, forecasting & acquisition Strategic Planning Budgeting & Forecasting	6 3 3 1 1 2 1 1	None	<b>27</b>

Occupational Category	Gender	Number of employees as at 1 April 2012	Training provided within the reporting period			Total
				Skills Programmes & other short courses	Other forms of training	
			Public Service Trainers Conference	1		
			Revised Code of Good Practice for BBBEE	1		
			Internal Audit Learnership	7		
Service and sales workers	Female	2	n/a	0	None	0
	Male	1	n/a	0	None	0
Elementary occupation	Female	26	Hygiene & Cleaning	10	None	11
			AET Level 1	1		
			ABET Level 2	0		10
			AET Level 3	6		
			AET Level 4	3		
	Male	7	Hygiene & Cleaning	1	None	1
			Health & Safety	1		
Sub Total	Female	203				
	Male	259				
<b>Total</b>		<b>462</b>				

### 3.12. Injury on duty

The following tables provide basic information on injury on duty.

**Table 3.12.1 Injury on duty**

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## 4. Utilisation of Consultants

**Table 3.13.1 Report on consultant appointments using appropriated funds**

Project Title	Total Number of consultants that worked on project	Duration Work days	Contract value in Rand
Census of learners and educators in the province	One ( Statistics SA)	Four months	R12,8 million
Skill Audit in the CFO's offices	One (SAB &T)	One month	R1 million

# PART E: FINANCIAL INFORMATION

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## 1 ACCOUNTING OFFICER'S STATEMENT OF RESPONSIBILITY

### **Statement of Responsibility for the Annual Financial Statements for the year ended 31 March 2013**

The Accounting Office is responsible for the preparation of the department's annual financial statements and for the judgements made in this information.

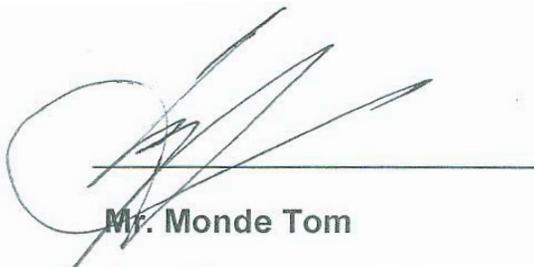
The Accounting Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements

In my opinion, the financial statements fairly reflects the operations of the department for the financial year ended 31 March 2013

The external auditors are engaged to express an independent opinion on the AFS of the department.

The Provincial Treasury Annual Financial Statements for the year ended 31 March 2013 have been examined by the external auditors and their report is presented on page 122.

The Annual Financial Statements of the Department set out on page 139 to page 194 have been approved.



Mr. Monde Tom

**s100(1)(b) ADMINISTRATOR AND ACCOUNTING OFFICER**

**PROVINCIAL TREASURY**

**31 May 2013**

**ANNUAL FINANCIAL STATEMENTS  
FOR  
PROVINCIAL TREASURY  
PROVINCE OF LIMPOPO  
VOTE 5**

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**For the year ended  
31 March 2013**

**PROVINCIAL TREASURY  
VOTE 5**

**ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

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**PROVINCIAL TREASURY  
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**REPORT OF THE AUDIT COMMITTEE  
for the year ended 31 March 2013**



**LIMPOPO**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

**PROVINCIAL TREASURY**

**REPORT OF THE AUDIT COMMITTEE ON**

**LIMPOPO PROVINCIAL TREASURY**

We are pleased to present our report for the financial year ended 31 March 2013.

**Audit Committee Members and Attendance:**

Limpopo has an Audit Committee structure, which is two, tiered consisting of the 3 Cluster Audit Committees, dealing with specific departments, and a shared Central Audit Committee.

The Audit Committees consist of the members listed hereunder and meet at least 4 times per annum as per the approved terms of reference. During the current year 5 Cluster Audit Committee and 4 Central Audit Committee meetings were held.

Cluster 3 Audit Committee

<b>Name of Member</b>	<b>Number of meetings attended</b>
Mr T.C Modipane (Chairperson)	5
Mr K.V Maja	5
Mr T. Mudaly	4
Ms N.J Manthata	5
Ms M.O Morata	5

Central Audit Committee

<b>Name of Member</b>	<b>Number of meetings attended</b>
Ms. Z.P Mzizi (Chairperson)	3
Mr. C.M. Manny	4
Ms. L.J. Fosu	4
Mr. T.C. Modipane	4

**Audit Committee Responsibility**

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. 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, except that we have not reviewed changes in accounting policies and practices.

*Internal Audit Mission: Providing value adding solutions towards service delivery*

Ismeni Towers, 46 Hans Van Rensburg Street, POLOKWANE, 0700, Private Bag X9486, POLOKWANE, 0700  
Tel: (015) 298 7000, Fax: (015) 295 7010 Website: <http://www.limpopo.gov.za>

**The heartland of southern Africa - development is about people!**

**PROVINCIAL TREASURY  
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**REPORT OF THE AUDIT COMMITTEE  
for the year ended 31 March 2013**

**The Effectiveness of Internal Control**

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the department revealed certain weaknesses, which were then raised with the Department

The following internal audit work was completed during the year under review:

- In-Year Monitoring
- Interim Financial Reporting
- Performance Information
- Implementation of Provincial Clean Audit Strategy
- Bank and Cashflow Management
- Transversal Asset Management
- Recruitment Management
- Fleet Management - claims
- eNatis and Asset Management
- Addressing the AG IT findings

The following were areas of concern:

- The contract of the Audit Committee expired on the 31<sup>st</sup> of December 2012 and the new Audit Committee was appointed for a period from the 1<sup>st</sup> of May 2013 to 31<sup>st</sup> of August 2013.
- The previous Audit Committee considered only the 1<sup>st</sup> and 2<sup>nd</sup> quarterly reports and the timing for the appointment of the new Audit Committee allowed for the consideration of the 4<sup>th</sup> quarter reports only. As a result of the delay in appointing the Audit Committee, the 3<sup>rd</sup> quarter reports were not considered by the Audit Committee.
- The department's implementation of PIA's findings is not satisfactory.

- **Risk Management**

The system of internal control applied by the department over financial risk and risk management is effective, efficient and transparent.

- **Annual Financial Statements**

We have reviewed the department's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved except for the following:

- Not all AG findings were resolved by the Department.

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

The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer of the Department during the year under review.

**Evaluation of Financial Statements**

The Audit Committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the departments compliance with legal and regulatory provisions;

**PROVINCIAL TREASURY  
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**REPORT OF THE AUDIT COMMITTEE  
for the year ended 31 March 2013**

- reviewed the information on predetermined objectives to be included in the annual report;
- reviewed significant adjustments resulting from the audit; and
- quality and timelines of the financial information availed information to the Audit Committee for oversight purposes during the year such as interim financial statements.

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.

**Internal audit**

The Audit Committee is not satisfied that the internal audit function is operating effectively given the current capacity constraints, especially the lack of a permanent Chief Audit Executive. These issues must be resolved to enable internal audit to effectively address the risks pertinent to the Department in its audits.

**Auditor General South Africa**

We have reviewed the department's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved except for the following:

- Not all AG findings were resolved by the Department.

The Audit Committee has met with the Auditor-General South Africa to ensure that there are no unresolved issues.



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**Mr T Mudaly**  
**Chairperson of the Audit Committee**  
**Limpopo Provincial Treasury**  
**Date: 26 July 2013**

**PROVINCIAL TREASURY  
VOTE 5**

**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2013**

**Report of the Accounting Officer for the year ended 31 March 2013**

Report by the Accounting Officer to the Executive Authority and the Limpopo Provincial Legislature, for the year ending 31 March 2013.

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

The Provincial Treasury is entrusted in terms of s18 of the Public Service Management Act, Act 1 of 1999, as amended, to

- (a) prepare the provincial budget;
- (b) exercise control over the implementation of the provincial budget;
- (c) promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities; and
- (d) ensure that its fiscal policies do not materially and unreasonably prejudice national economic policies.

On 05 December 2011, due to financial management and cash flow challenges faced by the Limpopo Provincial Administration, the National Executive (“the Cabinet”) agreed to intervene in five provincial line function departments in Limpopo in terms of section 100(1)(b) of the Constitution of the Republic of South Africa, 1996. Among the five provincial line function departments, was the Limpopo Provincial Treasury.

In the main, the province-wide service delivery challenges that triggered the intervention were:

- a) The province has an accumulated unauthorised expenditure of R2.7 billion.
- b) The province started the 2011/12 financial year with an overdraft of R1.7 billion and there was insufficient cash management across the province.
- c) The province was on the verge of running out of cash and would have failed to pay its employees as well as honouring payments of suppliers and providers of goods and services rendered.
- d) Some departments, particularly Health and Education implemented the Occupational Specific Dispensation without making the necessary provisions in their budget; and
- e) Poor supply chain and contract management, including the use of Programme Managements Units (PMUs) were being used to obviate normal procurement procedures.

**PROVINCIAL TREASURY  
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**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2013**

The National Executive appointed a Team of s100(1)(b) Administrators to address the challenges in the five departments. Each of the five department were allocated a s100(1)(b) Administrator Team with a Lead Administrator.

The objectives of the interventions were among others to:

- a) Strengthen the oversight responsibility and central control of finances by Provincial Treasury;
- b) Introduce systemic improvements in key processes for the whole Limpopo Administration, and
- c) To hold responsible officials accountable for any serious transgressions.

During the current financial year the s100(1)(b) Administration Team appointed to the Provincial Treasury completed a diagnostic review of the key challenges in the Provincial Treasury and found the following key matters that must be addressed in the Limpopo Provincial Treasury.

- a) Organizational Realignment and Strengthening of the Provincial Treasury;
- b) Improved financial management skills and capacity;
- c) Strengthened cash management procedures and internal controls;
- d) Compliance with the prescribed 30 day supplier payment turnaround requirement;
- e) Reduction in the accumulated and new unauthorised expenditure;
- f) Cost containment measures to be developed, implemented and monitored;
- g) Electronic accounting system used in Limpopo to be reviewed and improved;
- h) Revenue generation to be improved;
- i) Infrastructure spending and controls to be improved.
- j) Assistance to be provided to departments to achieve clean audits by 2014

A summarised progress report on these interventions is discussed in the annual report.

