



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

Published by the Provincial Treasury
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South Africa

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ANNUAL REPORT

2011-2012

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**ANNUAL REPORT
for the year ended 31 March 2012**

ANNUAL REPORT: 2011/12

The heartland of the southern Africa – development is about people

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ANNUAL REPORT
2011-2012



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**ANNUAL REPORT
for the year ended 31 March 2012**



PROVINCIAL TREASURY

Annual Report

2011/12

Honourable Mr. David Masondo
Member of Executive Council for Treasury

I have the honour of submitting the Annual Report of the Provincial Treasury for the period 1 April 2011 to 31 March 2012.

Monde Tom

Administrator: Provincial Treasury,
Limpopo Government Section 100(1)(b) Constitution,
Intervention.
Int: Cell: +27(78) 893 2170, Office: +27(15) 291 5366

31 July 2012



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PROVINCIAL TREASURY

ANNUAL REPORT
2011-2012



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ANNUAL REPORT
for the year ended 31 March 2012

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PROVINCIAL TREASURY

PART 1

GENERAL INFORMATION

Introductory Information

Vision

Mission

Values

Organisational Structure

legislative and other legal mandates

Foreword by the MEC

Introduction by the Accounting Officer

Economic Indicator



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GENERAL INFORMATION

THE VISION

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

THE MISSION STATEMENT

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

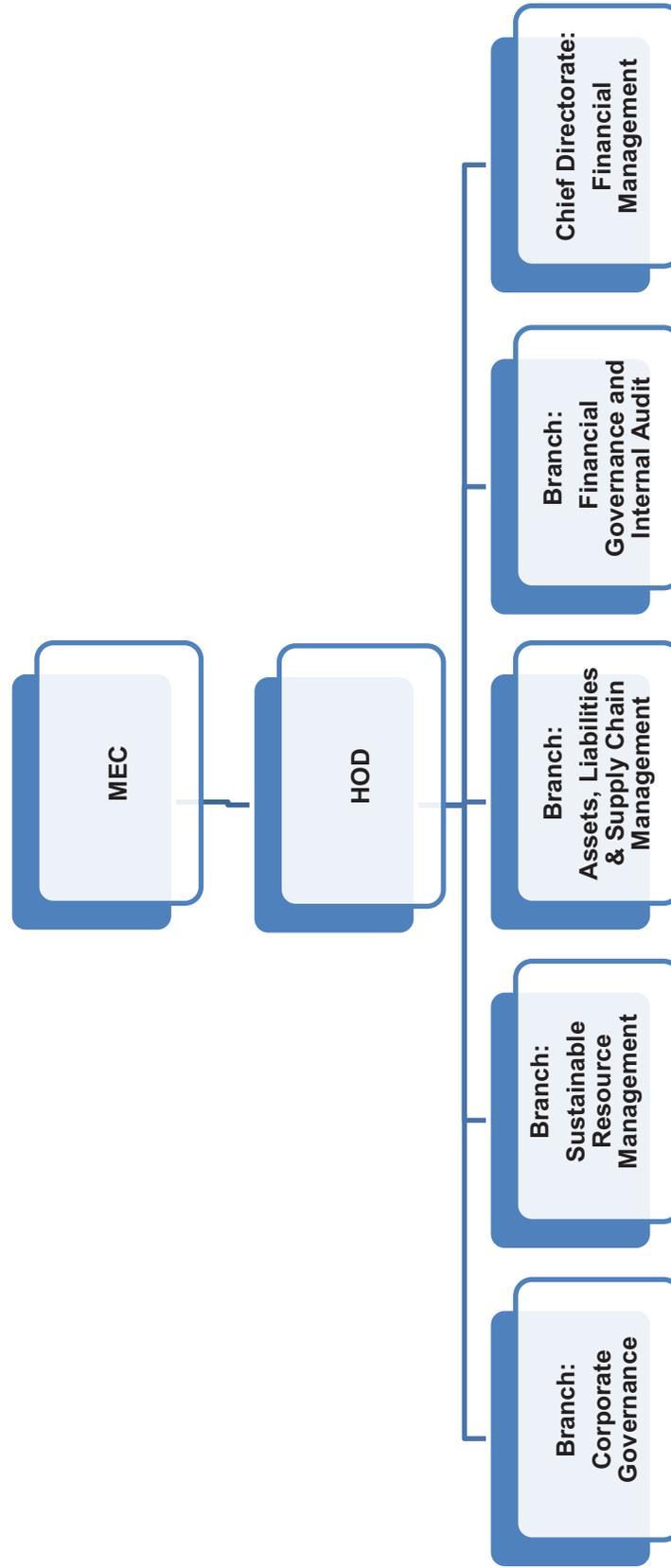
VALUES

- 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

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Organisational Structure



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LEGISLATIVE AND OTHER LEGAL MANDATES

As part of developmental public we will be regulated and guided by the following legislative mandates:

- Constitution of the Republic of South Africa
- Public Finance Management Act no1 of 1999
- Municipal Finance Management Act
- Appropriation Act
- Provincial Revenue Process Act
- The Borrowing Powers of Provinces Act
- Provincial Growth Strategy
- National Macro Economic Strategy
- Intergovernmental Fiscal Relations Act
- Basic Conditions of Employment Act
- Employment Equity Act
- Public Service Act
- Division of Revenue Act
- Skills Development Act
- Occupational Health and Safety Act
- Compensation for Occupational Injuries and Diseases Act
- Labour Relations Act
- Promotional of Access to Information Act
- Protected Disclosure Act
- Preventing and Combating of Corrupt Activities Act

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STATEMENT BY THE MEC

I am pleased to submit the 2011/2012 Annual Report of the Department as the Member of the Executive Council responsible for Provincial Treasury,

South Africa like most emerging markets has been confronted with the challenge of managing a diminishing tax base as a result of the current global financial and economic crisis. Despite the current global economic challenges the Provincial Treasury continues to provide leadership in managing cost containment measures aimed at protecting the most deprived members of our society.

Based on section 18 of the Public Finance Management Act, Provincial Treasury plays a vital role in mobilizing, allocating and managing resources of the province to ensure improved delivery of services to the province's citizenry.

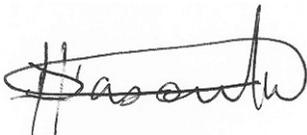
The province has been challenged to spend in terms of the appropriation framework due to multiyear rolling overdraft. Provincial Treasury took a leading role in developing and implementing an overdraft diminishing strategy that is currently yielding positive outcomes. With the introduction of cost containment measures (i.e. austerity measures), the service delivery profile of the province was cushioned from downward risk.

In light of the current audit outcomes the province shall develop a comprehensive plan to correct the regressive patterns entailed in the provincial audit report. Management of assets remains challenging in the province as a result of lack of an efficient asset management IT systems. The province continues working with National Treasury to fast track the roll out of Integrated Financial Management Systems (IFMS), which will include an asset management module.

The Provincial Treasury will continue to explore creative interventions to ensure improvement in paying suppliers within the prescribed period (i.e. 30 days).

We are continuing to move forward with strengthened governance and anti-corruption efforts that will provide more resources, which will be channelled towards service delivery.

The collective wisdom; support and dedication by all employees of Provincial Treasury as well as the role played by the oversight legislative bodies is acknowledged and will remain an integral part of all endeavours to provide better life for all, inclusive of good corporate governance principles.



D. MASONDO
MEC: TREASURY

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ACCOUNTING OFFICER'S OVERVIEW

We hereby present the Annual Report of the Limpopo Provincial Treasury, for the 2011/12 financial year. This report consists of the Annual Performance Report, Audit Committee Report, Annual Financial Statement and the Human Resource Management Report.

The purpose of this report is to:

- a) Provide an account of the Department's achievements with regards to the targets as set out in the Annual Performance Plan of 2011/12
- b) Give an account of the employment of financial resources allocated for the financial year under review
- c) Report on the Human Resource Management of the Department for 2011/12

For the 2011/12 financial year, the Provincial Treasury had identified six key focus areas against which our resources were employed. These are:

- a) Good Corporate Governance
 - o This included positioning risk management to add value as well as the priority of achieving Clean Audit by 2014
- b) Financial management competency and skills
- c) Implementation of Integrated Financial Management Systems (IFMS)
- d) Alignment of provincial budget to LEGDP - including procurement policy reforms
- e) Mitigation of risk in the reduction of the Provincial Equitable Share
- f) Building stakeholder relationships

In an effort to achieve these focus areas the province developed a Bank Overdraft and Clean Audit Strategies which were approved by the Executive Council. The main elements of the Bank Overdraft Strategies include the implementation of austerity measures, development and implementation of a Revenue Enhancement Strategy; reduction of compensation of employee, standardisation of prices, improvement of budgetary processes and costing models; and commitment by the leadership to implement the Strategy.

The following is a summary of the Department's achievements for the year under review:

- a) Awarded 125 bursaries to youth of our Province to pursue careers in both financial and humanities fields of study.

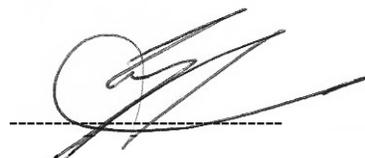
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- b) The Department also provided internship opportunities to 17 graduates, 20 learners on Internal Audit Technician Learnership, and 42 learners on experiential learning programme. Eighty-one (81) employees were also registered on various courses while 11 learners were enrolled on ABET.
- c) Spent 89% of expenditure in line with the allocated budget
- d) Quarter Economic Bulletins, Limpopo Socio-Economic Review Outlook and Overview of Provincial Revenue Expenditure were produced
- e) 2011/12 Budget Adjustments and the 2012/13 Budget compiled and tabled before the Provincial Legislature on 06 March 2012.
- f) Seven departments were monitored and supported in the implementation of IDIP to ensure that departments spend within 98 - 100% of their allocated infrastructure budgets
- g) Thirty (30) municipalities were monitored and supported on budget process and documentation, financial management and governance
- h) Asset and Inventory Management was monitored in all provincial departments
- i) Twelve (12) Provincial Departments and six (6) Public Entities assessed on SCM compliance
- j) Eleven (11) Provincial Departments monitored for compliance to all transversal contracts
- k) 2126 SMMEs and 196 Cooperatives were empowered on the government procurement process
- l) Finally, the department received an unqualified audit opinion for 2011/12.

The contribution by all staff at the different levels at which they serve, is most appreciated and without whom the department cannot achieve its core mandates and set goals.

I would like to thank the Member of the Executive Council for Provincial Treasury, Mr. David Masondo for the leadership and support that he has displayed during the financial year under review.



**Monde Tom
Administrator
Limpopo Government Section 100(1) (b) Constitution Intervention**

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ECONOMIC INDICATOR

1 Broader Economic Environment

As the global economy shows signs of recovery from the 2008 financial crisis, the Euro zone sovereign debt crisis threatens to plunge the global economy into a second recession. As a result of this situation, advanced economies, especially in the euro zone, are at best expected to show weak to moderate growth moving into the future. Although the outlook for emerging economies is more optimistic, low growth in advanced economies will impact negatively on emerging economies.

It is against the backdrop of the above-stated context that the national and provincial economies will increasingly struggle to achieve the level of economic growth that is required to address the challenges of poverty and unemployment. In order to meet this challenge, the South African economy will, at national and provincial levels, embark on an investment drive that will unlock new growth opportunities. These initiatives include, inter alia, further implementation of the New Growth Path policy framework and additional infrastructure initiatives as announced in the 2012 State of the Nation Address.

2 Demographics

The demographic profile analysis shows that, in general, population growth in the province is well in line with the national average (see Table 1 below). This essentially means that the provincial population remains youthful and this poses a significant challenge on those services such as education and health that are targeted mainly at the youth (see Figure 1 below).

Table 1: Limpopo population growth

Province	Mid-year population ('000) Share of national population (%)			Average annual growth (%)	
	2001	2006	2011	2001-2006	2006-2011
Eastern Cape	6 443 14.3	6 587 13.9	6 829 13.5	0.6%	0.9%
Free State	2 753 6.1	2 701 5.7	2 759 5.4	-0.5%	0.5%
Gauteng	9 440 21.0	1 033 21.8	11 328 22.3	2.3%	2.3%
KwaZulu Natal	9 590 21.3	10 094 21.3	10 819 21.3	1.3%	1.7%
Limpopo	4 970 11.1	5 165 10.9	5 554 10.9	1.0%	1.8%
Mpumalanga	3 347 7.4	3 459 7.3	3 657 7.2	0.8%	1.4%
Northern Cape	1 070 2.4	1 042 2.2	1 096 2.1	-0.7%	1.3%

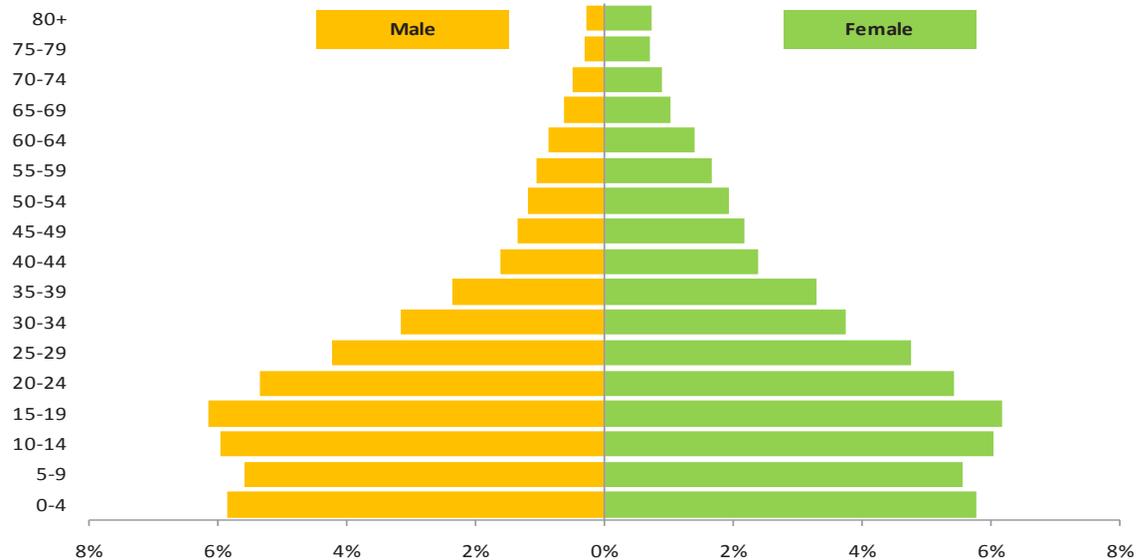
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Province	Mid-year population ('000) Share of national population (%)			Average annual growth (%)	
	2001	2006	2011	2001-2006	2006-2011
North West	2 949 6.6	3 080 6.5	3 253 6.4	1.1%	1.4%
Western Cape	4 388 9.8	4 833 10.2	5 287 10.4	2.4%	2.3%
South Africa	44 951 100	47 390 100	50 586 100	1.3%	1.6%

Source: Statistics South Africa (2011)

Figure 1: Age distribution of Limpopo province population



Source: Statistics South Africa (2011)

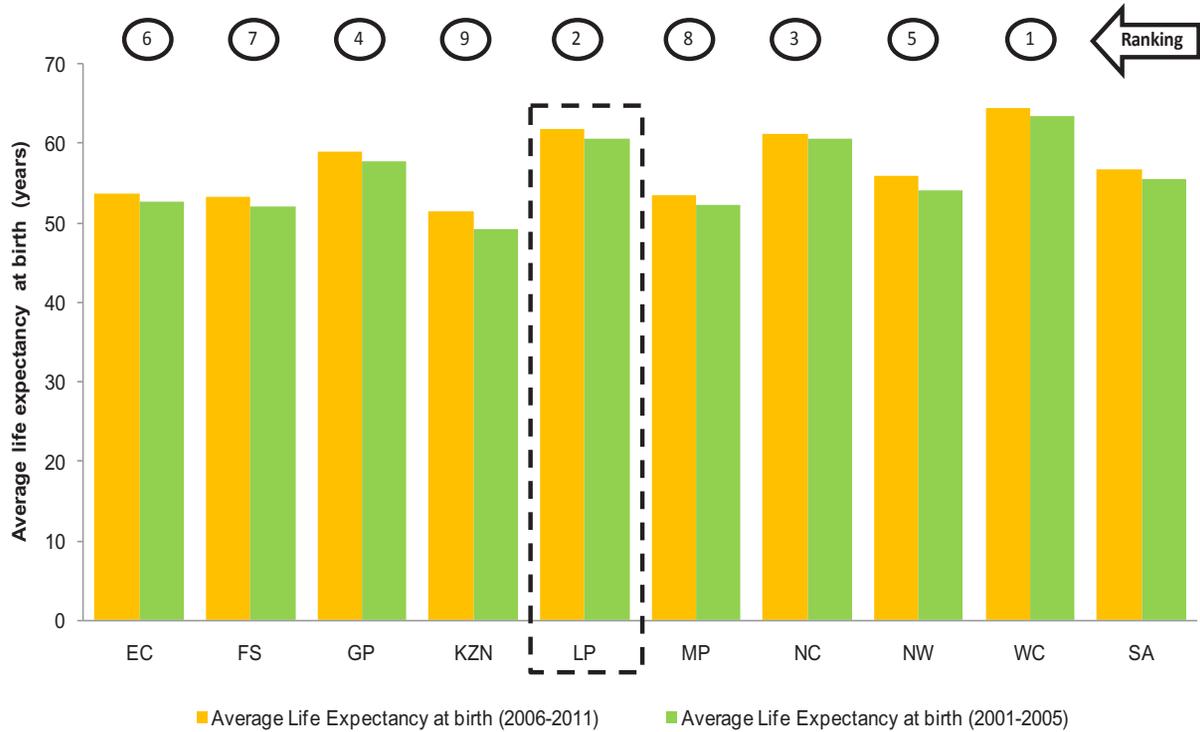
As illustrated in Figure 2 below the provincial life expectancy remains amongst the highest in the country, a fact which has resulted in the decline in fertility and birth rates in the province for the past six years.

Figure 2: Provincial life expectancy at birth



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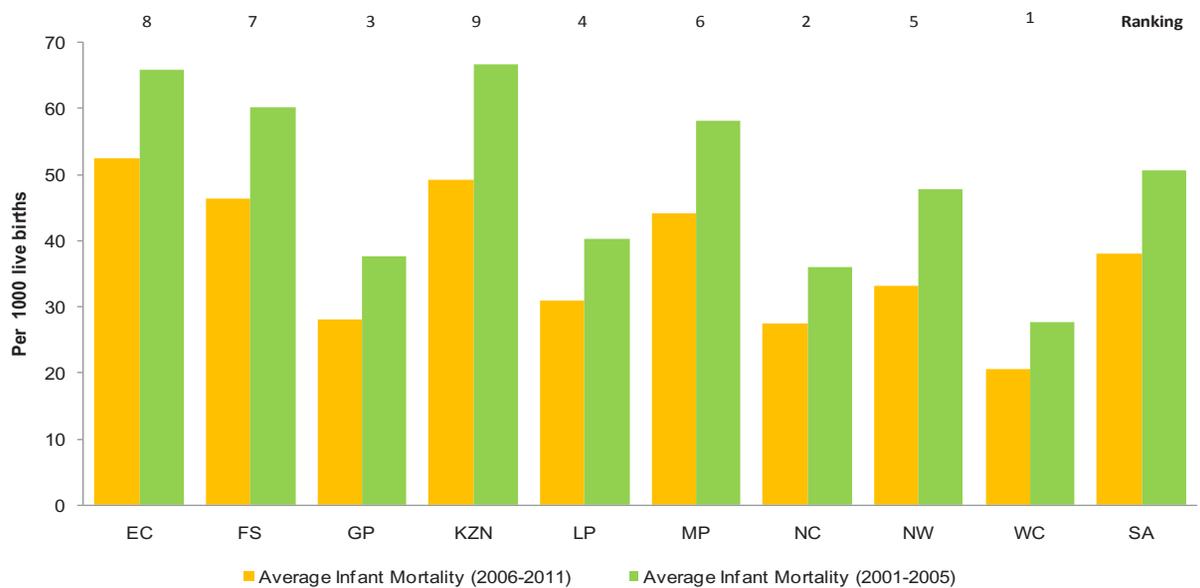
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Source: Actuarial Society of South Africa (2011)

Mortality rates have continued to drop in the province. This is with particular reference to infant mortality which has dropped by 23% between 2006 and 2011 (see Figure 3 below). However, the prevalence of HIV/AIDS continues, especially among females, to be a serious health challenge in the province.

Figure 3: Limpopo average infant mortality rate



Source: Actuarial Society of South Africa (2011)

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3 Access to Basic Services

Access to basic services continued to improve to the extent that¹:

In 2010 78.7% of households lived in formal structures.

The provincial pass rate increased to 64% in 2011 from 58% in 2010.

The provision of electricity to households using electricity as part of their energy mix increased by 82%.

Furthermore in 2010 medical aid cover increased from 12.5% in 2009 to 15.7% of the population.

The provincial government continued to expand its social protection program by 6% growth in 2011.

However, access to proper sanitation, refuse removal, and formal water source remains a challenge to service delivery.

¹ Refer to the Limpopo Socio Economic Review and Outlook (2011)

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4 Employment Creation

Although the provincial economy continued to create employment (2.4%), this was far outweighed by the increase in the labor force of 6.7% in 2011. Combined with a low labor force participation rate of 36.5% (down from 37.8% in 2010), the unemployment rate in the province increased to 20% (this is still below the national unemployment rate; see Table 3 below).

Table 2: Limpopo labor force characteristics

	2010Q4	2011Q3	2011Q4	Quarter Quarter Change	on Year Change	on
Working age population	3 313	3 362	3378	0.5%	2%	
Labor force	1 157	1 271	1 234	-2.9%	6.7%	
Employed	962	1026	985	-4%	2.4%	
Unemployed	196	246	249	1.2%	27%	
Not economically active	2 155	2 090	2 144	2.6%	-0.5%	
Discouraged work seekers	393	410	441	7.6%	12.2%	
Other	1 762	1 681	1 703	1.3%	-3.3%	
Unemployment rate	16.9%	19.3%	20.2%			
Labor absorption rate	29%	30.5%	29.2%			
Labor force participation rate	35%	37.8%	36.5%			

Source: Statistics South Africa (2011)

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5 Economic Growth and Outlook

In 2011, the provincial economy grew by 4.8% on the back of a moderate recovery in 2010. This growth was bolstered by higher growth in agriculture (11.2% after a decline of 1.5% in 2010), mining (8.3% after growth of 4.6% in 2010), and electricity generation (5.5% after growth of 2.3% in 2010).

The outlook of the provincial economy depends, to a great extent, on participating and driving these measures that are relevant to the province in the next few years. The performance of the provincial economy is intricately linked to that of the national economy and therefore, the outlook of the provincial economy as shown in Table 2 below is, to a great extent, similar to that to the national economy

Table 3: Provincial economic outlook

		Unit	2010	2011	2012	2013
Consumer Price Index		Percentage	3.44	3.61	5.50	5.61
Final Total Expenditure	Consumption: Household	2005 prices (Rm)	72 243	70 860	73 364	76 487
		Percentage	4.32	-1.91	3.53	4.26
Gross Product	Domestic	2005 prices (Rm)	106 582	112 997	118 952	125 294
		Percentage	3.99	6.02	5.27	5.33
Gross Fixed Capital Formation		2005 prices Rm)	22 307	21 484	24 609	27 565
		Percentage	-5.25	-3.69	14.55	12.01
Exports of Goods and Services		2005 prices (Rm)	32 245	27 438	35 385	40 003
		Percentage	4.20	-14.91	28.96	13.05
Imports of Goods and Services		2005 prices (Rm)	25 997	28 848	32 310	34 865
		Percentage	3.44	10.97	12.00	7.91

Source: Limpopo Provincial Treasury (2011)

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6 Conclusion

The performance of the provincial economy is intricately linked to that of the national economy. The continued growth of the provincial economy is, therefore, dependent on its ability to participate effectively in pro-growth measures highlighted by national government in the Medium Term Strategic Framework. Together with the continued success of initiatives under the Limpopo Employment, Economic Growth and Development plan, these can create the fiscal space with which government can continue to address the social and economic needs of the people of the province.



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PART 2

INFORMATION ON PREDETERMINED OBJECTIVES

Annual Performance Report

Programme 1: Administration

Programme 2: Sustainable Resource Management

Programme 3: Assets, Liabilities and
Supply Chain Management

Programme 4: Financial Governance



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2. INFORMATION ON PREDETERMINED OBJECTIVES

2.1 OVERALL PERFORMANCE

2.1.1 Voted Funds

Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	(Over)/Under Expenditure R'000
308,884	292,684	259,672	33,012
Responsible MEC	Mr David Masondo		
Administering Dept	Provincial Treasury		
Accounting Officer	Monde Tom Administrator: Provincial Treasury, Limpopo Government Section 100(1)(b) Constitution, Intervention. Int: Cell: +27(78) 893 2170, Office: +27(15) 291 5366		

2.1.2 Aim of vote

To provide sound financial management of the province's resources, to achieve provincial government's goals and objectives.

2.1.3 Introduction: 2011/12

This Performance report reflects the extent to which the Limpopo Provincial Treasury has performed against its mandate particularly in respect of the Annual Performance Plan for the financial year 2011/12. The Department continues to strive towards attaining its new vision of being best Provincial Fundraiser, Allocator, Monitor, Manager and Evaluator of the Public Finance for socio-economic development in South Africa.

The report outlines major achievements in respect of its strategic objectives and targets contained in the Strategic Plan and Annual Performance Plan. It also provides an overview of the organisational and service delivery environments that prevailed during the implementation of the set Plans. Details of this information are provided below.

2.1.4 Strategic Outcome Oriented Goal

Limpopo Provincial Treasury has the following strategic outcomes oriented goals as reflected in the Strategic Plan:

- Effective and efficient administrative support in the Department

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- Responsive, accountable, effective and efficient provincial and local government system

2.1.5 Overview of service delivery environment for 2011/12

The Department published forty-five (44) editions of the provincial tender bulletin which are available at no cost to the public and are available at Provincial Treasury District offices and the departmental website. A total of 2126 SMMEs and 196 Cooperatives were empowered on government procurement process. There were no virements made during the 2011/12 financial year and there was no rollover of funds from the previous financial year (2010/11).

It is worth mentioning that in 2010/11 the audited performance of the department indicated the following:

- LPT has ensured that all invoices are paid within 30 days from receipt of invoices
- 98% of the budget was successfully spent and
- The department received and unqualified audit opinion.

In its effort to enhance Supply chain management performance, Limpopo Provincial Treasury (Provincial Supply Chain management Office) has 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.

Working together with LEDET we have also initiated a quarterly Public Policy Dialogue Forum, which has created a space for public discussions on socio-economic challenges facing our province. These forums are raising critical awareness and interest in economic policy and economic issues and also creating a participatory culture in the province and among our stakeholders. This is in an effort to achieving part of our vision of provincial socio economic development.

The Department is fully aware that state funds are not enough and to that effect, in October 2011 we convened the Private Sector Financial Sector Summit to discuss ways in which the private financial sector can contribute to the objectives of South African Financial Sector Charter in our provincial context. In this Provincial Sector Financial Summit, together with banks and insurance companies, we reached consensus on the need for concrete programs for the extension of banking services in the provinces. We agreed that there is need to support our SMMEs and co-operatives as well as the need for the financial sector to increase its social corporate investment and infrastructure in Limpopo. This is in an effort to achieve part of our vision of being a fundraiser.