**PROVINCIAL TREASURY  
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**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2013**

**1.1. SPENDING TRENDS**

The original budget allocation appropriated for Provincial Treasury was R315.5 million which was adjusted to R356,5 million for the year under review. The budget increase was mainly to fund the implementation of the s100(1)(b) Intervention recovery projects and improvement in conditions of services. An amount of R283,4 million was spent which equates to an under spending and saving of R73 million (20.5%).

The under spending was mainly due to the intervention recovery projects not all being fully implemented by year end, the tender to assess the skills and capacity in the Chief Financial Officer offices in three departments not been completed and the process of filling vacant posts being delayed. There were also savings from austerity measures that were put in place to improve the cash flow situation of the Province.

- **Compensation**

An amount of R178.8 million (91.7%) was spent against the final budget R194.9 million on compensation of employees in 2012/13 financial year as compared to the R168.3 million (95.7%) spent against the budget of R175.8 million in 2011/12 financial year. The under expenditure in 2012/13 financial year was mainly due to the process of filling vacant posts being delayed.

- **Goods & Services**

An amount of R94.7 million (63.6%) was spent against the final budget R149,1 million on goods & services in 2012/13 financial year as compared to R80 million spent (76%) against the budget of R105.2 million in 2011/12 financial year.

The under spending was mainly due to the intervention recovery projects not all being fully implemented by year end and the tender to assess the skills and capacity in the Chief Financial Officer offices in three departments not been completed. There were also savings from austerity measures that were put in place to improve the cash flow situation of the Province.

- **Transfer Payments**

An amount of R4.3 million (74.2%) was spent against the final budget R5.8 million on transfer payments in 2012/13 financial year as compared to R8.9 million (99.9%) spent against the budget of R8.9 million in 2011/12 financial year.

- **Capital Payments**

An amount of R5.6 million (84.8%) was spent against the final budget R6.6 million on Payments for Capital Assets in 2012/13 financial year as compared to R2.5 million (92.6%) spent against the budget of R2,7 million in 2011/12 financial year.

**PROVINCIAL TREASURY  
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**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2013**

The detailed expenditure breakdown per programme is contained in the Appropriation Statement in the Annual Financial Statements. The department surrendered an amount of R73 million to the provincial revenue fund.

**1.2. VIREMENTS**

A virement of R1.5 million was made from Programme (3) - Assets, Liabilities & SCM to Programme (1) - Administration. The funds were used to pay for refurbishment costs incurred at Finance House.

The virements were approved by the Accounting Officer and the Provincial Treasury in terms of section 43 of the Public Finance Management Act 1 of 1999 and Treasury Regulations item 6.3.1.

**1.3. FRUITLESS AND WASTEFUL EXPENDITURE**

Provincial Treasury incurred R4 thousand fruitless and wasteful expenditure during the year under review, which was as a result of interest paid on late payments.

**1.4. RELATED PARTY TRANSACTIONS**

Provincial Treasury has a number of related parties as outlined in note 23 of the Annual Financial Statements. During the year under review the National Treasury became a related party to the Limpopo Provincial Treasury as a result of s100 (1)(b) intervention. A note to that effect has been included in the Annual Financial Statements. Refer to note 23 of the AFS.

**2. SERVICE RENDERED BY THE DEPARTMENT**

**2.1. LIST OF SERVICES RENDERED**

Provincial Treasury derives its core mandate from s18 of the Public Finance Management Act (PFMA). A provincial Treasury

- a) must issue provincial treasury instructions not inconsistent with the PFMA;
- b) must enforce the PFMA and any prescribed national and provincial norms and standards, including any prescribed standards of generally recognised accounting practice and uniform classification systems, in provincial departments;
- c) must comply with the annual Division of Revenue Act, and monitor and assess the implementation of that Act in provincial public entities;
- d) must monitor and assess the implementation in provincial public entities of national and provincial norms and standards;

**PROVINCIAL TREASURY  
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**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2013**

- e) may assist provincial departments and provincial public entities in building their capacity for efficient, effective and transparent financial management;
- f) may investigate any system of financial management and internal control applied by a provincial department or a provincial public entity;
- g) must intervene by taking appropriate steps, which may include the withholding of funds, to address a serious or persistent material breach of this Act by a provincial department or a provincial public entity;
- h) must promptly provide any information required by the National Treasury in terms of the PFMA; and
- i) may do anything further that is necessary to fulfil its responsibilities effectively.

In order to deliver on this mandate Provincial Treasury is divided into four programmes, (main divisions), namely

1. Administration
2. Sustainable Resource Management
3. Assets, Liabilities and Supply Chain Management, and
4. Financial Governance.

Programmes 2 to 4 render monitoring and support services to all departments, public entities and municipalities in the province. The province also has a shared internal audit unit which renders internal audit services to all departments, excluding the Provincial Legislature. The shared internal audit unit is housed within Provincial Treasury and reports functionally to the cluster audit committees and administratively to the Provincial Treasury Accounting Officer.

## **2.2. TARIFF POLICY**

The Provincial Treasury does not regularly sell goods & services and therefore applies the provincial tariffs as approved from time to time.

Provincial Treasury's role is to consider and approve the departmental annual own revenue tariffs revisions.

## **2.3. FREE SERVICES**

Provincial Treasury does not render any free services that if charged would yield significant revenue.

**PROVINCIAL TREASURY  
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**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2013**

**2.4. INVENTORIES**

Provincial Treasury had consumable stores inventory to the value of R233 thousand as at 31 March 2013. This inventory was valued using the weighted average cost method and is disclosed in annexure 5 to the Annual Financial Statements.

**3. CAPACITY CONSTRAINTS**

The structure as approved was implemented. However, the department faces challenges since some critical positions are still vacant. The department further appointed 64 staff to facilitate service delivery. This can be broken down as follows:

- Level 1 to 10 = 57 [Interns (19), Learnerships (16) and Permanent (22) ]
- Level 11 to 12 = 4
- Level 13 = 2
- Level 15 = 1

**4. UTILISATION OF DONOR FUNDS**

Provincial Treasury did not receive any donor funding for the year under review.

**5. TRADING ENTITIES AND PUBLIC ENTITIES**

Provincial Treasury does not have trading entities or public entities as defined for the year under review.

**6. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE**

The following transfers were made during the year:

<b>ENTITY NAME</b>	<b>AMOUNT TRANSFERRED R'000</b>
<b>Social Benefits</b>	<b>4,115</b>
	<b>4,115</b>

**7. PUBLIC PRIVATE PARTNERSHIPS (PPP)**

The Provincial Treasury did not have or enter into any PPP, as defined, during the year under review.

**PROVINCIAL TREASURY  
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**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2013**

**8. CORPORATE GOVERNANCE ARRANGEMENTS**

Good corporate governance is an integral part of Provincial Treasury's operations. Accordingly Provincial Treasury is fully committed to the principles of the Code of Corporate Practices. In supporting the code Provincial Treasury recognises the need to conduct its business with integrity. Business and governance structures are in place to ensure a coherent and consistent governance approach.

During the year under review the following were key corporate governance processes:

- The department is still under administration in terms of section 100(1)(b) of the Constitution of South Africa and as a result the governance structures during the year under review were revised as the appointed s100(1)(b) Administrator has the powers and functions of the Accounting Officer and the Minister of Finance the powers of the Executing Authority of Provincial Treasury.
- Provincial Treasury developed a risk management plan which was aligned to the 2012/13 Annual Performance Plan. A risk management committee was appointed to monitor the implementation of the mitigation plan for the identified risks.
- At year end the provincial fraud prevention plan was in the process of being reviewed.
- A Departmental Bid Committee had been appointed to ensure that procurement processes were fair, competitive, equitable, transparent and cost effective.
- All senior managers made full financial disclosure to the Executive Authority.
- Financial, human resource and other operational policies were in place and implemented during the year. The policies were also in the process of being reviewed.
- There was an ongoing awareness of emerging governance trends.
- Provincial Treasury was kept abreast of all relevant legislation and regulations as well as major developments that could impact the on its operation.
- A delegation framework for the functions assigned to the Accounting Officer in terms of the PFMA and Treasury Regulation was developed and approved to enable the Accounting Officer, to delegated appropriate functions to relevant employees with adequate knowledge, skill and experience.

The Financial Governance branch is responsible for coordinating and managing the Cluster Audit Committees. The Province has a two tier audit committee structure consisting of three clusters and a central audit committee. The Audit Committees meet on a quarterly basis to review departments' quarterly reports, culminating in a central audit committee meeting which then accounts and reports to the MEC for Provincial

**PROVINCIAL TREASURY  
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**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2013**

Treasury. In order to enhance monitoring and fruit-full engagements each Cluster Audit Committee now convenes for two days per cluster.

The terms of Office of the Audit Committee members came to an end in August 2012 and were subsequently extended to 31 December 2012.

The Audit Committees met at least once a quarter, for the first three quarters to discuss internal audit reports and other governance matters with each Department. All Departmental Accounting Officers, Chief Financial Officers, Risk Managers and the Auditor General's office were invited to the audit committee meetings. In addition the Audit Committee met with the Auditor General and internal audit separately in private meetings.

Each Audit Committee was chaired by an independent person, who was not employed in the public service and the majority of each audit committee's members were also not in the employ of the public service. All members had sufficient recent and relevant financial experience to enable them to carry out their duties properly.

The Risk Management Committee of Provincial Treasury is functioning and the top ten risks were identified and their mitigating monitored. Operational risks were also identified and monitored. The fraud prevention strategy has been approved and is currently being reviewed.