2.1.6 Overview of the of the organisational environment for 2011/12

The Public Service strike that took place in the fourth quarter did not have a major impact on the service delivery by the Department.

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The Department was one of the five departments placed under Administration [Section 100, 1 (b) of the Constitution] in the province. Being placed under administration has acted as an impetus for us to realize our revised vision.

The promotion of the former Acting Senior General Manager: Assets, Liabilities and Supply Chain Management to Head of Department continued to create a leadership vacuum in this branch and alternative interim reporting arrangements had to be put in place to mitigate this gap.

The resignation of the General Manager: Transversal Risk and Internal Control led to capacity gaps within this area.

2.1.7 Departmental Revenue

Collection of departmental revenue

	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual	% deviation from target
Non-tax revenue						
Service rendered- Commission on Insurance	119	134	136	140	141	101%
Mark Estab : Rental Park Covr&open	43	(38)	45	83	82	99%
Sales: Tender documents	640	651	1,070	533	378	71%
Req Info: Access	-	-	1	-	-	-
Sales: Scraps, wast, other	-	188	4	-	-	-
Interest on Bank Accounts	104,797	101,405	98,797	24,294	28,479	117%
Transfer received: Donation	249	-	-	-	-	-
Sales of capital assets						
Sales of capital assets: Auction of scrap goods	202	-	-	-	-	-
Financial transactions						

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	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual	% deviation from target
(Recovery of loans and advances)						
Previous years expenditure	207	279	20,363	481	579	120%
Rev:Fa:Rec:Prv Sec:Con:Dept:Debt	-	-	88	-	112	-
TOTAL DEPARTMENTAL RECEIPTS	106,260	102,619	120,504	98,320	120,504	117%

2.1.8 Departmental Expenditure

The department has spent 89% of its adjusted budget for the financial year. The department had to reprioritize during the course of the financial year by introducing austerity measures and national intervention contributed to the under spending.

2.1.9 Maintenance and Asset Management Plan

Maintenance

- During the financial year under review an amount of R838 392.04 has been budgeted for maintenance of buildings and the budget has been utilized in accordance with the departmental maintenance plan.

Asset Management

- During the period under review Provincial Treasury procured assets to the value of R2 666 307.53.
- The opening balance comprised of 1324 Capital Assets to the value of R29 387 265.43 and 5134 Minor Assets to the value of R9 010 694.71.
- Provincial Treasury ensures that the Asset Register is always up to date by doing monthly reconciliations for assets purchase. Monthly BAS Reports are drawn to reconcile with assets received in the Department.

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2.2 PROGRAMME PERFORMANCE

The activities of Limpopo Provincial Treasury are organized in the following programmes:

Programme 1: Administration

Programme 2: Sustainable Resource Management

Programme 3: Assets, Liabilities and Supply Chain Management

Programme 4: Financial Governance

2.1 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
- Management Services
- 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.

Performance indicators and targets:

In achieving the above goals during the 2011/12 financial year, Provincial Treasury provided 125 bursaries to youth of our Province to pursue careers in both financial and humanities fields of study.

The Department also enrolled 17 interns on the internship program, 20 learners on Internal Audit Technician learnership, and 42 learners on experiential learning programme. Eighty-one (81) employees were also registered on various courses while 11 learners are enrolled on ABET.

**(LIMPOPO PROVINCIAL TREASURY)
VOTE 5**

**ANNUAL REPORT
for the year ended 31 March 2012**

No.	Programme 1 : Administration	Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
				Target (2011/12)	Actual (2011/12)	
MEC SUPPORT SERVICES						
1		Number of reports submitted to oversight bodies in line with legislative requirements	5 reports submitted to oversight bodies in line with legislative requirements	5	5	N/A
2		Number of documents tabled in the Provincial Legislature	No baseline	6	6	N/A
HOD SUPPORT SERVICES						
3		Number of programmes monitored for compliance to the compliance calendar and institutional arrangements	100% adherence to compliance calendar and institutional arrangements.	4	4	N/A
Sub-programme: Corporate Governance						
CORPORATE SERVICES						
4		Number of strategies in the HR Plan implemented.	Implemented six HR strategies from HR Plan in four programmes	7	7 strategies implemented for all the 3 quarters except for fourth quarter where two strategies were not implemented	There were recommendations made by the Structure Review Committee which EXCOM needed further clarity and investigation on. This could not be finalised until the section 100 intervention came into effect. The process is currently

No.	Programme 1 : Administration	Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
				Target (2011/12)	Actual (2011/12)	
						being reviewed. PMS was not finalised due to capacity challenges in the unit that led to delays.
ENTERPRISE RISK MANAGEMENT						
5		Number of programmes supported and monitored in the implementation of Enterprise Risk Management plan to provide reasonable assurance on the achievement of set objectives	Monitored and supported 4 programmes in risk management process	4	4	N/A
COMMUNICATIONS SERVICES & RECORDS MANAGEMENT						
6		Number of Information Management Strategies developed, implemented and monitored for improved information management in the department	2 Information Management Strategies (Communication Strategy and Records Management System) were developed, implemented and monitored.	2	2	N/A
GOVERNMENT INFORMATION TECHNOLOGY OFFICE (GITO)						
7		% implementation of prioritised SISP projects to achieve departmental objectives through optimal use of information technology	Strategic Information Systems plan developed	100%	50%	Implementation of Back-up solution and DRP still outstanding due to SITA delaying in responding to the

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No.	Programme 1 : Administration	Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
				Target (2011/12)	Actual (2011/12)	
						revised requirements Revamp of infrastructure at Ismini outstanding due to delays by Public Works to partition the building as requested. Provincial IT Governance framework still in draft format.
RECORDS MANAGEMENT AND AUXILIARY SERVICES						
8		% of GIAMA plan implemented to ensure a safe and healthy built and office environment	Facilitated maintenance of 7 office buildings and provided housekeeping services in 2 of the 7 buildings	100%	100%	N/A
SECURITY AND INVESTIGATIONS SERVICES						
9		Number of Security Policies and Investigation Strategies implemented and monitored for improved information and physical security; and prevention of fraud and corruption	Implemented and monitored 1 Security Policy (MISS) and 1 Investigation Strategy	1 Security Policy (MISS) and 1 Investigation Strategy	1 Security Policy (MISS) and 1 Investigation Strategy were implemented and monitored	N/A

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VOTE 5

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No.	Programme 1 : Administration	Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
				Target (2011/12)	Actual (2011/12)	
Sub-programme: Financial Management						
MANAGEMENT ACCOUNTING						
10		Number of IYM reports in line with prescripts to monitor expenditure (98-100%) in line with the allocated budget	Compiled and submitted 12 IYM reports	12	12	N/A
FINANCIAL ACCOUNTING						
11		% maintenance of departmental accounts in line with prescripts to ensure successful monthly and annual closure of books	Books closed successfully for all the 12 months	100%	100%	N/A
STRATEGIC OPERATIONS AND POLICY COORDINATION						
12		Number of programmes monitored in the implementation of performance information and planning frameworks to ensure achievement of predetermined objectives	Aligned Annual Performance Plans to the departmental priorities and National Treasury Frameworks	4	4	N/A
DEPARTMENTAL SCM						
13		% Goods and services acquired, managed and disposed in line with applicable prescripts	100% Goods and services acquired, managed and disposed in line with applicable prescripts	100%	100%	N/A

**(LIMPOPO PROVINCIAL TREASURY)
VOTE 5**

**ANNUAL REPORT
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2.2 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.

Performance indicators and targets:

Programme 2 significant achievements include the following:

- Quarter Economic Bulletins, Limpopo Socio-Economic Review Outlook and Overview of Provincial Revenue Expenditure were produced
- 2011/12 Budget Adjustments and the 2012/13 Budget compiled and tabled before the Provincial Legislature on 06 March 2012.
- Seven departments were monitored and supported in the implementation of IDIP to ensure that departments spend within 98 - 100% of their allocated infrastructure budgets
- Thirty (30) municipalities were monitored and supported on budget process and documentation, financial management and governance

These achievements contribute towards the provincial outcome of Clean Audit by 2014.

No.	Programme 2: Sustainable Resource Management			Reason for Variance	
	Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target Target (2011/12) Actual (2011/12)		
Sub- Programme: Fiscal Policy					
MACRO ECONOMIC ANALYSIS					
1	Number of Research documents produced to align the Provincial Fiscal Policy	Produced one Sectoral Impact analysis (Economic and Social outlook) report.	7	7	N/A
FISCAL DEVELOPMENT					
2	Number of Revenue and debt management reports to ensure collection of budgeted revenue and recovery of outstanding debts	13 departments / votes supported to collect the set revenue targets as per service standard	4	4	N/A
BUDGET MANAGEMENT					
3	Number of budget documents compiled, tabled and gazetted in line with the set standards and national treasury guidelines (Main Appropriation Bill, Transfers to Local Government, Citizen Guide Gazetted)	Compiled, tabled and gazetted 2 budget documents in line with the set standards and National Treasury guidelines (Provincial Expenditure Overview & Estimates of Provincial Expenditure) for transfers to local government	2	2	N/A
PUBLIC FINANCE					
4	Number of departments and public	Assessed 13 Annual	13	13	N/A

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5

ANNUAL REPORT
for the year ended 31 March 2012

Programme 2: Sustainable Resource Management					
No.	Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
			Target (2011/12)	Actual (2011/12)	
	entities monitored and supported in the implementation of planning and performance information frameworks to ensure 80% (provincial average) achievement of set targets	Performance Plans to align them plans with budget			
5	Number of provincial in year monitoring reports produced in line section 32 of PFMA to ensure that 14 departments spend within 98 - 100% of their allocated budgets	Produced 8 monthly and 4 quarterly provincial expenditure and trends analysis reports	13	13	N/A
Sub-Programme : Infrastructure Management & Public Private Partnerships					
INFRASTRUCTURE MANAGEMENT					
6	Number of departments monitored and supported in the implementation of IDIP to ensure that departments spend within 98 - 100% of their allocated infrastructure budgets	Infrastructure development programmes were managed through governance structures only in the first quarter	11	7	The other 4 departments are not involved in infrastructure delivery and had not been monitored. The target included all 11 departments in error.
PUBLIC PRIVATE PARTNERSHIP (PPPs)					
7	% of existing and potential PPP projects for departments, municipalities and entities monitored and supported in line with Treasury Regulation 16	Identified 100% of PPP projects for departments, municipalities and entities and provided them with technical assistance and support	100%	100%	N/A

No.	Programme 2: Sustainable Resource Management				Reason for Variance
	Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		
				Target (2011/12)	Actual (2011/12)
Sub-Programme : Inter-Governmental Fiscal Relations (Municipal Finance)					
8	Number of Municipalities and their entities monitored and supported on budget process and documentation, financial management and governance	Monitored and Supported 30 municipalities and 2 entities partially on budget process and documentation, financial management and governance	33	30	3 entities not supported because they are currently not active/closed and there is still a dispute over the ownership of Tzaneen Entity

**(LIMPOPO PROVINCIAL TREASURY)
VOTE 5**

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2.3 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 statements as aligned to the Strategic Outcomes Oriented Goals are 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 by 2014.
- Provide management and support to 13 departments on transversal financial systems during 2010/11 to 2014/15.

Performance indicators and targets:

Programme 3 significant achievements are as follows:

- Asset and Inventory Management was monitored in all provincial departments
- Twelve (12) Provincial Departments and six (6) Public Entities assessed on SCM compliance
- Eleven (11) Provincial Departments monitored for compliance to all transversal contracts
- 2126 SMMEs and 196 Cooperatives were empowered on the government procurement process

No.	Programme 3: Assets, Liabilities & Supply Chain Management				Reason for Variance
	Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		
				Target (2011/12)	Actual (2011/12)
Sub-Programme : Assets & Liabilities Management					
PROVINCIAL ASSET MANAGEMENT					
1	Number of Inventory Management Monitoring and Support Reports to improve on audit outcomes on inventory management	Produced 10 Inventory Management Monitoring and Support Reports	10	10	N/A
2	Number of Asset Management Monitoring and Support Reports to improve on audit outcomes on asset management	Produced 10 Asset Management monitoring and Asset Economic Utilisation Assessment reports	10	10	N/A
BANKING AND CASH FLOW MANAGEMENT					
3	Number of cash forecasting and implementation reports to ensure that departments spend within available funds.	Supported and monitored 13 departments in the rolling out of cash management policies and procedures.	14	14	N/A
4	Number of banking services reports on technical support provided to 13 departments to ensure that the provincial banker meets its SLA targets.	Compiled 12 performance monitoring reports	13	10	3 Reports were not prepared in the 3 rd quarter on performance of the bank where issues affecting daily operations of the departments were raised with resolutions taken due

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Programme 3: Assets, Liabilities & Supply Chain Management					
No.	Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
			Target (2011/12)	Actual (2011/12)	
5	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.	Prepared 12 reconciliation statements for each: - Provincial Revenue Fund - Bank Charges - Interest Account - Own Revenue	13	12	to challenges in the banking relationship with the Provincial Banker. Provincial Revenue Fund AFS not finalised because the 2007/08 AFS were only finalised in the 4 th quarter.
Sub-Programme : Provincial Supply Chain Management					
SUPPLY CHAIN MANAGEMENT: POLICY DEVELOPMENT AND IMPLEMENTATION					
6	Number of SCM Guidelines Developed in line with SCM prescripts to ensure transparent, equitable, fair, competitive and cost-effective procurement system in the province.	Developed and reviewed SCM policies and guidelines in line with revised in SCM Prescripts.	4	10	Deviation is as a result of policy gaps identified during SCM assessment and new SCM policy developments
7	Number of Provincial Departments and Public Entities monitored/assessed on SCM compliance	Assessed SCM compliance analysed and monitored the implementation of SCM in provincial departments and	20	12 Provincial Departments and 6 Public Entities	2 Public Entities not assessed due to change in focus

No.	Programme 3: Assets, Liabilities & Supply Chain Management				Reason for Variance
	Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target Target (2011/12)	Actual (2011/12)	
8	Number of SCM capacity building interventions to improve the skills level on new procurement prescripts and close gaps identified during monitoring process.	public entities. 11 x SCM Forums held	10	13	Departments requested training over and above the planned one.
PROVINCIAL DEMAND AND ACQUISITION MANAGEMENT					
9	Number of transversal goods and services researched to identify transversal bids to ensure a cost-effective procurement system in the province.	Two bids from the researched and identified transversal goods and services areas were arranged	3	3	N/A
10	Number of existing bids evaluated in line with prescripts to ensure transparent, equitable, fair, competitive and cost-effective procurement system in the province.	Bidding processes of two (2) transversal bids were managed.	2	1	Delays in the approval of the Specification / Terms of Reference for the bid to be advertised.
11	Number of departments monitored for compliance to all transversal contracts in Provincial Departments	11 Provincial Departments monitored for compliance to all transversal contracts	11	11	N/A
PROVINCIAL SCM ADVICE CENTER					
12	Number of SMMEs and Cooperatives empowered on government procurement process	1832 SMMEs were empowered on bidding with government	1500 SMMEs and 50 Cooperatives	2126 SMMEs and 196 Cooperatives	Received more responses from the clients than anticipated
13	Number of SMMEs and Cooperatives empowered on government procurement process	68 SMMEs were	55 SMMEs and 5	85 SMMEs and 12	Exceeded targets due to

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for the year ended 31 March 2012

Programme 3: Assets, Liabilities & Supply Chain Management					
No.	Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
			Target (2011/12)	Actual (2011/12)	
	Cooperatives assessed on their capacity to deliver on government procurement	capacitated to deliver on government contracts	Cooperatives	Cooperatives	increased demand by the participants
Sub-Programme : Financial Systems					
FINANCIAL SYSTEM ADMINISTRATION					
14	Number of reports on financial systems utilization produced and analyzed.	Analyzed 12 reports on systems utilization	12	12	N/A
FINANCIAL SYSTEM DEVELOPMENT					
15	% implementation of IFMS asset module in departments	Implemented IFMS in 3 departments	100% (in departments)	70% IFMS implemented at the Department of Health	Three departments are not yet implemented because the engagement and costing model to guide the implementation process was released late to SITA. SITA and NT are currently capacitating Service Providers (Suppliers) to assist the departments with the implementation.

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VOTE 5**

**ANNUAL REPORT
for the year ended 31 March 2012**

2.4 Programme 4: Financial Governance

Purpose:

The purpose of the programme is:

- 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.

The programme consists of the following sub-programmes:

- Programme Support
- Accounting Services
- Transversal Risk Management and Internal Control
- Internal Audit Service

Strategic Objectives:

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

- Provide effective guidance and support on financial management in 13 provincial departments/votes and 8 public entities in order to attain unqualified audit opinions in all departments and public entities in line with the PFMA by 2014

Performance indicators and targets:

Programme 3 significant achievements are as follows:

- Thirteen (13) votes were monitored in resolving audit findings.
- Thirteen (13) votes and eight (8) public entities were supported in preparing annual financial statements in line with the PFMA.
- Thirteen (13) votes were assessed on application of transversal financial policies
- Twelve (12) votes were audited by the Provincial Internal Audit in compliance with the approved 2011/12 risk based audit plan

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for the year ended 31 March 2012

No.	Programme 4: Financial Governance			Reason for Variance	
	Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target Target (2011/12) Actual (2011/12)		
Sub-Programme: Accounting Services					
FINANCIAL TRAINING					
1	Number of courses conducted on transversal systems in line with National Treasury standards and financial management courses in line with SAQA	992 officials trained on transversal systems 66 officials trained on financial management	96 (transversal systems) 8 (financial Management)	99 (transversal systems) 9 (financial Management)	Extra three courses were conducted to accommodate the requests from departments One additional course conducted in November due to a special request by EXCO and was not part of the target
2	Number of feasibility studies conducted to identify the most suitable long term Financial Management programme	No baseline	3	3	N/A
NORMS AND STANDARDS					
3	Number of votes monitored in resolving audit findings	13 departments monitored in the implementation of strategies to resolve external audit findings	13	13	N/A
4	Number of audit committee meetings supported	Supported 3 Clusters Audit Committees and Central Audit committee	23	23	N/A

No.	Programme 4: Financial Governance				Reason for Variance
	Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Actual (2011/12)	
5	Number of votes supported with regards to SCoPA matters	11 Departments monitored in the implementation of SCOPA resolutions	13	13	N/A
6	Number of votes assessed on application of transversal financial policies	No baseline	13	13	N/A
FINANCIAL REPORTING					
7	Number of votes and public entities supported in preparing annual financial statements in line with the PFMA.	Supported 13 votes in preparing annual financial statements in line with the PFMA Supported 8 public entities in preparing annual financial statements in line with the PFMA	13 (votes)	13 (votes)	N/A
8	Number of consolidated Annual financial statements for votes and for public entities prepared and submitted to the Auditor General	Prepared Consolidated Annual Financial Statements for votes in line with the PFMA Aggregation of Annual Financial Statement done but final consolidation not yet finalised	8 (public entities)	8 (public entities) No progress	N/A Outstanding Provincial Revenue Fund Statements • 2009/10 AFS for Tourism were submitted in May 2011 • 2010/11 for Tourism and LADC are

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VOTE 5

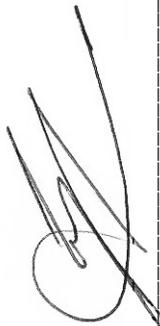
ANNUAL REPORT
for the year ended 31 March 2012

Programme 4: Financial Governance					
No.	Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
			Target (2011/12)	Actual (2011/12)	
9	Number of Annual Financial Statement prepared for Tribal Levies and Trust Accounts.	Annual financial statements for 2008/09 drafted but not finalised	7	Preliminary consolidated AFS prepared, but not finalised	outstanding Awaiting Legislature's approval of submission regarding adoption of opening balances.
Sub-Programme : Internal Control And Transversal Risk Management					
TRANSVERSAL RISK MANAGEMENT					
10	Number of Risk Management tools developed	No baseline	1 Project Risk Management Framework Developed	No progress	Capacity constraints
11	Number of votes assessed on Risk Management Performance	All department's risk profiles reviewed for implementation of mitigations	13	13	N/A
12	Number of Provincial Risk Profiles monitored	Developed the Provincial Risk Profile and monitored mitigations	1	1	N/A
INTERNAL CONTROL					
13	Number of votes assessed in the	Supported and monitored	13	13 votes assessed in	13 votes were not assessed

No.	Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
			Target (2011/12)	Actual (2011/12)	
	implementation of Internal Controls	13 votes in the development of internal control improvement plans through FMCMM		the implementation of Internal Controls in all quarters except 4 th quarter.	in the implementation of Internal Controls in the 4 th quarters because the directorate was compiling mapping processes of Internal Controls on SCM for all Provincial Departments.
Sub-Programme : Provincial Internal Audit					
PROVINCIAL INTERNAL AUDIT					
14	Number of votes monitored in the implementation of internal audits findings and recommendations to achieve improved internal controls in departments	Reviewed internal audit reported findings for implementation	13	13	N/A
15	Number of votes audited by the Provincial Internal Audit in compliance with the approved 2011/12 risk based audit plan to achieve improved internal controls in departments	92 % compliance with the approved annual audit plan. 144 out of a planned 155 audit projects (92.09%) were completed	12	12	N/A

**(LIMPOPO PROVINCIAL TREASURY)
VOTE 5**

**ANNUAL REPORT
for the year ended 31 March 2012**



Monde Tom
Administrator
Limpopo Government Section 100(1) (b) Constitution Intervention

31 July 2012

Date



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

PART 3

ANNUAL FINANCIAL STATEMENTS



(LIMPOPO PROVINCIAL TREASURY)
VOTE 5

*Report of the Audit Committee
for the year ended 31 March 2011*



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

REPORT OF THE AUDIT COMMITTEE ON
PROVINCIAL TREASURY

We are pleased to present our report for the financial year ended 31 March 2012.

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. Over and above the four mandatory meetings stipulated in the terms of reference, the Audit Committee meets on an adhoc basis as and when it is necessary. During the current year 6 Cluster Audit Committee and 5 Central Audit Committee meetings were held.

Cluster 3 Audit Committee

Name of Member	Number of meetings attended
Mr. T.C. Modipane (Chairperson)	6
Mr. K.V. Maja	6
Mr. T. Mudaly	6
Ms. N.J. Manthata	6
Ms. M.O. Morata	6

Central Audit Committee

Name of Member	Number of meetings attended
Ms. Z.P. Mzizi (Chairperson appointed on 07 June 2011)	3
Mr. C.M. Manny	5
Ms. L.J. Fosu	4
Mr. T.C. Modipane	5
*Ms. T Njozela	1

*Ms T Njozela attended on behalf of Ms LJ Fosu.

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REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2011

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1

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 not fully discharged all its responsibilities due to the failure by management to make proper delegation arrangements during scheduled quarter 3 Audit Committee Cluster meeting that led to the meeting not taking place. Limpopo Provincial Treasury made no efforts to re-convene the meeting that was regarded as crucial for ensuring that departmental mandates are carried out.

The effectiveness of internal control

- **Efficiency and effectiveness of the system of internal control applied by the Department**

In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, it was noted that the system of internal control was not entirely adequate and effective for the year under review. During the year under review, several deficiencies in the system of internal control and/ or deviations were reported by the internal auditors. In certain instances matters reported previously have not been fully and satisfactorily addressed.

- **Risk Management**

The system of internal control applied by the department over financial risk and risk management is effective, efficient and transparent. However note should be made of the lack of appropriate skills and capacity at departmental level and transversal level to provide support.

- **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 has seen continuous improvements regarding the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer of the Department during the year under review. The Audit Committee encourages management to continue improving the content and quality of their reports.

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 Accounting Officer;
- reviewed changes in accounting policies and practices;

**(LIMPOPO PROVINCIAL TREASURY)
VOTE 5**

**REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2011**

- reviewed the departments compliance with legal and regulatory provisions;
- not reviewed the information on predetermined objectives to be included in the annual report.

The Audit Committee concurs with the Auditor-General's conclusions on the annual financial statements.

Internal Audit

The Audit Committee is satisfied that the internal audit function is operating effectively given the current capacity constraints, and that further improvements need be made to address the risks pertinent to the Department.

Other Observations

- The Accounting Officer of the Department did not attend scheduled year-end reporting meeting to discuss the audited Annual Financial Statements, audit report and management letter with the Audit Committee and the Provincial Auditor.
- Based on Auditor-General IT findings and recommendations, the Audit Committee advised management to initiate procurement processes for a service provider to assist departments in implementing the recommendations. Although management had initially put into place processes for procurement of these services, the Section 100 (1)(b) Administration Intervention team decided to cancel the tender without providing alternative arrangements.
- The Audit Committee was concerned about the skills and level of competence in the offices of the Chief Financial Officers across the Province. The Audit Committee recommended to management that a service provider be identified to carry out an assessment of skills and competencies within the offices of the Chief Financial Officers and recommend appropriate capacity-building interventions. Management had put into place process for procuring these services but the Section 100 (1)(b) Administration Intervention team subsequently cancelled the tender without offering an alternative solution.
- The Department was placed under Section 100 (1)(b) of the Constitution during the course of the year. It was the Audit Committee's considered view that the Section 100 (1)(b) Administration Intervention team should have put into place a plan that would entail definition of roles and responsibilities of the incoming administration staff and the existing staff in the various departments, specific matters that the administration sought to address, resources required, time frames, miles stones and deliverables including communication, capacity building and change management plans. The plan would also be used as a base line when assessing the success of the intervention. The Section 100 (1)(b) Administration Intervention team has to date not been able to provide such a plan for the Audit Committee to assist in overseeing some of the matters that the Administration team was implementing in improving governance within the Province.

(LIMPOPO PROVINCIAL TREASURY)

VOTE 5

REPORT OF THE AUDIT COMMITTEE

for the year ended 31 March 2011

- The Audit Committee inquired from management after the 2010/11 financial year and at the beginning of the 2011/12 financial year about a plan to deal with the overdraft which at that time (2011/12 financial year) stood at about R2.7 billion. A strategy to deal with this was promised by the then Limpopo Provincial Treasury Head of Department, which was never provided to the Audit Committee. Suffice to say that the same strategy was availed to the Audit Committee after the arrival of the Section 100 (1)(b) Administration Intervention Team. The Audit Committee noted with concern the fact that very little feedback is being provided to the Audit Committee regarding progress with measures to restore financial stability to the Province.
- The Provincial Clean Audit Strategy appears to be making little progress as the Audit Committee has to date not received any progress reports nor is the Audit Committee aware of the distribution of the Audit Committee reports to departments to provide written feedback on the recommendations to make improvements on various aspects of reporting. Also meetings between the Audit Committee and the various Executive Authorities have to date not taken place.
- The Audit Committee wishes to report that it did not receive and therefore review information on pre-determined objectives to be included in the annual report. These reports were not made available to Audit Committee because department reported that they were not ready for review.
- The Audit Committee received the audit report and management letter on the day of the scheduled year-end reporting meeting. It is of vital importance for the Audit Committee to receive the audit report and the management letter on time for adequate preparation and meaningful engagement with the Provincial Auditor and the Accounting Officer to take place.



.....
Chairperson of the Audit Committee

Date: 25 July 2012

**(LIMPOPO PROVINCIAL TREASURY)
VOTE 5**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2012**

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

1. General review of the state of financial affairs

At the beginning of last quarter of the current financial year, Limpopo Provincial Treasury was placed under section 100 (1) (b) together with other four departments due to challenges relating to cash flow.

During the year a committee was constituted to review the structure of the Limpopo Provincial Treasury (LPT). The review was done to ensure that Treasury functions in line with the mandates as stipulated by Section 18 of the Public Finance Management Act. The administration team is currently reviewing the structure.