Risk Management in the Limpopo Province is functioning, the foundation that has been laid in terms of Risk Management is of an acceptable standard. Best practice models of Risk Management are being adhered to; more especially in the Provincial Departments and some Public Entities. Risk Registers are developed, updated and the progress with regards to the implementation of the mitigations to address prioritised risks is being monitored on an on-going basis. The governance structures are also in place and they are functioning well. The combined assurance model is being applied to enhance the effectiveness of Risk Management in the Province. Risk Management support is being extended to the Public Entities, however capacity remains a challenge in some of the entities. Top-Management's buy in is critical for the maturity level of risk management to improve (this include amongst others; the willingness of the executives to invest resources in risk management). Inadequate funding to ensure effective implementation of Risk Management Plans remains a challenge across all spheres of the Provincial Government.

**9. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED**

No activity was discontinued during the year under review.

**PROVINCIAL TREASURY  
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**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2013**

**10. NEW/PROPOSED ACTIVITIES**

There were no new proposed activities during the year under review

**11. ASSET MANAGEMENT**

The Limpopo Provincial Administration did not possess an integrated electronic asset management system, during 2012/13 financial year. Due to the fact that there is no integrated electronic assets management system, the Auditor General has agreed to accept a Fixed Assets Register prepared in an EXCEL spreadsheet, provided it is password protected. Provincial Treasury has made use of the EXCEL spreadsheet, to record and consolidate all asset movements, and to compile the year end fixed asset register. The minimum requirements for a fixed assets register have been included in the EXCEL spreadsheet.

**11.1.1. TRANSVERSAL ASSET MANAGEMENT**

Since 2007/08 the province is using Microsoft Excel spreadsheets to maintain the Asset Registers. During the period 2011/12, 8 departments received unqualified audit opinions. Processes are underway to push the number of unqualified departments to 13 by 2014. The Department of Education and of Health have challenges with regard to providing opening balances on their Asset Registers. Four departments, viz. Treasury, COGHSTA, Agriculture, Roads & Transport and Health are on the Integrated Financial Management System (IFMS) Asset register. Challenges which inhibit the effectiveness of the system have been identified in the design of the module. This is compounded by the fact that the IFMS Asset module is currently on stand-alone basis.

Since there are weaknesses in IFMS, the Administration Team took a decision that LOGIS should be rolled out first to the department under administration, starting with the Treasury and ultimately to whole province. For audit purposes, all departments present Microsoft Excel Asset Registers.

**12. EVENTS AFTER REPORTING DATE**

No events have occurred after the reporting date.

**13. INFORMATION ON PREDETERMINED OBJECTIVES**

The Department has a Strategic Operations and Policy Coordination (SOPC) unit that is responsible for, among others, the monitoring and evaluation functions. The approved M&E policy has been reviewed to align it to the Provincial M&E Framework. The policy spells out processes in the collection, validation and storing/recording of performance information as well as planning processes.

**PROVINCIAL TREASURY  
VOTE 5**

**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2013**

Branches/programmes are expected to provide monthly reports against targets set to achieve their predetermined objectives. These reports are discussed at the Executive Management Committee meetings and continuously monitored by top management on a regular basis.

Branches/programmes also compile quarterly reports guided by a monitoring tool managed by the SOPC directorate. The monitoring tool provides for branches/programmes to indicate progress against set targets, gaps in the performance, reasons for deviations and means of verification where targets have been achieved. Where there are gaps, branches are required to indicate corrective steps in the monitoring tool and timeframes in correcting the gaps as well as the responsible official.

These reports are then analysed by the SOPC directorate for accuracy and correctness in terms of pre-determined objectives as set in the Annual Performance Plan. An analysis of the quarterly performance is conducted by SOPC and presented to the Executive Management Committee highlighting performance per branch/programme, challenges and recommendations for corrective actions to ensure achievement of pre-determined objectives as per the Annual Performance Plan.

In addition to the above processes, all SMS members are required to sign performance agreements that are aligned to the pre-determined objectives and targets as per the Annual Performance Plan. This is in line with the Provincial Performance Management & Development Policy.

**14. SCOPA RESOLUTIONS**

Provincial Treasury has received the SCOPA resolutions from 2010/11 financial year and the progress report regarding the implementation of the resolutions is tabulated below.

<b>Reference to previous audit report and SCOPA resolutions</b>	<b>Subject</b>	<b>Progress on the findings</b>
1. Progress report on the tribal levies and Trust Account.	<b>Trust Account</b>	Discussions were held with the Portfolio Committee and the Auditor General on lack of supporting documentation for opening balances. The parties were of the opinion that this matter be referred to the Provincial Legislature.  The opening balances have now been adopted by the Legislature.

**PROVINCIAL TREASURY  
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**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2013**

Reference to previous audit report and SCOPA resolutions	Subject	Progress on the findings
2. Blacklisting of companies or CCs of employees who conducted business with provincial departments at which they are employed.	<b>Disciplinary actions</b>	Provincial Treasury did not blacklist its officials or their companies as the said officials did not do business with their employer (i.e. Provincial Treasury) but other Departments within the Provincial administration. However the Department did inform both the Department of Health and that of Roads and Transport to commence the blacklisting process against Barwe General Trader and Semarela Projects cc, owned by Mesdames Ngoepe and Phihlela respectively.
3. Recovery of money earned irregularly by the employees who did business outside the public service without approval		Upon consideration of both the advice from the office of the State Attorney and the offers made by the two officials, the Department proceeded to deduct the offered amounts once off from the said official's salaries in September 2011. Therefore the Department has recovered a total amount of four thousand one hundred and twenty one rand, sixteen cents (R4121.16), computed as R1317.00 and R2804.16 from Mesdames Phihlela and Ngoepe respectively.

**15. PRIOR MODIFICATIONS TO AUDIT REPORTS**

The department received an unqualified audit opinion and was able to put in place an audit action plan to address all issues raised by the Auditor General on the management letter and other matters as indicated on the audit report in the previous financial year. Out of 18 management report issues raised, three remained unresolved at year end (Tribal levies and trust account, Consolidated AFS and AFS for the Provincial Revenue Fund). Processes are in place to resolve these remaining three matters by 31 July 2013.

**16. EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY**

No exemptions were applied for and received for this financial year under review.

**17. INTERIM FINANCIAL STATEMENTS**

Monthly and quarterly financial statements were prepared during the year under review.

**18. OTHER**

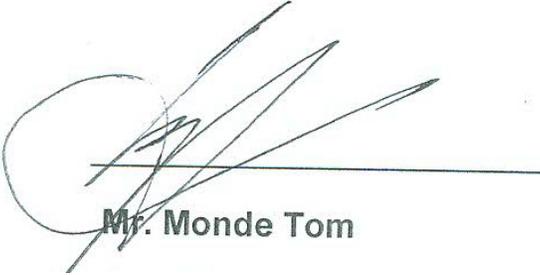
There are no other issues.

**PROVINCIAL TREASURY  
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**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2013**

**19. APPROVAL**

The Annual Financial Statements set out on pages 139 to 194 have been approved by the Accounting Officer.



Mr. Monde Tom

**s100(1)(b) ADMINISTRATOR AND ACCOUNTING OFFICER**

**Provincial Treasury**

**31 May 2013**

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**REPORT OF THE AUDITOR-GENERAL  
for the year ended 31 March 2013**

**REPORT OF THE AUDITOR-GENERAL TO THE LIMPOPO PROVINCIAL LEGISLATURE  
ON VOTE NO. 5: PROVINCIAL TREASURY**

**REPORT ON THE FINANCIAL STATEMENTS**

**Introduction**

1. I have audited the financial statements of the Limpopo Provincial Treasury set out on pages 145 to 207, which comprise the appropriation statement, the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

**Accounting officer's responsibility for the financial statements**

2. The accounting officer is responsible for the preparation of these financial statements in accordance with The *Departmental financial reporting framework* prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No 1 of 1999) (PFMA), Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (DoRA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor-General's responsibility**

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Limpopo Provincial Treasury as at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with *Departmental financial reporting framework* prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa (Act No 1 of 1999) (PFMA) and Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (DoRA).

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**REPORT OF THE AUDITOR-GENERAL  
for the year ended 31 March 2013**

**Emphasis of matter**

I draw attention to the matters below. My opinion is not modified in respect of these matters.

**Significant uncertainties**

7. With reference to note 14 to the financial statements, the department is a defendant in a lawsuit for a claim regarding financial systems. The department is opposing the claim as it believes the claim to be fraudulent and the department is challenging the validity of the system. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

**Material under spending of the budget**

8. As disclosed in the appropriation statement, the department has materially under spent the budget on sustainable resource management, asset and liability management and financial governance to the amount of R 73 042 000. This was due to delay in filling all its vacant positions, appointment of service providers for a skills audit in the Chief Financial Officer's (CFO) office and the audit assistance project to seven departments in the province.

**Additional matters**

I draw attention to the matters below. My opinion is not modified in respect of these matters.

**Unaudited supplementary schedules**

9. The supplementary information set out on pages 195 to 201 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

**Financial reporting framework**

10. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework and not that they "present fairly". Section 20(2)(a) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

11. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

**Predetermined objectives**

12. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 24 to 69 of the annual report.
13. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**REPORT OF THE AUDITOR-GENERAL  
for the year ended 31 March 2013**

The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

14. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

**Additional matter**

15. Although no material findings concerning the usefulness and reliability of the performance information was identified in the annual performance report, I draw attention to the following matter below.

**Achievement of planned targets**

16. Of the total number of 56 targets planned for the year, 13 of targets were not achieved during the year under review. This represents 23% of total planned targets that were not achieved during the year under review.

This was due to under spending of the budget relevant to the following programmes.

- Sustainable resource management
- Assets, liabilities and supply chain management
- Financial governance

**Compliance with laws and regulations**

17. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

**Audit committees**

18. An audit committee was not in place from 1 January 2013 to 31 March 2013. This is in contravention to the requirements of sections 38(1)(a)(ii) and 77 of the PFMA and Treasury Regulation (TR) 3.1.1
19. The audit committee did not have approved written terms of reference in place from 1 April 2012 to 29 October 2012. The terms of reference was approved by the Executive Authority on 29 October 2012. This is in contravention to the requirements of TR 3.1.8.

**Procurement and contract management**

20. Employees of the department performed remunerative work outside their employment in the department without written permission from the relevant authority as required by section 30 of the Public Service Act, 1994 (Act No. 103 of 1994)

**Human resource management and compensation**

21. Persons in charge at pay points did not always certify that the employees receiving payment were entitled thereto as required by TR 8.3.4
22. Some of the senior managers did not have signed performance agreements by 31 May 2012 for the year under review as required by Public Service Regulation 4/III/B.1 and DPSA Circular 15/4/9 dated 5/6/2009
23. Funded vacant posts were not filled within 12 months as required by Public Service Regulation 1/VII/C.1A.2

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**REPORT OF THE AUDITOR-GENERAL  
for the year ended 31 March 2013**

**Income and expenditure statements for the tribal levies and trust account**

24. The department administers the tribal levies account on behalf of the various tribal communities in Limpopo. The income and expenditure statement for the financial years ended 31 March 2004 to 31 March 2013 has not been prepared and submitted for audit as per the Limpopo Traditional Leadership and Institutions Act 6 of 2005

**Consolidated annual financial statements for public entities and departments**

25. The department did not submit the consolidated annual financial statements for auditing within three months after the end of financial year, as required by section 19(1)(c) of the PFMA. The department failed to submit consolidated financial statements of public entities for the financial year ending 31 March 2012 to 31 March 2013 and for departments from 31 March 2009 to 31 March 2013. Consequently, the consolidated financial statements of departments for the financial years ending 31 March 2009 and 31 March 2010 were submitted on 17 July 2013 and these financial statements will be audited successively.

**Provincial revenue fund statements**

26. The department did not submit the annual financial statements for the provincial revenue fund for auditing within two months after the financial year end, as required by section 40(1)(c) of the PFMA. Furthermore, the department failed to submit annual financial statements for the financial year ending 31 March 2009 to 31 March 2013. Consequently, the financial statements of provincial revenue fund for the financial years ending 31 March 2009 and 31 March 2010 were submitted on 17 July 2013 and these financial statements will be audited successively

**Internal Control**

27. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

**Leadership**

28. The accounting officer did not exercise adequate oversight responsibilities regarding actions taken to address the requirements of legislation.
29. No corrective actions were taken on the internal control deficiencies identified during the audit; furthermore, the department does not have an IT policy.

**Financial and Performance management**

30. Adequate actions were not taken to review and monitor compliance with laws and regulations, leading to various instances of non-compliance.

**Governance**

31. The audit committee's term came to an end prior to year end and consequently the audit committee did not exercise oversight on the implementation of matters reported by the internal audit function for the third and fourth quarter

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**REPORT OF THE AUDITOR-GENERAL  
for the year ended 31 March 2013**

*Auditor-General*

**Auditor-General**

**Polokwane**

**31 July 2013**



**AUDITOR - GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2013**

Appropriation per programme									
2012/13								2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1 ADMINISTRATION</b>									
Current payment	107,321	-	1,500	108,821	112,043	(3,222)	103.0%	117,356	101,009
Transfers and subsidies	5,127	-	-	5,127	2,336	2,791	45.6%	7,910	7,480
Payment for capital assets	5,707	-	-	5,707	5,149	558	90.2%	2,441	2,200
	<b>118,155</b>	<b>-</b>	<b>1,500</b>	<b>119,655</b>	<b>119,528</b>	<b>127</b>		<b>127,707</b>	<b>110,689</b>
<b>2 SUSTAINABLE RESOURCE MANAGEMENT</b>									
Current payment	42,127	-	-	42,127	34,532	7,595	82.0%	36,991	33,456
Transfers and subsidies	400	-	-	400	436	(36)	109.0%	400	792
Payment for capital assets	150	-	-	150	89	61	59.3%	154	122
	<b>42,677</b>	<b>-</b>	<b>-</b>	<b>42,677</b>	<b>35,057</b>	<b>7,620</b>		<b>37,545</b>	<b>34,370</b>

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2013**

Appropriation per programme									
2012/13								2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3 ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT</b>	129,996	-	(1,500)	128,496	73,392	55,104	57.1%	66,248	59,264
Current payment	330	-	-	330	1,320	(990)	400.0%	250	243
Transfers and subsidies	223	-	-	223	37	186		46	35
Payment for capital assets							16.6%		
	130,549	-	(1,500)	129,049	74,749	54,300		66,544	59,542
<b>4 FINANCIAL GOVERNANCE</b>	62,962	-	-	62,962	52,163	10,799	82.8%	58,806	53,025
Current payment									
Transfers and subsidies	-	-	-	-	23	(23)	0.0%	420	416
Payment for capital assets	501	-	-	501	282	219	56.3%	96	95
	63,463	-	-	63,463	52,468	10,995		59,322	53,536
<b>Subtotal C/f</b>	<b>354,844</b>	<b>-</b>	<b>-</b>	<b>354,844</b>	<b>281,802</b>	<b>73,042</b>	<b>79.4%</b>	<b>291,118</b>	<b>258,137</b>

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2013**

Appropriation per programme									
2012/13								2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Subtotal B/f</b>	354,844	-	-	354,844	281,802	73,042	79.4%	291,118	258,137
<b>Statutory Appropriation</b>									
Current payment	1,652	-	-	1,652	1,652	-	100.0%	1,566	1,535
<b>TOTAL</b>	356,496	-	-	356,496	283,454	73,042	79.5%	292,684	259,672
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
Departmental receipts				122,942				4,239	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				479,438				296,923	
<b>Actual amounts per Statement of Financial Performance Expenditure</b>					283,454				259,672

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2013**

<b>Appropriation per Economic classification</b>									
<b>2012/13</b>								<b>2011/12</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>									
Compensation of employees	194,997	-	-	194,997	178,812	16,185	91.7%	175,755	168,329
Goods and services	149,061	-	-	149,061	94,971	54,090	63.7%	105,212	79,961
<b>Transfers &amp; subsidies</b>									
Households	5,857	-	-	5,857	4,115	1,742	70.3%	8,980	8,931
<b>Payment for capital assets</b>									
Buildings & other fixed structures	220	-	-	220	217	3	98.6%	110	-
Machinery & equipment	6,361	-	-	6,361	5,339	1,022	83.9%	2,627	2,451
<b>Total</b>	<b>356,496</b>	<b>-</b>	<b>-</b>	<b>356,496</b>	<b>283,454</b>	<b>73,042</b>	<b>79.5%</b>	<b>292,684</b>	<b>259,672</b>

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2013**

Statutory Appropriation									
2012/13								2011/12	
Direct charge against the National/Provincial Revenue Fund	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
Member of executive committee/parliamentary officers	1,652			1,652	1,652	-	100.0%	1,566	1,535
<b>Total</b>	<b>1,652</b>	-	-	<b>1,652</b>	<b>1,652</b>	-	<b>100.0%</b>	<b>1,566</b>	<b>1,535</b>

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2013**

**Detail per Programme 1 - ADMINISTRATION  
For the year ended 31 March 2013**

Details per Sub-Programme	2012/13							2011/12	
	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
<b>1.1 OFFICE OF THE MEC</b>									
Current payment	2,455	(369)	-	2,086	1,847	239	88.5%	3,003	2,350
<b>1.2 MANAGEMENT SERVICES</b>									
Current payment	2,567	(184)	-	2,383	2,128	255	89.3%	3,488	2,792
Transfers and subsidies	-	-	-	-	49	(49)	0.0%	-	-
Payment for capital assets	-	-	-	-	-	-	0.0%	-	23
<b>1.3 CORPORATE SERVICES</b>									
Current payment	71,958	3,413	1,500	76,871	80,324	(3,453)	104.5%	76,806	67,163
Transfers and subsidies	4,626	-	-	4,626	1,787	2,839	38.6%	7,560	7,103
Payment for capital assets	2,762	-	-	2,762	2,284	478	82.7%	1,891	1,655
<b>1.4 FINANCIAL MANAGEMENT (OFFICE OF THE CFO)</b>									
Current payment	30,341	(2,860)	-	27,481	27,744	(263)	101.0%	34,059	28,704
Transfers and subsidies	501	-	-	501	500	1	99.8%	350	377
Payment for capital assets	2,945	-	-	2,945	2,865	80	97.3%	550	522
<b>Total</b>	<b>118,155</b>	<b>-</b>	<b>1,500</b>	<b>119,655</b>	<b>119,528</b>	<b>127</b>	<b>99.9%</b>	<b>127,707</b>	<b>110,689</b>

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2013**

Programme 1 Per Economic classification	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	59,375	-	-	59,375	57,258	2,117	96.4%	57,174	55,125
Goods and services	47,946	-	1,500	49,446	54,786	(5,340)	110.8%	60,182	45,884
<b>Transfers &amp; subsidies</b>									
Households	5,127	-	-	5,127	2,336	2,791	45.6%	7,910	7,480
<b>Payment for capital assets</b>									
Buildings & other fixed structures	220	-	-	220	217	3	98.6%	110	-
Machinery & equipment	5,487	-	-	5,487	4,931	556	89.9%	2,331	2,200
<b>Total</b>	<b>118,155</b>	<b>-</b>	<b>1,500</b>	<b>119,655</b>	<b>119,528</b>	<b>127</b>	<b>99.9%</b>	<b>127,707</b>	<b>110,689</b>

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2013**

**Detail per Programme 2 - SUSTAINABLE RESOURCE MANAGEMENT**

For the year ended 31 March 2013

Details per Sub-Programme	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>2.1 PROGRAMME SUPPORT</b>									
Current payment	1,414	-	-	1,414	1,074	340	76.0%	1,120	1,075
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-
Payment for capital assets	50	-	-	50	25	25	50.0%	-	-
<b>2.2 ECONOMIC ANALYSIS</b>									
Current payment	1,939	-	-	1,939	1,690	249	87.2%	3,858	1,730
Payment for capital assets	30	-	-	30	19	11	63.3%	24	-
<b>2.3 FISCAL POLICY</b>									
Current payment	12,380	-	-	12,380	10,480	1,900	84.7%	10,574	9,887
Transfers and subsidies	365	-	-	365	401	(36)	109.9%	400	675
Payment for capital assets	70	-	-	70	45	25	64.3%	-	-
<b>2.4 BUDGET MANAGEMENT</b>									
Current payment	4,410	-	-	4,410	3,868	542	87.7%	3,970	3,649
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	117
Payment for capital assets	-	-	-	-	-	-	0.0%	6	-