Spending trends

LPT was allocated R292, 6 million for the year under review, which spent R259, 6 million which resulted to under spending by R33 million (11%).

- Austerity measures were put in place to improve cash flow situation of the Province.
- The process of filling of all vacant posts was put on hold.
- The process to award three tenders was cancelled namely, Skills audit in the CFO's offices, Provincial economic review and IT skills.

Expenditure breakdown per programme refer to Appropriation Statement in the Annual Financial Statements. The department surrendered an amount of R33 million to the provincial revenue fund.

Virements

There were no virements made for the year under review.

Fruitless and Wasteful Expenditure

The department incurred fruitless and wasteful expenditure amounting to R266, 000 due to re-advertisement of posts and the abandonment of Audit Committee meeting. The reasons for the re advertising of posts were provided by the Executing Authority which is within his delegation are being investigated.

**(LIMPOPO PROVINCIAL TREASURY)
VOTE 5**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2012**

Related Party transactions

National Treasury becomes related party to the Limpopo Provincial Treasury as a result of Section 100 (1) (b) intervention. A note to that effect has been included in the Annual Financial Statements. Refer to note 37 of the AFS.

2. Service rendered by the department

- **Tariff policy**

LPT does not charge any tariff for the services rendered, however our role is to consider and approve revisions to own revenue tariffs as and when requested by departments.

- **Free Services**

There are no free services provided by the department

- **Inventories**

The total inventories on hand at year-end amount to R699, 000-00 as disclosed in annexure 6 of the AFS.

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 79 staff to facilitate service delivery. This can be broken down as follows:

- Level 1 to 10 = 57 (including Interns)
- Level 11 to 12 = 14
- Level 13 = 5
- Level 14 = 3

4. Utilisation of donor funds

LPT did not receive 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

Provincial Treasury did not transfer any funds to any institution in the province or country during the financial year under review.

**(LIMPOPO PROVINCIAL TREASURY)
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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2012**

7. Public Private Partnerships (PPP)

The LPT did not enter into PPP's as defined during the current financial year.

8. Corporate governance arrangements

The department is placed under administration, section 100(1) (b) of the Constitution of South Africa. Every programme is manned by an administrator who reports to the Accounting Officer.

The Risk Management Committee of the LPT is functioning and has identified the top ten risks and their mitigating factors. The fraud prevention strategy has been approved and 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 e.g. Risk Registers are developed and updated on an ongoing basis. The governance structures are also in place and they are functioning well. The combined assurance model is being applied to determine the effectiveness of Risk Management in the Province. Risk Management support to the Public Entities is still lacking due to capacity challenges; however plans are underway to resolve this. Uniformity across all entities of the Provincial Government with regards to Risk Management processes is currently being addressed. Promotion of risk awareness culture and improvement in Top-Management's buy in is critical for the maturity level of risk management to improve. Lack of funding to ensure effective implementation of Risk Management Plans remains a challenge across all spheres of the Provincial Government.

The Financial Governance branch is responsible for coordinating and managing the Audit Cluster Committee. That is 2 tier structured consisting of three clusters and a central audit committee. The Audit Committee meets on a quarterly basis to review department's quarterly reports, culminating in a central audit committee meeting which then accounts and reports to the MEC for Provincial Treasury. In order to enhance monitoring and fruit-full engagements each Audit Cluster now sits for two days.

9. Discontinued activities/activities to be discontinued

Auditor General and State Information Technology Agency (SITA) fees were decentralised to provincial departments. Refer to note 8.2 and 8.4

10. New/proposed activities

There were no new proposed activities during the year under review

11. Asset management

All LPT assets have been captured in the asset register in compliance with the minimum requirements.

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2012**

Transversal Asset Management

Since 2007/08 the province is using Microsoft Excel spreadsheets to maintain the Asset Registers. Over the period up to 2010/11 an average of eight departments received unqualified audit. Processes are underway to push the number of unqualified departments to eleven (11) in the current financial year, although instances of regression cannot be ruled out. 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 and Roads & Transport are on the Integrated Financial Management System (IFMS) Asset register and processes are underway for implementation at the Department of Health. 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. For audit purposes, all departments present Microsoft Excel Asset Registers.

12. Events after reporting date

The Head of Department for Provincial Treasury was transferred to the Office of the Premier with effect from 01 May 2012.

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.

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

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2012**

Performance Plan. This is in line with the Provincial Performance Management & Development Policy.

14. SCOPA resolutions.

14.1 Report on the status of the SCOPA Resolutions for the 2010/11 financial year

Reference to previous audit report and SCOPA resolutions	Subject	Progress on the findings
1. Progress report on the tribal levies and Trust Account.	Trust Account	<p>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.</p> <p>Preliminary Financial Statements are prepared, but cannot be submitted pending the approval from Legislature to accept the opening balance.</p> <ul style="list-style-type: none"> a) A submission to adopt 2003/2004 opening balances was approved by EXCO on 31 August 2011, and proposed that the Limpopo House of Traditional Councils must be consulted on the proposal before final submission to Legislature. b) Traditional Leaders from all Districts within Limpopo Provinces were consulted on 05-08 September 2011. c) Limpopo House of Traditional Council Executive Committee was consulted on 31 October 2011, and d) The Limpopo House of Traditional Leaders was consulted on the 28 November 2011. <p>The final submission was tabled at the Legislature on 20 March 2012 and has been referred to the Portfolio Committee for Treasury</p>
2. Blacklisting of companies or CCs of employees who	Disciplinary actions	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

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**REPORT OF THE ACCOUNTING OFFICER
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Reference to previous audit report and SCOPA resolutions	Subject	Progress on the findings
conducted business with provincial departments at which they are employed.		<p>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.</p> <p>Provincial Treasury did get progress report from Roads and Transport but received no update from Department of Health. Therefore Provincial Treasury in September 2011 escalated the matter to Members of Executive Council for both Departments to solicit their intervention in respect of progress or finalisation of the blacklisting process</p>
3. Recovery of money earned irregularly by the employees who did business outside the public service without approval		<p>Upon consideration of both the advice from 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.</p>

15. Prior modifications to audit reports

The department received an unqualified audit opinion and was able to put in place an audit action plan of 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 12 management report issues raised, three remain unresolved (Tribal levies and trust account, Consolidated AFS and AFS for the Provincial Revenue Fund).

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.

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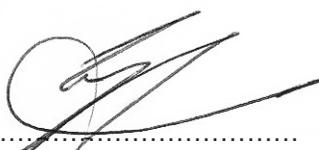
**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2012**

18. Other

There are no other issues.

19. Approval

The Annual Financial Statements set out on pages 64 to 122 have been approved by the Accounting Officer.



.....
ACCOUNTING OFFICER

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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2012**

**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 64 to 122, which comprise the appropriation statement, the statement of financial position as at 31 March 2012, 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, 2011 (Act No. 06 of 2011) (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 2012, 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) and Division of Revenue Act of South Africa, 2011 (Act No. 06 of 2011) (DoRA).

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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2012**

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 18 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 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 underspent the budget on all programmes to the amount of R33 012 000. As a consequence, the department has not achieved its objectives of filling all vacant positions as well as the tender process for a skills audit in the CFOs office, a provincial economic review and IT skills.

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 123 to 150 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 21 to 45 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)
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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2012**

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 usefulness of the information but the material findings are as follows on the annual performance report concerning the reliability of the information.

Reliability of information

Validity

15. The National Treasury *Framework for managing programme performance information (FMPP)* requires that processes and systems which produce the indicator should be verifiable. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the validity of the actual reported performance relevant to 29% of Financial Governance. This was due to limitations placed on the scope of my work due to the institution's records not permitting the application of alternative audit procedures.

Accuracy

16. The National Treasury *Framework for managing programme performance information (FMPP)* requires that the indicator be accurate enough for its intended use and respond to changes in the level of performance. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the accuracy of the actual reported performance relevant to 29% of Financial Governance. This was due to limitations placed on the scope of my work by the absence of the institution's records not permitting the application of alternative audit procedures.

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:

Annual financial statements, performance and annual report

18. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirement of section 40(1) of the PFMA. Material misstatements of disclosure items identified by the auditors were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Income and Expenditure statements for Tribal Levies Account

19. The Limpopo Provincial Treasury 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 2012 has not been prepared and submitted for audit as per the Limpopo Traditional Leadership and Institutions Act.

**(LIMPOPO PROVINCIAL TREASURY)
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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2012**

Consolidated annual financial statements for public entities and departments

20. The Limpopo Provincial Treasury 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 2010 to 31 March 2012 and for departments from 31 March 2009 to 31 March 2012.

Provincial revenue fund statements

21. The Limpopo Provincial Treasury 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 2012.

Human resource management and compensation

22. Some senior managers did not sign performance agreements for the year under review as required by Public Service Regulation 4/III/B.1.

Expenditure management

23. The accounting officer did not take reasonable steps to prevent fruitless and wasteful expenditure as required by section 38(1) (c) (ii) of the PFMA.

Provincial Treasury Intervention

24. The Limpopo Provincial Treasury did not Intervene by taking appropriate steps, which includes withholding of funds, to address a serious or persistent material breach of the PFMA by a provincial department or a provincial public entity as required by 18(2) (g) of the PFMA.

Internal Control

25. 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 the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

26. The accounting officer does not review the annual performance report prior to submission for audit.
27. The Limpopo Provincial Treasury did not Intervene by taking appropriate steps, which includes withholding of funds, to address a serious or persistent material breach of the PFMA by a provincial department or a provincial public entity as required by 18(2) (g) of the PFMA.
28. Delays occurred in finalising the IT governance framework for the entire provincial administration, as the IT governance framework is centrally driven by Office of the Premier (OTP). OTP is yet to approve the guidelines.

Financial and Performance management

29. Non-compliance with laws and regulations could have been prevented had compliance been properly reviewed and monitored.

**(LIMPOPO PROVINCIAL TREASURY)
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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2012**

30. The department did not have a proper system of record management that provides for the maintenance of information that supports the reported performance contained in the annual performance report. This includes information that relates to the collection, collation, verification, storing and reporting of actual performance information.
31. The financial statements contained misstatements that were corrected. This was mainly due to some of the staff members not fully understanding the requirements of the financial reporting framework

Auditor - General

Auditor-General

Polokwane

31 July 2011



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2012

Appropriation per programme									
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
1. ADMINISTRATION									
Current payment	117,356	-	-	117,356	101,009	16,347	86.1%	94,768	93,217
Transfers and subsidies	7,910	-	-	7,910	7,480	430	94.6%	4,511	4,504
Payment for capital assets	2,441	-	-	2,441	2,200	241	90.1%	2,245	1,945
Payment for financial assets	-	-	-	-	-	-	0.0%	4	2
	127,707	-	-	127,707	110,689	17,018		101,528	99,668
2. SUSTAINABLE RESOURCE MANAGEMENT									
Current payment	36,991	-	-	36,991	33,456	3,535	90.4%	32,266	31,344
Transfers and subsidies	400	-	-	400	792	(392)	198.0%	15	15
Payment for capital assets	154	-	-	154	122	32	79.2%	203	183
	37,545	-	-	37,545	34,370	3,175		32,484	31,542

**(LIMPOPO PROVINCIAL TREASURY)
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**APPROPRIATION STATEMENT
for the year ended 31 March 2012**

Reconciliation with Statement
of Financial Performance
Ad d: Departmental receipts

Actual amounts per Statement of
Financial Performance (Total
Revenue)

Ad d: Aid assistance

Actual amounts per Statement of
Financial Performance
Expenditure

4,239	22,183
296,923	385,808
-	-
259,672	359,372

22,183	22,183
385,808	385,808
-	-
359,372	359,372

(LIMPOPO PROVINCIAL TREASURY)
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APPROPRIATION STATEMENT
for the year ended 31 March 2012

Appropriation per Economic classification									
2011/12					2010/11				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	175,755	-	-	175,755	168,329	7,426	95.8%	158,398	157,529
Goods and services	105,552	(340)	-	105,212	79,961	25,251	76.0%	196,239	193,361
Transfers & subsidies									
Households	8,980	-	-	8,980	8,931	49	99.5%	5,533	5,525
Payment for capital assets									
Buildings & other fixed structures	110	-	-	110	-	110	0.0%	35	8
Machinery & equipment	2,287	340	-	2,627	2,451	176	93.3%	3,404	2,935
Payment for financial assets									
	-	-	-	-	-	-		16	14
Total	292,684	-	-	292,684	259,672	33,012	88.7%	363,625	359,372

(LIMPOPO PROVINCIAL TREASURY)
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APPROPRIATION STATEMENT
for the year ended 31 March 2012

Statutory Appropriation										
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	
Direct charge against the Provincial Revenue Fund										
Member of executive committee	1,566			1,566	1,535	31	98.0%	1,492	1,492	
Total	1,566	-	-	1,566	1,535	31	98.0%	1,492	1,492	

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**APPROPRIATION STATEMENT
for the year ended 31 March 2012**

**Detail per programme 1 - ADMINISTRATION
For the year ended 31 March 2012**

Details per Sub-Programme	2011/12							2010/11	
	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
1.1 OFFICE OF THE MEC									
Current payment Transfers and subsidies	3,003			3,003	2,350	653	78.3%	2,948	2,818
Payment for capital assets				-		-		900	895
1.2 MANAGEMENT SERVICES									
Current payment	3,488			3,488	2,792	696	80.0%	2,799	2,697
Payment for capital assets				-	23	(23)		80	27
1.3 CORPORATE SERVICES									
Current payment	76,806			76,806	67,163	9,643	87.4%	66,354	65,115
Transfers and subsidies	7,560			7,560	7,103	457	94.0%	3,471	3,470
Payment for capital assets	1,891			1,891	1,655	236	87.5%	1,306	1,223
Payment for financial assets				-		-		3	2

(LIMPOPO PROVINCIAL TREASURY)
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APPROPRIATION STATEMENT
for the year ended 31 March 2012