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2013**

**Detail per Programme 2 - SUSTAINABLE RESOURCE MANAGEMENT**

**For the year ended 31 March 2013**

Details per Sub-Programme	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>2.5 PUBLIC FINANCE</b>									
Current payment	6,136	-	-	6,136	4,898	1,238	79.8%	4,908	4,596
Payment for capital assets	-	-	-	-	-	-	0.0%	76	75
<b>2.6 INTERGOVERNMENTAL RELATIONS</b>									
Current payment	15,848	-	-	15,848	12,522	3,326	79.0%	12,561	12,519
Transfers and subsidies	35	-	-	35	35	-	100.0%	-	-
Payment for capital assets	-	-	-	-	-	-	0.0%	48	47
<b>Total</b>	<b>42,677</b>	<b>-</b>	<b>-</b>	<b>42,677</b>	<b>35,057</b>	<b>7,620</b>	<b>82.1%</b>	<b>37,545</b>	<b>34,370</b>

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2013**

Programme 2 Per Economic classification	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	35,558	-	-	35,558	31,843	3,715	89.6%	30,322	29,628
Goods and services	6,569	-	-	6,569	2,689	3,880	40.9%	6,669	3,828
<b>Transfers &amp; subsidies</b>									
Households	400	-	-	400	436	(36)	109.0%	400	792
<b>Payment for capital assets</b>									
Machinery & equipment	150	-	-	150	89	61	59.3%	154	122
<b>Total</b>	<b>42,677</b>	<b>-</b>	<b>-</b>	<b>42,677</b>	<b>35,057</b>	<b>7,620</b>	<b>82.1%</b>	<b>37,545</b>	<b>34,370</b>

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2013**

**Detail per Programme 3 - ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT**

For the year ended 31 March 2013

Details per Sub-Programme	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3.1 PROGRAMME SUPPORT</b>									
Current payment	64,061	-	(1,500)	62,561	13,655	48,906	21.8%	-	-
<b>3.2 ASSET MANAGEMENT</b>									
Current payment	10,602	-	-	10,602	8,482	2,120	80.0%	8,965	8,642
Transfers and subsidies	-	-	-	-	433	(433)	0.0%	-	20
Payment for capital assets	30	-	-	30	16	14	53.3%	-	-
<b>3.3 LIABILITIES MANAGEMENT</b>									
Current payment	10,134	-	-	10,134	7,865	2,269	77.6%	9,784	7,999
Transfers and subsidies	-	-	-	-	402	(402)	0.0%	250	223
Payment for capital assets	45	-	-	45	-	45	0.0%	10	9

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2013**

**Detail per Programme 3 - ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT**

For the year ended 31 March 2013

Details per Sub-Programme	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3.4 SUPPLY CHAIN MANAGEMENT</b>									
Current payment	21,365	-	-	21,365	20,238	1,127	94.7%	20,426	19,099
Transfers and subsidies	330	-	-	330	485	(155)	147.0%	-	-
Payment for capital assets	88	-	-	88	21	67	23.9%	36	26
<b>3.1 SUPPORT AND INTERLINKED FINANCIAL SYSTEMS</b>									
Current payment	23,834	-	-	23,834	23,152	682	97.1%	27,073	23,524
Payment for capital assets	60	-	-	60	-	60	0.0%	-	-
<b>Total</b>	<b>130,549</b>	<b>-</b>	<b>(1,500)</b>	<b>129,049</b>	<b>74,749</b>	<b>54,300</b>	<b>57.9%</b>	<b>66,544</b>	<b>59,542</b>

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2013**

Programme 3 Per Economic classification	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	46,194	-	-	46,194	43,219	2,975	93.6%	41,740	39,864
Goods and services	83,802	-	(1,500)	82,302	30,173	52,129	36.7%	24,508	19,400
<b>Transfers &amp; subsidies</b>									
Households	330	-	-	330	1,320	(990)	400.0%	250	243
<b>Payment for capital assets</b>									
Machinery & equipment	223	-	-	223	37	186	16.6%	46	35
<b>Total</b>	<b>130,549</b>	<b>-</b>	<b>(1,500)</b>	<b>129,049</b>	<b>74,749</b>	<b>54,300</b>	<b>57.9%</b>	<b>66,544</b>	<b>59,542</b>

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2013**

**Detail per Programme 4 - FINANCIAL GOVERNANCE**

For the year ended 31 March 2013

Details per Sub-Programme	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>4.1 PROGRAMME SUPPORT</b>									
Current payment	1,608	-	-	1,608	1,066	542	66.3%	1,472	1,430
<b>4.2 ACCOUNTING SERVICES</b>									
Current payment	52,727	-	-	52,727	44,133	8,594	83.7%	49,729	45,320
Transfers and subsidies	-	-	-	-	23	(23)	0.0%	420	416
Payment for capital assets	461	-	-	461	282	179	61.2%	96	95
<b>4.3 RISK MANAGEMENT</b>									
Current payment	8,627	-	-	8,627	6,964	1,663	80.7%	7,605	6,275
Payment for capital assets	40	-	-	40	-	40	0.0%	-	-
<b>Total</b>	<b>63,463</b>	<b>-</b>	<b>-</b>	<b>63,463</b>	<b>52,468</b>	<b>10,995</b>	<b>82.7%</b>	<b>59,322</b>	<b>53,536</b>

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2013**

Programme 4 Per Economic classification	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	52,218	-	-	52,218	44,840	7,378	85.9%	44,953	42,177
Goods and services	10,744	-	-	10,744	7,323	3,421	68.2%	13,853	10,849
<b>Transfers &amp; subsidies</b>									
Households	-	-	-	-	23	(23)	0.0%	420	416
<b>Payment for capital assets</b>									
Machinery & equipment	501	-	-	501	282	219	56.3%	96	94
<b>Total</b>	<b>63,463</b>	<b>-</b>	<b>-</b>	<b>63,463</b>	<b>52,468</b>	<b>10,995</b>	<b>82.7%</b>	<b>59,322</b>	<b>53,536</b>

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2013**

**Explanations of material variances from  
Amounts Voted (after virement):**

<b>Per programme:</b>	<b>Final appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>Variance R'000</b>	<b>Variance as a % of Final Approp. %</b>
Programme 1: Administration	119,655	119,528	127	0.1%
No variance				
Programme 2: Sustainable Resource Management	42,677	35,057	7,620	17.9%
The under spending was a result of late filling of vacant posts, non-appointment of consultants as well as austerity measures savings on non-core items.				
Programme 3: Assets, Liabilities and Supply chain Management	129,049	74,749	54,300	42.1%
The under spending was as a result of s100(1)(b) Intervention recovery projects which started late in the current financial year.				
Programme 4: Financial Governance	63,463	52,468	10,995	17.3%
The under spending was as a result of vacant funded post not being filled and the late appointment of a service provider to conduct a skills audit project in the CFO's office in three departments in the province.				
Compensation of employees	194,997	178,812	16,185	8.3%
Goods and services	149,061	94,971	54,090	36.3%
<b>Transfers and subsidies</b>				
Households	5,857	4,115	1,742	29.7%
<b>Payments for capital assets</b>				
Buildings and other fixed structures	220	217	3	1.4%
Machinery and equipment	6,361	5,339	1,022	16.1%
The under spending was a result of late filling of funded vacant posts, s100(1)(b) Intervention recovery projects which started late in the year and the non-approval of new bursary during the year.				

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2013**

	<i>Note</i>	2012/13 R'000	2011/12 R'000
<b>REVENUE</b>			
Annual appropriation	1	354,844	291,118
Statutory appropriation	2	1,652	1,566
Departmental revenue	3	122,942	4,239
<b>TOTAL REVENUE</b>		<b>479,438</b>	<b>296,923</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	178,812	168,329
Goods and services	5	94,971	79,961
<b>Total current expenditure</b>		<b>273,783</b>	<b>248,290</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	6	4,115	8,931
<b>Total transfers and subsidies</b>		<b>4,115</b>	<b>8,931</b>
<b>Expenditure for capital assets</b>			
Tangible capital assets	7	5,556	2,451
<b>Total expenditure for capital assets</b>		<b>5,556</b>	<b>2,451</b>
<b>TOTAL EXPENDITURE</b>		<b>283,454</b>	<b>259,672</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>195,984</b>	<b>37,251</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted Funds		73,042	33,012
Annual appropriation		73,042	33,012
Departmental revenue and NRF Receipts	12	122,942	4,239
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>195,984</b>	<b>37,251</b>

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**STATEMENT OF FINANCIAL POSITION  
as at 31 March 2013**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>ASSETS</b>			
<b>Current Assets</b>		<b>89,690</b>	<b>46,460</b>
Unauthorised expenditure	8	-	6,803
Cash and cash equivalents	9	88,953	39,065
Receivables	10	737	592
<b>TOTAL ASSETS</b>		<b>89,690</b>	<b>46,460</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>89,499</b>	<b>46,252</b>
Voted funds to be surrendered to the Revenue Fund	11	73,042	33,012
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	16,457	13,024
Payables	13	-	216
<b>TOTAL LIABILITIES</b>		<b>89,499</b>	<b>46,252</b>
<b>NET ASSETS</b>		<b>191</b>	<b>208</b>
<b>Represented by:</b>			
Recoverable revenue		191	208
<b>TOTAL</b>		<b>191</b>	<b>208</b>

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**STATEMENT OF CHANGES IN NET ASSETS  
for the year ended 31 March 2013**

<b>NET ASSETS</b>	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>Recoverable revenue</b>			
Opening balance		208	277
Transfers		<b>(17)</b>	<b>(69)</b>
Debts recovered (included in departmental receipts)		-69	-69
Debts raised		52	-
Closing balance		<b>191</b>	<b>208</b>
<b>TOTAL</b>		<b>191</b>	<b>208</b>

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**CASH FLOW STATEMENT  
for the year ended 31 March 2013**

		2012/13	2011/12
	<i>Note</i>	R'000	R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>480,869</b>	<b>322,454</b>
Annual appropriated funds received	1.1	354,844	291,118
Statutory appropriated funds received	2	1,652	1,566
Departmental revenue received	3	124,373	29,770
Net (increase)/ decrease in working capital		6,442	(330)
Surrendered to Revenue Fund		(153,952)	(27,049)
Current payments		(273,783)	(248,290)
Transfers and subsidies paid		(4,115)	(8,931)
<b>Net cash flow available from operating activities</b>	<b>14</b>	<b>55,461</b>	<b>37,854</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	7	(5,556)	(2,451)
<b>Net cash flows from investing activities</b>		<b>(5,556)</b>	<b>(2,451)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/ (decrease) in net assets		(17)	(69)
<b>Net cash flows from financing activities</b>		<b>(17)</b>	<b>(69)</b>
Net increase/ (decrease) in cash and cash equivalents		49,888	35,334
Cash and cash equivalents at beginning of period		39,065	3,731
<b>Cash and cash equivalents at end of period</b>	<b>15</b>	<b>88,953</b>	<b>39,065</b>

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**ACCOUNTING POLICIES  
for the year ended 31 March 2013**

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2010.