1.4 FINANCIAL MANAGEMENT									
Current payment	34,059			28,704	5,355	84.3%	22,667		22,587
Transfers and subsidies	350			377	(27)	107.7%	140		139
Payment for capital assets	550			522	28	94.9%	779		646
Payment for financial assets	-			-	-		1		-
Total	127,707	-	-	110,689	17,018	86.7%	101,528		99,668

Programme 1 Per Economic classification	2011/12					2010/11			
	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
Current payments									
Compensation of employees	57,174			57,174	55,125	2,049	96.4%	55,554	55,268
Goods and services	60,522	(340)		60,182	45,884	14,298	76.2%	39,214	37,947
Transfers & subsidies									
Households	7,910			7,910	7,480	430	94.6%	4,511	4,505

(LIMPOPO PROVINCIAL TREASURY)
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APPROPRIATION STATEMENT
for the year ended 31 March 2012

Payment for capital assets												
Buildings & other fixed structures	110		110								0.0%	35
Machinery & equipment	1,991	340	2,331	2,200	131						94.4%	2,210
Payment for financial assets			-									4
Total	127,707	-	127,707	110,689	17,018	-	110,689	17,018	86.7%	101,528	86.7%	99,668

(LIMPOPO PROVINCIAL TREASURY)
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APPROPRIATION STATEMENT
for the year ended 31 March 2012

Detail per programme 2 - SUSTAINABLE RESOURCE MANAGEMENT

For the year ended 31 March 2012

Details per Sub-Programme	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	R'000
2.1 PROGRAMME SUPPORT (OFFICE OF THE SGM)										
Current payment	1,120				1,120	1,075	45	96.0%	1,401	1,378
2.2 ECONOMIC ANALYSIS										
Current payment	3,918	(60)			3,858	1,730	2,128	44.8%	2,293	2,195
Payment for capital assets	24				24		24	0.0%		
2.3 FISCAL POLICY										
Current payment	10,514	60			10,574	9,887	687	93.5%	10,190	9,710
Transfers and subsidies	400				400	675	(275)	168.8%		
2.4 BUDGET MANAGEMENT										
Current payment	3,970				3,970	3,649	321	91.9%	3,079	2,836
Transfers								0.0%		

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2012

and subsidiaries Payment for capital assets	6	-	117	(117)	30	27
2.5 PUBLIC FINANCE						
Current payment	4,908	4,908	4,596	312	4,969	4,906
Payment for capital assets	76	76	75	1	85	78
2.6 INTERGOVE RNMENTAL RELATIONS						
Current payment Transfers and subsidiaries	12,561	12,561	12,519	42	10,334	10,319
Payment for capital assets	48	48	47	1	15	15
Total	37,545	37,545	34,370	3,175	32,484	31,542
					91.5%	

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2012

Programme 2 Per Economic classification	2011/12						2010/11		
	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
Current payments									
Compensation of employees	30,322			30,322	29,628	694	97.7%	27,081	26,811
Goods and services	6,669			6,669	3,828	2,841	57.4%	5,185	4,533
Transfers & subsidies									
Households	400			400	792	(392)	198.0%	15	15
Payment for capital assets									
Machinery & equipment	154			154	122	32	79.2%	203	183
Total	37,545	-	-	37,545	34,370	3,175	91.5%	32,484	31,542

Detail per programme 3 - ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT
For the year ended 31 March 2012

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2012

Details per Sub-Programme	2011/12						2010/11		
	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
3.2 ASSET MANAGEMENT									
Current payment Transfers and subsidies	8,703	262		8,965	8,642	323	96.4%	8,313	8,312
3.3 LIABILITIES MANAGEMENT									
Current payment Transfers and subsidies	9,784			9,784	7,999	1,785	81.8%	7,612	7,611
Payment for capital assets	250			250	223	27	89.2%		
	10			10	9	1	90.0%		

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2012

Programme 3 Per Economic classification	2011/12						2010/11		
	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
Current payments									
Compensation of employees	41,740			41,740	39,864	1,876	95.5%	38,757	38,755
Goods and services	24,508			24,508	19,400	5,108	79.2%	79,435	79,042
Transfers & subsidies									
Households	250			250	243	7	97.2%	717	716
Payment for capital assets									
Machinery & equipment	46			46	35	11	76.1%	38	37
Payment for financial assets									
				-					11
Total	66,544	-	-	66,544	59,542	7,002	89.5%	118,959	118,561

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2012

Detail per programme 4 - FINANCIAL GOVERNANCE

For the year ended 31 March 2012

Details per Sub-Programme	2011/12						2010/11		
	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
4.1 PROGRAMME SUPPORT Current payment	2,462	(990)		1,472	1,430	42	97.1%	1,037	975
4.2 ACCOUNTING SERVICES Current payment Transfers and subsidies Payment for capital assets	48,730	999		49,729	45,320	4,409	91.1%	100,072	99,280
4.3 RISK MANAGEMENT Current payment Transfers and subsidies Payment for capital assets	420			420	416	4	99.0%	843	731
	96			96	95	1	99.0%		
	7,614	(9)		7,605	6,275	1,330	82.5%	6,810	6,786
Total	59,322	-	-	59,322	53,536	5,786	90.2%	109,162	108,109

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2012

Programme 4 Per Economic classification	2011/12						2010/11		
	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
Current payments									
Compensation of employees	44,953			44,953	42,177	2,776	93.8%	35,514	35,203
Goods and services	13,853			13,853	10,849	3,004	78.3%	72,405	71,839
Transfers & subsidies									
Households	420			420	416	4	99.0%	290	289
Payment for capital assets									
Machinery & equipment	96			96	94	2	97.9%	953	778
Total	59,322	-	-	59,322	53,536	5,786	90.2%	109,162	108,109

**(LIMPOPO PROVINCIAL TREASURY)
VOTE 5**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2012**

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-B) to the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

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

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%

ADMINISTRATION	129,273	112,224	17,049	13%
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Non filling of vacant posts.				
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SUSTAINABLE RESOURCE MANAGEMENT	37,545	34,370	3,175	8%
--	--------	--------	-------	----

Non filling of vacant posts and cancellation of Provincial Economic Review outlook tender.				
--	--	--	--	--

ASSETS, LIABILITIES and SCM	66,544	59,542	7,002	11%
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Non filling of vacant posts.				
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**(LIMPOPO PROVINCIAL TREASURY)
VOTE 5**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2012**

FINANCIAL GOVERNANCE	59,322	53,536	5,786	10%
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Non- filling of vacant posts and cancellation of Skills Audit and IT Audit tenders.

4.2 Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current expenditure				
Compensation of employees	175,755	168,329	7,426	4%
Goods and services	105,212	79,961	25,251	24%
Transfers and subsidies				
Households	8,980	8,931	49	1%
Payments for capital assets				
Buildings and other fixed structures	110		110	100%
Machinery and equipment	2,627	2,451	176	7%

**(LIMPOPO PROVINCIAL TREASURY)
VOTE 5**

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2012**

	<i>Note</i>	2011/12 R'000	2010/11 R'000
REVENUE			
Annual appropriation	1	291,118	362,133
Statutory appropriation	2	1,566	1,492
Departmental revenue	3	4,239	22,183
		<hr/>	<hr/>
TOTAL REVENUE		296,923	385,808
EXPENDITURE			
Current expenditure			
Compensation of employees	4	168,329	157,529
Goods and services	5	79,961	193,361
Total current expenditure		248,290	350,890
Transfers and subsidies			
Transfers and subsidies	7	8,931	5,525
Total transfers and subsidies		8,931	5,525
Expenditure for capital assets			
Tangible capital assets	8	2,451	2,943
Total expenditure for capital assets		2,451	2,943
Payments for financial assets	6	-	14
		<hr/>	<hr/>
TOTAL EXPENDITURE		259,672	359,372
		<hr/>	<hr/>
SURPLUS/(DEFICIT) FOR THE YEAR		37,251	26,436

**(LIMPOPO PROVINCIAL TREASURY)
VOTE 5**

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2012**

**Reconciliation of Net Surplus/(Deficit) for
the year**

Voted Funds		33,012	4,253
Annual appropriation		33,012	4,253
Departmental revenue and NRF Receipts	14	<u>4,239</u>	<u>22,183</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u><u>37,251</u></u>	<u><u>26,436</u></u>

**(LIMPOPO PROVINCIAL TREASURY)
VOTE 5**

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2012**

	<i>Note</i>	2011/12 R'000	2010/11 R'000
ASSETS			
Current Assets		46,460	11,066
Unauthorised expenditure	9	6,803	6,803
Cash and cash equivalents	11	39,065	3,731
Receivables	12	592	532
TOTAL ASSETS		46,460	11,066
LIABILITIES			
Current Liabilities		46,252	10,789
Voted funds to be surrendered to the Revenue Fund	13	33,012	4,253
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	13,024	6,050
Payables	15	216	486
TOTAL LIABILITIES		46,252	10,789
NET ASSETS		208	277
Represented by:			
Recoverable revenue		208	277
TOTAL		208	277

**(LIMPOPO PROVINCIAL TREASURY)
VOTE 5**

**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2012**

	2011/12 R'000	2010/11 R'000
Recoverable revenue		
Opening balance	277	11,737
Transfers	(69)	(11,460)
Debts recovered (included in departmental receipts)	-69	-11,460
Debts raised	-	-
Closing balance	<u>208</u>	<u>277</u>
TOTAL	<u><u>208</u></u>	<u><u>277</u></u>

**(LIMPOPO PROVINCIAL TREASURY)
VOTE 5**

**CASHFLOW STATEMENT
for the year ended 31 March 2012**

	<i>Note</i>	2011/12 R'000	2010/11 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		322,454	484,128
Annual appropriated funds received	1.1	291,118	362,133
Statutory appropriated funds received	2	1,566	1,492
Departmental revenue received	3	29,770	120,503
Net (increase)/ decrease in working capital		(330)	11,829
Surrendered to Revenue Fund		(27,049)	(123,750)
Current payments		(248,290)	(350,890)
Payments for financial assets		-	(14)
Transfers and subsidies paid		(8,931)	(5,525)
Net cash flow available from operating activities	16	37,854	15,778
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(2,451)	(2,943)
Net cash flows from investing activities		(2,451)	(2,943)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		(69)	(11,460)
Net cash flows from financing activities		(69)	(11,460)
Net increase/ (decrease) in cash and cash equivalents		35,334	1,375
Cash and cash equivalents at beginning of period		3,731	2,356
Cash and cash equivalents at end of period		39,065	3,731

ACCOUNTING POLICIES
for the year ended 31 March 2012

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, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

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

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.

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5

ACCOUNTING POLICIES
for the year ended 31 March 2012

2. 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.

3. Expenditure

3.1 Compensation of employees

3.1.1 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).

ACCOUNTING POLICIES
for the year ended 31 March 2012

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.

3.1.2 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.

3.2 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*.

3.3 Interest and rent on land

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

ACCOUNTING POLICIES
for the year ended 31 March 2012

3.4 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 amounts.

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

3.5 Transfers and subsidies

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

3.6 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.

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 of approval.

3.7 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.

3.8 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.

ACCOUNTING POLICIES
for the year ended 31 March 2012

4. 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.

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.

**(LIMPOPO PROVINCIAL TREASURY)
VOTE 5**

**ACCOUNTING POLICIES
for the year ended 31 March 2012**

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.

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.

ACCOUNTING POLICIES
for the year ended 31 March 2012

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 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.

5.4 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.

5.5 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.

5.6 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.

**(LIMPOPO PROVINCIAL TREASURY)
VOTE 5**

**ACCOUNTING POLICIES
for the year ended 31 March 2012**

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 2012**

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:

Programmes	Final Appropriation R'000	Actual Funds Received R'000	2011/12	Appropriation
			Funds not requested/ not received R'000	Received 2010/11 R'000
ADMINISTRATION	127,707	127,707	-	101,528
SUSTAINABLE RESOURCE MANAGEMENT	37,545	37,545	-	32,484
ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT	66,544	66,544	-	118,959
FINANCIAL GOVERNANCE	59,322	59,322	-	109,162
Total	291,118	291,118	-	362,133

2. Statutory Appropriation

	2011/12 R'000	2010/11 R'000
Member of executive committee/parliamentary officers	1,566	1,492
Total	1,566	1,492
Actual Statutory Appropriation received	1,566	1,492

3. Departmental revenue

	Note	2011/12 R'000	2010/11 R'000
Sales of goods and services other than capital assets	3.1	600	1,256
Interest, dividends and rent on land	3.2	28,479	98,797

**(LIMPOPO PROVINCIAL TREASURY)
VOTE 5**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012**

Transactions in financial assets and liabilities	3.3	<u>691</u>	<u>20,450</u>
Total revenue collected		29,770	120,503
Less: Own revenue included in appropriation	14	<u>25,531</u>	<u>98,320</u>
Departmental revenue collected		<u>4,239</u>	<u>22,183</u>

3.1 Sales of goods and services other than capital assets

	<i>Note</i>	2011/12 R'000	2010/11 R'000
Sales of goods and services produced by the department	3	600	1,252
Sales by market establishment		81	45
Other sales		519	1,207
Sales of scrap, waste and other used current goods		<u>-</u>	<u>4</u>
Total		<u>600</u>	<u>1,256</u>

3.2 Interest, dividends and rent on land

	<i>Note</i>	2011/12 R'000	2010/11 R'000
Interest	3	<u>28,479</u>	<u>98,797</u>
Total		<u>28,479</u>	<u>98,797</u>

3.3 Transactions in financial assets and liabilities

	<i>Note</i>	2011/12 R'000	2010/11 R'000
Other Receipts including Recoverable Revenue	3	<u>691</u>	<u>20,450</u>
Total		<u>691</u>	<u>20,450</u>

**(LIMPOPO PROVINCIAL TREASURY)
VOTE 5**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012**

4. Compensation of employees

4.1 Salaries and Wages

	2011/12	2010/11
	R'000	R'000
Basic salary	120,181	109,401
Performance award	19	2,217
Service Based	259	8,984
Compensative/circumstantial	762	1,665
Periodic payments	8,898	-
Other non-pensionable allowances	<u>17,201</u>	<u>16,215</u>
Total	<u>147,320</u>	<u>138,482</u>

4.2 Social contributions

	2011/12	2010/11
	R'000	R'000
Employer contributions		
Pension	15,336	13,949
Medical	5,649	5,055
Bargaining council	<u>24</u>	<u>43</u>
Total	<u>21,009</u>	<u>19,047</u>

Total compensation of employees	<u>168,329</u>	<u>157,529</u>
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Average number of employees	<u>475</u>	<u>445</u>
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012**

5. Goods and services

	Note	2011/12 R'000	2010/11 R'000
Administrative fees		3,660	3,300
Advertising		947	880
Assets less than R5,000	5.1	445	572
Catering		775	752
Communication		4,235	5,885
Computer services	5.2	15,543	75,494
Consultants, contractors and agency/outsourced services	5.3	8,350	8,522
Entertainment		2	8
Audit cost – external	5.4	10,266	64,148
Fleet services		1,462	973
Inventory	5.5	3,485	3,176
Operating leases		747	376
Property payments	5.6	14,651	17,489
Travel and subsistence	5.7	10,848	9,530
Venues and facilities		1,424	1,239
Training and staff development		2,453	849
Other operating expenditure	5.8	<u>668</u>	<u>168</u>
Total		<u>79,961</u>	<u>193,361</u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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5.1 Assets less than R5,000

	Note	2011/12 R'000	2010/11 R'000
Tangible assets	5	445	572
Buildings and other fixed structures		93	9
Machinery and equipment		352	563
Total		445	572

5.2 Computer services

	Note	2011/12 R'000	2010/11 R'000
SITA computer services	5	7,041	66,359
External computer service providers		8,502	9,135
Total		15,543	75,494

SITA costs has been decentralised to Departments.