**1. Presentation of the Financial Statements**

**1.1 Basis of preparation**

The financial statements have been prepared on a modified cash basis of accounting.

Under this basis, the effects of transactions and other events are recognised in the financial records when the resulting cash is received or paid. The “modification” results from the recognition of certain near-cash balances in the financial statements as well as the revaluation of foreign investments and loans and the recognition of resulting revaluation gains and losses.

In addition supplementary information is provided in the disclosure notes to the financial statements where it is deemed to be useful to the users of the financial statements.

**1.2 Presentation currency**

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

**1.3 Rounding**

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

**1.4 Comparative figures**

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

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**ACCOUNTING POLICIES  
for the year ended 31 March 2013**

**1.5 Comparative figures - Appropriation Statement**

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

**1. Revenue**

**2.1 Appropriated funds**

Appropriated funds comprises of departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriation).

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

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Any amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

Any amount due from the Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

**2.2 Departmental revenue**

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the Provincial Revenue Fund at the end of the financial year is recognised as a payable in the statement of financial position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure notes to the annual financial statements.

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**ACCOUNTING POLICIES  
for the year ended 31 March 2013**

**2. Expenditure**

**2.1. Compensation of employees**

**2.1.1. Salaries and wages**

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed

in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

**2.1.2. Social contributions**

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

Employer contributions made by the department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**ACCOUNTING POLICIES  
for the year ended 31 March 2013**

**2.1.3 Goods and services**

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

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5, 000). All other expenditures are classified as current.

Rental paid for the use of buildings or other fixed structures is classified as *goods and services* and not as *rent on land*.

**2.1 Interest and rent on land**

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

**2.2 Payments for financial assets**

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements.

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

**2.3 Transfers and subsidies**

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

**2.4 Unauthorised expenditure**

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

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**ACCOUNTING POLICIES  
for the year ended 31 March 2013**

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date stipulated in the Act.

**2.5 Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

**2.6 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 an asset until it is recovered or written off as irrecoverable.

**3. Assets**

**4.1 Cash and cash equivalents**

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

Bank overdrafts are shown separately on the face of the statement of financial position.

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

**4.2 Other financial assets**

Other financial assets are carried in the statement of financial position at cost.

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**ACCOUNTING POLICIES  
for the year ended 31 March 2013**

**4.3 Prepayments and advances**

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

**4.4 Receivables**

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

**4.5 Inventory**

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

**4.6 Capital assets**

**4.8.1 Movable assets**

***Initial recognition***

A capital asset is recorded in the asset register on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register R1.

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**ACCOUNTING POLICIES  
for the year ended 31 March 2013**

**Subsequent recognition**

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as “expenditure for capital assets” and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current “goods and services” in the statement of financial performance.

**4.8.2 Immovable assets**

***Initial recognition***

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

***Subsequent recognition***

Work-in-progress of a capital nature is recorded in the statement of financial performance as “expenditure for capital assets”. On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

Repairs and maintenance is expensed as current “goods and services” in the statement of financial performance.

**4.8.3 Intangible assets**

***Initial recognition***

An intangible asset is recorded in the asset register on receipt of the item at cost. Cost of an intangible asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the intangible asset is stated at fair value. Where fair value cannot be determined, the intangible asset is included in the asset register at R1.

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.\*

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**ACCOUNTING POLICIES  
for the year ended 31 March 2013**

**Subsequent expenditure**

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as “expenditure for capital asset” and is capitalised in the asset register of the department.

Maintenance is expensed as current “goods and services” in the statement of financial performance.

**5 Liabilities**

**5.1 Payables**

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

**5.2 Contingent liabilities**

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

**5.3 Contingent assets**

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the entity.

**5.4 Commitments**

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

**5.5 Accruals**

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

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**ACCOUNTING POLICIES  
for the year ended 31 March 2013**

**5.6 Employee benefits**

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

**5.7 Lease commitments**

**Operating lease**

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

**6 Receivables for departmental revenue**

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements. These receivables are written off when identified as irrecoverable and are disclosed separately.

**7 Net Assets**

**7.1 Recoverable revenue**

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

**8 Related party transactions**

Specific information with regards to related party transactions is included in the disclosure notes.

**9 Key management personnel**

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

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

**1. Annual Appropriation**

**1.1. Annual Appropriation**

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	<b>2012/13</b>			<b>2011/12</b>
	<b>Final Appropriation R'000</b>	<b>Actual Funds Received R'000</b>	<b>Funds not requested/ not received R'000</b>	<b>Appropriation Received R'000</b>
<b>Programmes</b>				
Administration	119,655	119,655	-	127,707
Sustainable Resource Management	42,677	42,677	-	37,545
Assets, Liabilities And Supply Chain Management	129,049	129,049	-	66,544
Financial Governance	63,463	63,463	-	59,322
<b>Total</b>	<b>354,844</b>	<b>354,844</b>	<b>-</b>	<b>291,118</b>

**2. Statutory Appropriation**

	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Member of executive committee	1,652	1,566
Actual Statutory Appropriation received	<b>1,652</b>	1,566

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

**3. Departmental revenue**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Sales of goods and services other than capital assets	3.1	697	600
Interest, dividends and rent on land	3.3	123,384	28,479
Transactions in financial assets and liabilities	3.5	292	691
<b>Total revenue collected</b>		<b>124,373</b>	<b>29,770</b>
Less: Own revenue included in appropriation	12	1,431	25,531
<b>Departmental revenue collected</b>		<b>122,942</b>	<b>4,239</b>

**3.1. Sales of goods and services other than capital assets**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
	3		
Sales of goods and services produced by the department		697	600
Sales by market establishment		90	81
Other sales		607	519
<b>Total</b>		<b>697</b>	<b>600</b>

**3.2. Interest, dividends and rent on land**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
	3		
Interest		123,384	28,479

**LIMPOPO PROVINCIAL TREASURY  
VOTE 5**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

**3.3. Transactions in financial assets and liabilities**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Other Receipts including Recoverable Revenue	3	292	691
		292	691

**4. Compensation of employees**

**4.1. Salaries and Wages**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Basic salary		127,154	120,181
Performance award		801	19
Service Based		9,729	259
Compensative/circumstantial		960	762
Periodic payments		-	8,898
Other non-pensionable allowances		18,060	17,201
<b>Total</b>		<b>156,704</b>	<b>147,320</b>

**4.2. Social contributions**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>Employer contributions</b>			
Pension		16,238	15,336
Medical		5,847	5,649
Bargaining council		23	24
<b>Total</b>		<b>22,108</b>	<b>21,009</b>
<b>Total compensation of employees</b>		<b>178,812</b>	<b>168,329</b>
<b>Average number of employees</b>		<b>437</b>	<b>475</b>

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**5. Goods and services**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Administrative fees		3,291	3,660
Advertising		1,239	947
Assets less than R5,000	5.1	479	445
Catering		692	775
Communication		4,081	4,235
Computer services	5.2	15,306	15,543
Consultants, contractors and agency/outsourced services	5.3	26,586	8,350
Entertainment		6	2
Audit cost – external	5.4	4,213	10,266
Fleet services		1,514	1,462
Inventory	5.5	2,177	3,485
Operating leases		1,461	747
Property payments	5.6	24,044	14,651
Travel and subsistence	5.7	7,650	10,848
Venues and facilities		364	1,424
Training and staff development		1,672	2,453
Other operating expenditure	5.8	196	668
<b>Total</b>		<b>94,971</b>	<b>79,961</b>

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**5.1. Assets less than R5,000**

	<i>Note</i> 5	2012/13 R'000	2011/12 R'000
<b>Tangible assets</b>		<b>479</b>	<b>445</b>
Buildings and other fixed structures		-	93
Machinery and equipment		479	352
<b>Total</b>		<b>479</b>	<b>445</b>

**5.2. Computer services**

	<i>Note</i> 5	2012/13 R'000	2011/12 R'000
SITA computer services		10,223	7,041
External computer service providers		5,083	8,502
<b>Total</b>		<b>15,306</b>	<b>15,543</b>

**5.3. Consultants, contractors and agency/outsourced services**

	<i>Note</i> 5	2012/13 R'000	2011/12 R'000
Business and advisory services		16,440	1,111
Legal costs		6,050	3,588
Contractors		246	244
Agency and support/outsourced services		3,850	3,407
<b>Total</b>		<b>26,586</b>	<b>8,350</b>

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**5.4. Audit cost – External**

	<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
	<b>5</b>	<b>R'000</b>	<b>R'000</b>
Regularity audits		4,213	5,463
Performance audits		-	4,803
<b>Total</b>		<b>4,213</b>	<b>10,266</b>