5.3 Consultants, contractors and agency/outsourced Services

	Note	2011/12 R'000	2010/11 R'000
Business and advisory services	5	1,111	1,026
Legal costs		3,588	524
Contractors		244	236
Agency and support/outsourced services		3,407	6,736
Total		8,350	8,522

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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5.4 Audit cost – External

	Note	2011/12 R'000	2010/11 R'000
Regularity audits	5	5,463	64,148
Performance audits		<u>4,803</u>	<u>-</u>
Total		<u>10,266</u>	<u>64,148</u>

Audit costs has been decentralised to Departments.

5.5 Inventory

	Note	2011/12 R'000	2010/11 R'000
Food and food supplies	5	52	99
Fuel, oil and gas		10	5
Other consumables		130	129
Materials and supplies		5	23
Stationery and printing		<u>3,288</u>	<u>2,920</u>
Total		<u>3,485</u>	<u>3,176</u>

5.6 Property payments

	Note	2011/12 R'000	2010/11 R'000
Municipal services	5	3,429	2,039
Property management fees		10,384	15,300
Property maintenance and repairs		<u>838</u>	<u>150</u>
Total		<u>14,651</u>	<u>17,489</u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012**

5.7 Travel and subsistence

	Note	2011/12 R'000	2010/11 R'000
Local	5	10,767	9,340
Foreign		<u>81</u>	<u>190</u>
Total		<u>10,848</u>	<u>9,530</u>

5.8 Other operating expenditure

	Note	2011/12 R'000	2010/11 R'000
	5		
Professional bodies, membership and subscription fees		101	23
Resettlement costs		410	47
Other		<u>157</u>	<u>98</u>
Total		<u>668</u>	<u>168</u>

6. Payments for financial assets

	Note	2011/12 R'000	2010/11 R'000
Debts written off	6.1	<u>-</u>	<u>14</u>
Total		<u>-</u>	<u>14</u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012**

6.1 Debts written off

	Note	2011/12 R'000	2010/11 R'000
Debts written off	6	-	14
Total		-	14
Total debt written off		-	14

7. Transfers and subsidies

		2011/12 R'000	2010/11 R'000
Households	Annexure 1a	8,931	5,525
Total		8,931	5,525

8. Expenditure for capital assets

		2011/12 R'000	2010/11 R'000
Tangible assets		2,451	2,943
Buildings and other fixed structures	28	-	8
Machinery and equipment	27	2,451	2,935
Total		2,451	2,943

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012**

8.1 Analysis of funds utilised to acquire capital assets – 2011/12

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

8.2 Analysis of funds utilised to acquire capital assets – 2010/11

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	2,943	-	2,943
Buildings and other fixed structures	8	-	8
Machinery and equipment	2,935	-	2,935
Total	2,943	-	2,943

9. Unauthorised expenditure

9.1 Reconciliation of unauthorised expenditure

	2011/12 R'000	2010/11 R'000
Opening balance	6,803	6,803
Unauthorised expenditure awaiting authorisation / written off	6,803	6,803

9.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

Current	6,803	6,803
Total	6,803	6,803

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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9.3 Analysis of unauthorised expenditure awaiting authorisation per type

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

10. Fruitless and wasteful expenditure

10.1 Reconciliation of fruitless and wasteful expenditure

	2011/12 R'000	2010/11 R'000
Opening balance	-	62
Less: Amounts condoned	-	(62)
Current		(62)
Fruitless and wasteful expenditure awaiting condonement	<u>-</u>	<u>-</u>

11. Cash and cash equivalents

	2011/12 R'000	2010/11 R'000
Consolidated Paymaster General Account	(49)	(10,219)
Cash receipts	1	-
Disbursements	(60)	(9,209)
Investments (Domestic)	<u>39,173</u>	<u>23,159</u>
Total	<u>39,065</u>	<u>3,731</u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012**

12. Receivables

	Note	2011/12			Total R'000	2010/11 R'000
		Less than one year R'000	One to three years R'000	Older than three years R'000		
Recoverable expenditure	12.1				-	6
Staff debt	12.2	187	113	229	592	315
Other debtors	12.3	10	-	53	-	211
Total		197	113	282	592	532

12.1 Recoverable expenditure (disallowance accounts)

	Note	2011/12 R'000	2010/11 R'000
Pensions Recoverable	12		6
Total		-	6

12.2 Staff debt

	Note	2011/12 R'000	2010/11 R'000
Staff	12	20	-
Excess on cellphone account		2	2
Ex- Employee		431	-
GG Accident, Loss ,Damage and Misuse of State Property		-	1
Other		63	97
Subsidized Transport		76	215
Total		592	315

**(LIMPOPO PROVINCIAL TREASURY)
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012**

12.3 Other debtors

	Note	2011/12 R'000	2010/11 R'000
Other	12	-	211
Total		-	211

13. Voted funds to be surrendered to the Revenue Fund

	2011/12 R'000	2010/11 R'000
Opening balance	4,253	6,984
Transfer from statement of financial performance	33,012	4,253
Paid during the year	<u>(4,253)</u>	<u>(6,984)</u>
Closing balance	<u>33,012</u>	<u>4,253</u>

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

	2011/12 R'000	2010/11 R'000
Opening balance	6,050	2,313
Transfer from Statement of Financial Performance	4,239	22,183
Own revenue included in appropriation	25,531	98,320
Paid during the year	<u>(22,796)</u>	<u>(116,766)</u>
Closing balance	<u>13,024</u>	<u>6,050</u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012**

15. Payables – current

	Note	2011/12 R'000	2010/11 R'000
Clearing accounts	15.1	2	-
Other payables	15.2	214	486
Total		216	486

15.1 Clearing accounts

	Note	2011/12 R'000	2010/11 R'000
Sal: ACB Recalls: CA	15	2	-
Total		2	-

15.2 Other payables

	Note	2011/12 R'000	2010/11 R'000
Sal: Pension fund: CL		-	7
Sal: income tax	15	214	479
Total		214	486

**(LIMPOPO PROVINCIAL TREASURY)
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012**

16. Net cash flow available from operating activities

	2011/12	2010/11
	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	37,251	26,436
Add back non cash/cash movements not deemed operating activities	603	(10,658)
(Increase)/decrease in receivables – current	(60)	11,405
(Increase)/decrease in prepayments and advances	-	10
(Increase)/decrease in other current assets	-	62
Increase/(decrease) in payables – current	(270)	352
Expenditure on capital assets	2,451	2,943
Surrenders to Revenue Fund	(27,049)	(123,750)
Own revenue included in appropriation	25,531	98,320
Net cash flow generated by operating activities	37,854	15,778

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

	2011/12	2010/11
	R'000	R'000
Consolidated Paymaster General account	(49)	(10,219)
Cash receipts	1	-
Disbursements	(60)	(9,209)
Cash with commercial banks (Local)	39,173	23,159
Total	39,065	3,731

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012**

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

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

		2011/12 R'000	2010/11 R'000
Liable to	Nature		
Housing loan guarantees	Employees Annex 2a	506	723
Claims against the department	Annex 2b	<u>56,621</u>	<u>50,325</u>
Total		<u>57,127</u>	<u>51,048</u>

19. Commitments

	2011/12 R'000	2010/11 R'000
Current expenditure		
Approved and contracted	<u>6,011</u>	<u>837</u>
Total Commitments	<u>6,011</u>	<u>837</u>

All these commitments are for longer than a year.

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012**

20. Accruals			2011/12	2010/11
	30 days	30+ days	R'000 Total	R'000 Total
Listed by economic classification				
Goods and services	2,485	236	2,721	3,216
Transfers and subsidies			-	1,851
Capital assets			-	15
Total	2,485	236	2,721	5,082

All these Accruals are for longer than a month.

	2011/12	2010/11
Listed by programme level	R'000	R'000
Administration	1,580	4,032
Sustainable Resource Management	34	596
Assets, Liabilities and Supply Chain Management	709	124
Financial Governance	398	330
Total	2,721	5,082

21. Employee benefits	2011/12	2010/11
	R'000	R'000
Leave entitlement	5,989	4,799
Service bonus (Thirteenth cheque)	4,834	4,401
Performance awards	2,636	2,819
Capped leave commitments	33,781	33,859
Total	47,240	45,878

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

22. Lease commitments

22.1 Operating leases expenditure

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
Later than five years			-	-	-
Total lease commitments	-	-	41,255	286	41,541

2010/11	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	-	-	9,893	272	10,165
Later than 1 year and not later than 5 years	-	-	27,879	-	27,879
Total lease commitments	-	-	37,772	272	38,044

23. Receivables for departmental revenue

	Note	2011/12 R'000	2010/11 R'000
Sales of goods and services other than capital assets		-	23
Sale of capital assets		-	343
Total		-	366

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

24. Fruitless and wasteful expenditure

24.1 Reconciliation of fruitless and wasteful expenditure

	2011/12	2010/11
	R'000	R'000
Opening balance	29	29
Fruitless and wasteful expenditure – relating to current year	269	-
Fruitless and wasteful expenditure awaiting condonement	298	29

A debt of R29, 091.25 has been opened against the official and the money will be recovered. The journal to clear the fruitless and wasteful expenditure will be done in the subsequent financial year.

24.2 Analysis of Current year's fruitless and wasteful expenditure

Analysis of Current Year's Fruitless and wasteful expenditure		2011/12
Incident	Disciplinary steps taken/criminal proceedings	R'000
Re-advertisement of posts	The matters will be investigated during the 12/13 financial year.	209
Abandonment of Audit Committee meeting		57
Transfer and Subsidies		3
TOTAL		269

25. Related party transactions

Related party note: There is a related party transaction between the department of Public Works and Limpopo Provincial Treasury. Provincial Treasury is making use of the 46 Hans van Rensburg, in Polokwane, Limpopo Province.

The Limpopo Provincial Treasury is making use of the Tender advice Centers at Giyani government complex, in Mopani and Thohoyandou government complex in Vhembe.

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 is, through its intervention team, is exerting significant influence on the financial and operating decisions of the Limpopo provincial treasury.

The Department renders transversal function in relation to Audit Committee and the Internal Audit function.