**5.5. Inventory**

	<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
	<b>5</b>	<b>R'000</b>	<b>R'000</b>
Food and food supplies		-	52
Fuel, oil and gas		2	10
Other consumables		199	130
Materials and supplies		14	5
Stationery and printing		1,962	3,288
<b>Total</b>		<b>2,177</b>	<b>3,485</b>

**5.6. Property payments**

	<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
	<b>5</b>	<b>R'000</b>	<b>R'000</b>
Municipal services		2,066	3,429
Property management fees		21,672	10,384
Property maintenance and repairs		306	838
<b>Total</b>		<b>24,044</b>	<b>14,651</b>

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**5.7. Travel and subsistence**

	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
	5		
Local		7,611	10,767
Foreign		39	81
<b>Total</b>		<b>7,650</b>	<b>10,848</b>

**5.8. Other operating expenditure**

	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
	5		
Professional bodies, membership and subscription fees		18	101
Resettlement costs		34	410
Other		144	157
<b>Total</b>		<b>196</b>	<b>668</b>

**6. Transfers and subsidies**

	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Households	ANNEXURE 1A	4,115	8,931
<b>Total</b>		<b>4,115</b>	<b>8,931</b>

**7. Expenditure for capital assets**

	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>Tangible assets</b>		<b>5,556</b>	<b>2,451</b>
Buildings and other fixed structures	25	266	-
Machinery and equipment	25	5,290	2,451
<b>Total</b>		<b>5,556</b>	<b>2,451</b>

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**7.1. Analysis of funds utilised to acquire capital assets – 2012/13**

	<b>Voted Funds R'000</b>	<b>Aid assistance R'000</b>	<b>TOTAL R'000</b>
<b>Tangible assets</b>	<b>5,556</b>	<b>-</b>	<b>5,556</b>
Buildings and other fixed structures	266	-	266
Machinery and equipment	5,290	-	5,290
<b>Total</b>	<b>5,556</b>	<b>-</b>	<b>5,556</b>

**7.2. Analysis of funds utilised to acquire capital assets – 2011/12**

	<b>Voted Funds R'000</b>	<b>Aid assistance R'000</b>	<b>TOTAL R'000</b>
<b>Tangible assets</b>	<b>2,451</b>	<b>-</b>	<b>2,451</b>
Machinery and equipment	2,451	-	2,451
<b>Total</b>	<b>2,451</b>	<b>-</b>	<b>2,451</b>

**8. Unauthorised expenditure**

**8.1. Reconciliation of unauthorised expenditure**

	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Opening balance		6,803	6,803
Less: Amounts approved by Legislature with funding		(6,803)	-
<b>Unauthorised expenditure awaiting authorisation / written off</b>		<b>-</b>	<b>6,803</b>

**8.2. Analysis of unauthorised expenditure awaiting authorisation per economic classification**

Current	-	6,803
<b>Total</b>	<b>-</b>	<b>6,803</b>

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**8.3. Analysis of unauthorised expenditure awaiting authorisation per type**

Unauthorised expenditure relating to overspending of the vote or a main division within the vote	6,803
<b>Total</b>	<b>6,803</b>

**9. Cash and cash equivalents**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Consolidated Paymaster General Account		88,953	(49)
Cash receipts		-	1
Disbursements		-	(60)
Investments (Domestic)		-	39,173
<b>Total</b>		<b>88,953</b>	<b>39,065</b>

**10. Receivables**

	<i>Note</i>	<b>Less than one year R'000</b>	<b>One to three years R'000</b>	<b>Older than three years R'000</b>	<b>2012/13 Total R'000</b>	<b>2011/12 R'000</b>
Staff debt	10.1	41	22	88	149	592
Other debtors	10.2	192	213	181	588	-
<b>Total</b>		<b>233</b>	<b>235</b>	<b>269</b>	<b>737</b>	<b>592</b>

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**10.1. Staff debt**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
	<i>10</i>		
Staff		51	20
Excess on cellphone account		2	2
Ex- Employees		-	431
Other		63	63
Subsidized Transport		33	76
<b>Total</b>		<b>149</b>	<b>592</b>

**10.2. Other debtors**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
	<i>10</i>		
Salary: Tax Debt		7	-
Salary: Income Tax		183	-
Ex- Employees		398	-
<b>Total</b>		<b>588</b>	<b>-</b>

**11. Voted funds to be surrendered to the Revenue Fund**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Opening balance		33,012	4,253
Transfer from statement of financial performance		73,042	33,012
Paid during the year		(33,012)	(4,253)
<b>Closing balance</b>		<b>73,042</b>	<b>33,012</b>

**12. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Opening balance		13,024	6,050
Transfer from Statement of Financial Performance		122,942	4,239
Own revenue included in appropriation		1,431	25,531
Paid during the year		(120,940)	(22,796)
<b>Closing balance</b>		<b>16,457</b>	<b>13,024</b>

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**13. Payables – current**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Clearing accounts	13.2	-	2
Other payables	13.3	-	214
<b>Total</b>		<b>-</b>	<b>216</b>

**13.1. Clearing accounts**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Salary: Automatic Clearing Bureau Recalls	13	-	2

**13.2. Other payables**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Salary: Income tax	13	-	214

**14. Net cash flow available from operating activities**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Net surplus/(deficit) as per Statement of Financial Performance		195,984	37,251
Add back non cash/cash movements not deemed operating activities		(140,523)	603
(Increase)/decrease in receivables – current		(145)	(60)
(Increase)/decrease in other current assets		6,803	-
Increase/(decrease) in payables – current		(216)	(270)
Expenditure on capital assets		5,556	2,451
Surrenders to Revenue Fund		(153,952)	(27,049)
Own revenue included in appropriation		1,431	25,531
<b>Net cash flow generated by operating activities</b>		<b>55,461</b>	<b>37,854</b>

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**15. Reconciliation of cash and cash equivalents for cash flow purposes**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Consolidated Paymaster General account		88,953	(49)
Cash receipts		-	1
Disbursements		-	(60)
Cash with commercial banks (Local)		-	39,173
<b>Total</b>		<b>88,953</b>	<b>39,065</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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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 and contingent assets**

**16.1. Contingent liabilities**

			2012/13	2011/12
		<i>Note</i>	R'000	R'000
Liable to	Nature			
Housing loan guarantees	Employees	<i>Annex 2A</i>	201	506
Claims against the department		<i>Annex 2B</i>	58,566	56, 612
<b>Total</b>			<b>58,767</b>	<b>57,118</b>

Previous year claim against the state has been restated from R56,621 to R56,612.

The department is handling cases that are under arbitration relating to litigations and employees disputes.

**17. Commitments**

			2012/13	2011/12
		<i>Note</i>	R'000	R'000
<b>Commitments</b>				
<b>Current expenditure</b>				
Approved and contracted			68,461	6, 011
Approved but not yet contracted			-	-
<b>Total Commitments</b>			<b>68,461</b>	<b>6, 011</b>

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<b>18. Accruals</b>			<b>2012/13</b>	<b>2011/12</b>
			<b>R'000</b>	<b>R'000</b>
<b>Listed by economic classification</b>	<b>30 days</b>	<b>30+ days</b>	<b>Total</b>	<b>Total</b>
Goods and services	9,500	9	<b>9,509</b>	2,721
<b>Total</b>	<b>9,500</b>	<b>9</b>	<b>9,509</b>	<b>2,721</b>
			<b>2012/13</b>	<b>2011/12</b>
<b>Listed by programme level</b>	<b>Note</b>		<b>R'000</b>	<b>R'000</b>
Administration			8,208	1,580
Sustainable Resource Management			161	34
Assets, Liabilities and Supply Chain Management			737	709
Financial Governance			403	398
<b>Total</b>			<b>9,509</b>	<b>2,721</b>
			<b>2012/13</b>	<b>2011/12</b>
			<b>R'000</b>	<b>R'000</b>
Confirmed balances with departments	<i>Annex 5</i>		753	-
<b>Total</b>			<b>753</b>	<b>-</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**19. Employee benefits**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Leave entitlement		6,878	5,989
Service bonus (Thirteenth cheque)		5,020	4,834
Performance awards		2,925	2,636
Capped leave commitments		33,271	33,781
<b>Total</b>		<b>48,094</b>	<b>47,240</b>

**20. Lease commitments**

**20.1. Operating leases expenditure**

<b>2012/13</b>	<b>Specialised military assets R'000</b>	<b>Land R'000</b>	<b>Buildings and other fixed structures R'000</b>	<b>Machinery and equipment R'000</b>	<b>Total R'000</b>
Not later than 1 year	-	-	9,614	662	10,276
Later than 1 year and not later than 5 years	-	-	18,628	1,214	19,842
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>28,242</b>	<b>1,876</b>	<b>30,118</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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2011/12	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	13,166	196	13,362
Later than 1 year and not later than 5 years	-	-	28,089	90	28,179
<b>Total lease commitments</b>	-	-	<b>41,255</b>	<b>286</b>	<b>41,541</b>

**21. Receivables for departmental revenue**

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Sales of goods and services other than capital assets		13	-
Sale of capital assets		750	-
<b>Total</b>		<b>763</b>	<b>-</b>

**21.1. Analysis of receivables for departmental revenue**

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Opening balance		-	-
Less: Amounts received		-	-
Add: Amounts recognised		763	-
Less: Amounts written-off/reversed as irrecoverable		-	-
<b>Closing balance</b>		<b>763</b>	<b>-</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**22. Fruitless and wasteful expenditure**

**22.1. Reconciliation of fruitless and wasteful expenditure**

	<b>2012/13</b>	<b>2011/12</b>
	<b>R'000</b>	<b>R'000</b>
<b>Reconciliation of fruitless and wasteful expenditure</b>		
Opening balance	298	29
Fruitless and wasteful expenditure – relating to current year	4	269
Less: Amounts resolved	(179)	-
Less: Amounts transferred to receivables for recovery	(29)	-
<b>Fruitless and wasteful expenditure awaiting resolution</b>	<b>94</b>	<b>298</b>

**22.2. Analysis of awaiting resolution per economic classification**

Current	94	-
Capital	-	-
Transfers and subsidies	-	-
<b>Total</b>	<b>94</b>	<b>-</b>

**22.3. Reconciliation of fruitless and wasteful expenditure**

<b>Analysis of Current Year's Fruitless and wasteful expenditure</b>		<b>2012/13</b>
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>R'000</b>
Interest charged on late payments to Suppliers	Head of Department's authority granted to write off this interest amount paid on the Telkom account which was paid late for two months during the year, due to the systemic problems in the payment process.	4
<b>Total</b>		<b>4</b>

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Prior year interest charged of R3 thousand on bursary funds has been recovered.

The Head of Department has condoned R4 thousand interest charged on the Telkom account which was paid late, for two months during the year, due to the systemic problems in the payment process.

The R172 thousand disclosed as fruitless during the prior year was investigated and it was found that only 5 posts out of 28 posts advertised were not filled and re advertised and thus an amount of R172 thousand (5/28 x R209) has been condoned by the Head of Department during the year

A debt of R29 thousand has been raised against an employee for prior year fruitless expenditure and is in the process of being recovered.

**23. Related party transactions**

There is a related party transaction between the department of Public Works and Limpopo Provincial Treasury. Provincial Treasury is making use of the building at 46 Hans Van Rensburg in Polokwane, the Tender Advice centres at Giyani Government Complex in Mopani and also in the Thohoyandou Government Complex in Vhembe, rent free

The department was placed under administration by National Treasury in terms of Section 100 1(b) of the constitution of the Republic of South Africa. The National Treasury team is not remunerated by Limpopo Provincial Treasury.

The Department renders transversal functions in relation to Internal Audit and Audit Committee to all provincial departments, excluding the Provincial Legislature.

**24. Key management personnel**

	<i>No. of Individuals</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Political office bearers – MEC	1	1,652	1,535
<b>Officials:</b>			
Level 15 to 16	3	2,331	4,472
Level 14 (incl CFO)	8	7,269	5,197
Family members of key management personnel	1	219	-
<b>Total</b>		<b>11,471</b>	<b>11,204</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**25. Movable Tangible Capital Assets**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE  
YEAR ENDED 31 MARCH 2013**

	Opening balance R'000	Curr year adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>MACHINERY AND EQUIPMENT</b>	31,838	-	5,289	3,245	33,882
Transport assets	6,238	-	2,735	1,473	7,500
Computer equipment	20,001	-	2,321	1,597	20,725
Furniture and office equipment	3,129	-	116	175	3,070
Other machinery and equipment	2,470	-	117	-	2,587
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>31,838</b>	<b>-</b>	<b>5,289</b>	<b>3,245</b>	<b>33,882</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**25.1. Additions**

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE  
YEAR ENDED 31 MARCH 2013**

	Cash R'000	Non-cash R'000	(Capital work- in-progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year R'000	Total R'000
<b>MACHINERY AND EQUIPMENT</b>	5,289	-	-	-	5,289
Transport assets	2,735	-	-	-	2,735
Computer equipment	2,321	-	-	-	2,321
Furniture and office equipment	116	-	-	-	116
Other machinery and equipment	117	-	-	-	117
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>5,289</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,289</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**25.2. Disposals**

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013**

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash received Actual R'000
<b>MACHINERY AND EQUIPMENT</b>	3,110	135	3,245	-
Transport assets	1,473		1,473	-
Computer equipment	1,568	29	1,597	-
Furniture and office equipment	69	106	175	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>3,110</b>	<b>135</b>	<b>3,245</b>	<b>-</b>

**25.3. Movement for 2011/12**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>29,387</b>	<b>2,451</b>	<b>-</b>	<b>31,838</b>
Transport assets	6,066	172	-	6,238
Computer equipment	19,094	907	-	20,001
Furniture and office equipment	2,806	323	-	3,129
Other machinery and equipment	1,421	1,049	-	2,470
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>29,387</b>	<b>2,451</b>	<b>-</b>	<b>31,838</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**25.4. Minor assets**

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013**

	<b>Specialised military assets R'000</b>	<b>Intangible assets R'000</b>	<b>Heritage assets R'000</b>	<b>Machinery and equipment R'000</b>	<b>Biological assets R'000</b>	<b>Total R'000</b>
Opening balance	-	-	-	9,226	-	<b>9,226</b>
Curr Year Adjustments to Prior Yr Balances	-	-	-	-	-	-
Additions	-	-	-	272	-	<b>272</b>
Disposals	-	-	-	578	-	578
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,920</b>	<b>-</b>	<b>8,920</b>

	<b>Specialised military assets</b>	<b>Intangible assets</b>	<b>Heritage assets</b>	<b>Machinery and equipment</b>	<b>Biological assets</b>	<b>Total</b>
Number of R1 minor assets	-	-	-	172	-	172
Number of minor assets at cost	-	-	-	4,909	-	4,909
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,081</b>	<b>-</b>	<b>5,081</b>

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**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	9,011	-	9,011
Additions	-	-	-	215	-	215
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,226</b>	<b>-</b>	<b>9,226</b>

**25.5. Movable assets written off**

**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2013**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	29	-	29
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>-</b>	<b>29</b>

**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2012**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	-	-	-
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**26. Immovable Tangible Capital Assets**

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013**

	Opening balance R'000	Curr year adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	-	266	266	-
Other fixed structures	-	-	266	266	-
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	-	-	266	266	-

**26.1. Additions**

**ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013**

	Cash R'000	Non-cash R'000	(Capital work- in-progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year R'000	Total R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	266	-	-	-	266
Other fixed structures	266	-	-	-	266
<b>TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	266	-	-	-	266

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**26.2. Disposals**

**DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE  
YEAR ENDED 31 MARCH 2013**

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	266	266	-
Other fixed structures	-	266	266	-
<b>TOTAL DISPOSAL OF IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	-	266	266	-

**Movement for 2011/12**

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE  
YEAR ENDED 31 MARCH 2012**

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	-	-	-
Other fixed structures	-	-	-	-
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	-	-	-	-

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**26.3. Immovable assets valued at R1**

**IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2013**

	Buildings and other fixed structures R	Heritage assets R	Land and subsoil assets R	Total R
R1 Immovable assets	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2012**

	Buildings and other fixed structures R	Heritage assets R	Land and subsoil assets R	Total R
R1 Immovable assets	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**26.4. Immovable assets written off**

**IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2013**

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Total R'000
Immovable assets written off	-	-	-	-
<b>TOTAL IMMOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2012**

	<b>Buildings and other fixed structures R'000</b>	<b>Heritage assets R'000</b>	<b>Land and subsoil assets R'000</b>	<b>Total R'000</b>
Immovable assets written off	-	-	-	-
<b>TOTAL IMMOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1A  
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2011/12
	Adjusted 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
<b>Transfers</b>							
Injury on Duty	5	-	-	5	1	20%	-
Leave Gratuity	1,231	-	-	1,231	2,410	196%	1,420
Bursaries (Non- Employee)	4,621	-	-	4,621	1,704	37%	7,560
<b>Total</b>	<b>5,857</b>	<b>-</b>	<b>-</b>	<b>5,857</b>	<b>4,115</b>		<b>8,980</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1B  
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT. DONATION OR SPONSORSHIP	2012/13	2011/12
		R'000	R'000
Received in kind			
First National Bank	Beverages for Policy Dialogue Forum Guests	-	10
<b>TOTAL</b>		<b>-</b>	<b>10</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 2A  
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2013 – LOCAL**

GUARANTOR INSTITUTION	Guarantee in respect of housing	original guaranteed capital amount	Opening balance 1 April 2012	Guarantees draw downs during the year	Guaranteed repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2013	Guaranteed interest for year ended 31 March 2013	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank			96		96		-		
First Rand Bank			34		34		-		
ABSA			56		56		-		
People Bank			18		18		-		
Nedbank			29		29		-		
First National Bank			9		9		-		
Old Mutual Northern Province Development Corporation			17		17		-		
			247		46		201		
<b>Total</b>		-	<b>506</b>	-	<b>305</b>	-	<b>201</b>	-	-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 2B  
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2013**

Nature of liability	Opening balance 1 April 2012	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2013
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
Contractual dispute by suppliers	56,612	1,954	-	-	58,566
<b>TOTAL</b>	<b>56,612</b>	<b>1,954</b>	<b>-</b>	<b>-</b>	<b>58,566</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 3  
CLAIMES RECOVERABLE**

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Department</b>						
Public Works	-	3	-	-	-	3
Roads and Transport	-	6	-	-	-	6
	-	9	-	-	-	9
<b>Other Government Entities</b>						
Van Schaik Bookstore	-	-	-	1	-	1
UNISA	-	-	-	3	-	3
Col John	-	-	-	8	-	8
	-	-	-	12	-	12
<b>Total</b>	-	9	-	12	-	21

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 4  
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
<b>DEPARTMENTS</b>						
<b>Current</b>						
Department of Social Development(National)	16	-	-	-	16	-
Limpopo Dept of Roads and Transport	45	-	-	-	45	-
National Treasury	659	-	-	-	659	-
SAPS	12	-	-	-	12	-
Department of Justice and Constitutional Development	20	-	-	-	20	-
Sport, Arts and Culture	1	-	-	-	1	-
<b>Total Departments</b>	<b>753</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>753</b>	<b>-</b>
<b>TOTAL INTERGOVERNMENTAL</b>	<b>753</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>753</b>	<b>-</b>

**LIMPOPO PROVINCIAL TREASURY  
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

**ANNEXURE 5  
INVENTORY**

	<i>Note</i>	2012/13		2011/12	
		Quantity	R'000	Quantity	R'000
Opening balance		51 849	699	54 384	489
Add/(Less): Adjustments to prior year balances					
Add: Additions/Purchases - Cash		33 541	2,176	49 532	3,485
Add: Additions - Non-cash					
(Less): Disposals		(48)	(68)	-	-
(Less): Issues		(39 801)	(2,572)	(52 066)	(3 ,275)
Add/(Less): Adjustments		12	-	(1)	-
<b>Closing balance</b>		<b>45 553</b>	<b>233</b>	<b>51 849</b>	<b>699</b>