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012**

26. Key management personnel

	No. of Individuals	2011/12 R'000	2010/11 R'000
Political office bearers (provide detail below)	1	1,535	1,492
Officials:			
Level 15 to 16	4	4,472	4,341
Level 14 (incl CFO if at a lower level)	8	5,197	4,891
Total		11,204	10,724

27. Movable Tangible Capital Assets

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

	Opening balance R'000	Curr year adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	29,409	(22)	2,451	-	31,838
Transport assets	6,066		172	-	6,238
Computer equipment	19,116	(22)	907	-	20,001
Furniture and office equipment	2,806		323	-	3,129
Other machinery and equipment	1,421		1,049	-	2,470
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	29,409	(22)	2,451	-	31,838

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012**

27.1 Additions

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
YEAR ENDED 31 MARCH 2012**

	Cash	Non-cash	(Capital work-in- progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	2,451	-	-	-	2,451
Transport assets	172				172
Computer equipment	907				907
Furniture and office equipment	323				323
Other machinery and equipment	1,049				1,049
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	2,451	-	-	-	2,451

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012**

27.2 Movement for 2010/11

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	25,802	4,620	1,013	29,409
Transport assets	5,798	806	538	6,066
Computer equipment	16,242	3,263	389	19,116
Furniture and office equipment	2,371	521	86	2,806
Other machinery and equipment	1,391	30	-	1,421
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	25,802	4,620	1,013	29,409

27.3 Minor assets

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	Machin ery and equipm ent R'000	Biologic al assets R'000	Total R'000
Opening balance	-	-	-	9,011	-	9,011
Additions				215		215
TOTAL MINOR ASSETS	-	-	-	9,226	-	9,226

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012**

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	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	-	-	-	8,530	-	8,530
Curr Year Adjustments to Prior Yr Balances	-	-	-	-	-	-
Additions	-	-	-	1,215	-	1,215
Disposals	-	-	-	734	-	734
TOTAL MINOR ASSETS	-	-	-	9,011	-	9,011

28. Immovable Tangible Capital Assets

28.1 Movement for 2010/11

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	44	159	203	-
Other fixed structures	44	159	203	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	44	159	203	-

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

ANNEXURE 1A
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2010/11
	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
Transfers							
Leave Gratuity	1,420			1,420	1,869	132%	2,055
Busaries	7,560			7,560	7,062	93%	3,470
	8,980	-	-	8,980	8,931		5,525
Total	8,980	-	-	8,980	8,931		5,525

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

ANNEXURE 1B
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT. DONATION OR SPONSORSHIP	2011/12	2010/11
		R'000	R'000
Received in kind			
SILVEREDGE	Office Table and Chair		11
FNB	Catering, Advertisements, Tents and Draping		93
FNB	Beverages for Policy Dialogue Forum Guests	10	
Subtotal		10	104
TOTAL		10	104

(LIMPOPO PROVINCIAL TREASURY)
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

ANNEXURE 2A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2012 – LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	original guaranteed capital amount	Opening balance 1 April 2011	Guarantee s draw downs during the year	Guaranteed repayments/ cancelled/ reduced/ released during the year	Revaluation	Closing balance 31 March 2012	Guaranteed interest for year ended 31 March 2012	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
	Housing								
Standard Bank			78	18			96		
First Rand Bank			34				34		
ABSA			56				56		
People Bank			18				18		
Nedbank			59		30		29		
FNB			9				9		
Old Mutual			17				17		
VBS			74				-		
Mpumalanga			80				-		
NP Develop .cor			247				247		
	Subtotal	-	672	18	184	-	506	-	-
	Total	-	672	18	184	-	506	-	-

The previous year figures have been re-instated.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2012

Nature of liability	Opening balance 1 April 2011	Liabilities incurred during the year	Liabilities cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2012
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Company A	50,325			6,296	56,621
Subtotal	50,325	-	-	6,296	56,621
TOTAL	50,325	-	-	6,296	56,621

(LIMPOPO PROVINCIAL TREASURY)
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

ANNEXURE 3
CLAIMES RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Public Works	3				3	
Roads and Transport	6				6	
	9				9	
Other						
Van Schaik Bookstore			1		1	
UNISA			3		3	
Col John			8		8	
	-	-	12		12	
TOTAL	9		12		21	

(LIMPOPO PROVINCIAL TREASURY)
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

ANNEXURE 4
INVENTORY

Note	2011/12		2010/11	
	Quantity	R'000	Quantity	R'000
Opening balance	54,384	489	190,861	2,067
Add/(Less): Adjustments to prior year balances	-	-	6,747	14
Add: Additions/Purchases - Cash	49,532	3,485	109,998	3,115
Add: Additions - Non-cash				
(Less): Disposals	-	-	(92,360)	(447)
(Less): Issues	(52,066)	(3,275)	(160,861)	(4,261)
Add/(Less): Adjustments	(1)	-	-	-
Closing balance	51,849	699	54,385	488



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

PART 4

HUMAN RESOURCES MANAGEMENT



PERSONNEL EXPENDITURE

The Department of Limpopo Treasury budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 2.1) and by salary bands (Table 2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

The final audited personnel expenditure for all programmes within the department was an indication of the amount spent on personnel costs in terms of each programme R718,742.00m.

The expenditure is summarised hereunder by programmes to provide an indication of the amount spent on personnel costs in terms of each of the programmes or salary band within the department.

TABLE 2.1 - Personnel costs by Programme for the period 1 APRIL 2011 to MARCH 2012

Programme	Total Expenditure (R'000)	Personnel expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of Total Expenditure	Average cost per Employee (R'000)
Programme 1 Administration	112 172	56 608			50.5	123
Programme 3 Asset & Liabilities Management	59 542	39 864			67	86
Programme 4 Financial Governance	53 536	42 177			78.8	91
Programme 2 Sustainable resource manage	34 371	29 628			86.2	64
TOTAL	259 621	168 277				

TABLE 2.2 - Personnel costs by Salary Band for 2011/2012

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
Lower skilled (Levels 1-2)	658	0.4	109 667	179 394	6
Skilled (Levels 3-5)	4 312	2.4	134 750	179 394	32
Highly skilled production (Levels 6-8)	30 957	17.3	238 131	179 394	130
Highly skilled supervision (Levels 9-12)	96 016	53.5	434 462	179 394	221
Senior management (Levels 13-16)	30 517	17	726 595	179 394	42
Contract (Levels 1-2)	1 285	0.7	58 409	179 394	22
Contract (Levels 3-5)	266	0.1	66 500	179 394	4
Contract (Levels 6-8)	13	0	0	179 394	0
Contract (Levels 9-12)	2 670	1.5	890 000	179 394	3
Contract (Levels 13-16)	1 565	0.9	782 500	179 394	2
Periodical Remuneration	4 160	2.3	297 143	179 394	14
TOTAL	172419	96.1	362225	179394	476

The following tables provide a summary per programme (Table 2.3) and salary bands (Table 2.4), of expenditure incurred as a result of salaries, overtime, home owners' allowances and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

TABLE 2.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme, 1 APRIL 2011 to MARCH 2012

Programme	Salaries		Overtime		Home Owners' Allowance		Medical Assistance		Total Personnel Cost per Programme (R'000)
	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	
Program 2: sustainable resource management	23855	76.3	0	0	884	2.8	683	2.2	31280
Program 3: assets & liabilities management	31810	75.7	0	0	711	1.7	1239	3	41998
Program 4: financial governance	33308	69.6	0	0	968	2	1417	3	47858
Programme 1: administration	43664	74.9	161	0.3	1786	3.1	2299	3.9	58258
	132637	73.9	161	0.1	4349	2.4	5638	3.1	179394

**TABLE 2.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band
1 APRIL 2011 to MARCH 2012**

Programme	Salaries		Overtime		Home Owners' Allowance		Medical Assistance		Total Personnel Cost per Salary Band (R'000)
	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	
Lower skilled (Levels 1-2)	442	67.1	0	0	63	9.6	63	9.6	659
Skilled (Levels 3-5)	2955	68.1	119	2.7	246	5.7	284	6.5	4342
Highly skilled production (Levels 6-8)	23287	73.6	0	0	1055	3.3	1664	5.3	31649
Highly skilled supervision (Levels 9-12)	75712	75.2	42	0	1750	1.7	3032	3	100713
Senior management (Levels 13-16)	24916	78.3	0	0	1144	3.6	567	1.8	31841
Contract (Levels 1-2)	1284	94.3	0	0	0	0	0	0	1361
Contract (Levels 3-5)	265	99.6	0	0	0	0	0	0	266
Contract (Levels 6-8)	13	100	0	0	0	0	0	0	13
Contract (Levels 9-12)	2449	88.5	0	0	7	0.3	28	1	2766
Contract (Levels 13-16)	1314	81.4	0	0	84	5.2	0	0	1615
Periodical Remuneration	0	0	0	0	0	0	0	0	4169
TOTAL	132637	73.9	161	0.1	4349	2.4	5638	3.1	179394

3. 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-six)26 posts were created additional to the establishment to accommodate eleven (11) Learnerships and eleven (11) Internships. Four (4) contract workers are accommodated under Programme 1 within CFO.

TABLE 3.1. Employment and Vacancies by Programme at end of period MARCH 2011

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Program 2: sustainable resource management, Permanent	90	61	32.2	0
Program 3: assets & liabilities management, Permanent	104	75	27.9	0
Program 4: financial governance, Permanent	201	143	28.9	0
Programme 1: administration, Permanent	278	158	43.2	26
TOTAL	673	437	35.1	26

TABLE 3.2 - Employment and Vacancies by Salary band at end of period 1 APRIL 2011 to MARCH 2012

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	24	7	70.8	0
Skilled (Levels 3-5), Permanent	41	27	34.1	0
Highly skilled production (Levels 6-8), Permanent	228	130	43	0
Highly skilled supervision (Levels 9-12), Permanent	311	221	28.9	0
Senior management (Levels 13-16), Permanent	60	43	28.3	0
Contract (Levels 1-2), Permanent	0	0	0	22
Contract (Levels 3-5), Permanent	0	0	0	4
Contract (Levels 9-12), Permanent	0	0	0	0
Contract (Levels 13-16), Permanent	2	2	0	0
TOTAL	666	430	35.2	26

The information in each case reflects the situation as at 31 March 2012. For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this report.

TABLE 3.3 - Employment and Vacancies by Critical Occupation at end of period 2012.

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administrative related, Permanent	83	82	1.2	0
Cashiers tellers and related clerks, Permanent	2	2	0	0
Cleaners in offices workshops hospitals etc., Permanent	16	16	0	0
Client inform clerks (switchboard reception inform clerks), Permanent	7	7	0	0
Communication and information related, Permanent	1	1	0	0
Finance and economics related, Permanent	51	51	0	0
Financial and related professionals, Permanent	125	125	0	0
Financial clerks and credit controllers, Permanent	20	20	0	0
Head of department/chief executive officer, Permanent	1	1	0	0
Human resources & organisational development & related professional, Permanent	9	9	0	0
Human resources clerks, Permanent	7	7	0	0
Human resources related, Permanent	7	7	0	0
Language practitioners interpreters & other communication, Permanent	1	1	0	0
Legal related, Permanent	1	1	0	0
Library mail and related clerks, Permanent	2	2	0	0
Logistical support personnel, Permanent	15	15	0	0
Material-recording and transport clerks, Permanent	2	2	0	0
Messengers porters and deliverers, Permanent	5	5	0	0
Other administrative & related clerks and organisers, Permanent	19	19	0	15
Other administrative policy and related officers, Permanent	1	1	0	0
Other information technology personnel., Permanent	3	3	0	0
Other occupations, Permanent	13	13	0	11
Risk management and security services, Permanent	2	2	0	0
Secretaries & other keyboard operating clerks, Permanent	32	32	0	0
Security officers, Permanent	1	1	0	0
Senior managers, Permanent	29	28	3.4	0

Social work and related professionals, Permanent	2	2	0	0
TOTAL	457	455	0.4	26

TABLE 3.4 Advertising and Filling of SMS posts as on 1 April 2011 to 31 March 2012

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 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	1	0	1
Salary Level 14	3	0	3
Salary Level 13	9	3	6
Total	13	3	10
<p>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.</p> <p><i>Reasons for vacancies not advertised within six months:</i></p> <ul style="list-style-type: none"> • None <p><i>Reasons for vacancies not filled within 12 months:</i></p> <ul style="list-style-type: none"> • Budget constrains • Treasury instruction note no. 01 of 2012. • Review of the Structure 			
Advertising and Filling of SMS posts as on 01 April 2011 to 31 March 2012.			
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	1	0	1
Salary Level 14	3	3	0
Salary Level 13	8	5	3
Total	12	8	4

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.

Reasons for vacancies not advertised within six months:

- Treasury instruction note no. 01 of 2012.

Reasons for vacancies not filled within 12 months:

- Posts affected by Moratorium.
- Review of the structure

4. JOB EVALUATION

TABLE 4.1 - Job Evaluation period 1 APRIL 2010 to MARCH 2011

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	0	0	0	0	0	0	0
Contract (Levels 1-2)	0	0	0	0	0	0	0
Contract (Levels 3-5)	0	0	0	0	0	0	0
Contract (Levels 6-8)	0	0	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0	0	0
Contract (Band A)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0	0
Senior Management Service Band A	0	0	0	0	0	0	0
Senior Management Service Band B	0	0	0	0	0	0	0
Senior Management Service Band C	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0

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 evaluated during 2011/2012 Financial year.

The structure concerned is approved with 673 posts of which the post of MEC is not counted. 4 (four) Contract posts on salary level 3 not structural posts, and are counted outside the Establishment, and in total amounts to 699 of which 22 (Lev. 1-2) consist of intern- and Learnership. 3 (three) Level 12 structural posts (Program 4: financial governance) are filled on contract, (1) One level 13 under PPP and HOD respectively.

TABLE 4.2 – Profile of employees whose positions were upgraded due to their posts being upgraded.

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a Disability	0	0	0	0	0

TABLE 4.3 - Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
Cleaners in offices workshops hospitals etc., Permanent	1	2	3	RES. 3/2009	1
Financial clerks and credit controllers, Permanent	1	5	6	DOWNGRADED 2008/2009	1
Administrative related	1	6	7	RES. 3/2009	1
Financial clerks and credit controllers, Permanent	2	6	7	DOWNGRADED 2008/2009	2
Secretaries & other keyboard operating clerks	1	7	7	RES. 3/2009	1
Financial clerks and credit controllers, Permanent	6	7	8	DOWNGRADED 2008/2009	6
Financial clerks and credit controllers, Permanent	2	7	9	DOWNGRADED 2008/2009	2
Financial clerks and credit controllers, Permanent	2	9	10	DOWNGRADED 2008/2009	2

Financial clerks and credit controllers, Permanent	1	8	9	DOWNGRADED 2008/2009	1
Financial clerks and credit controllers, Permanent	3	8	10	DOWNGRADED 2008/2009	3
Financial and related professionals.	10	9	10	RES. 3/2009	10
Finance and economics related.	1	9	10	RES. 3/2009	1
Financial and related professionals	4	11	12	RES. 3/2009	5
	35				7.6%

TABLE 4.3 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	10	0	1	0	11
Male	23	1	0	0	24
Total	33	1	1	0	35
Employees with a Disability	0	0	0	0	0

5. EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year 2011/2012. Turnover rates provide an indication of trends in the employment of the Department of Limpopo Treasury. The following table provides summary of turnover rates by salary band.

TABLE 5.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period (April 2010)	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	7	0	0	0
Skilled (Levels 3-5), Permanent	31	0	0	0
Highly skilled production (Levels 6-8), Permanent	128	20	5	3.9
Highly skilled supervision (Levels 9-12), Permanent	214	13	8	3.7
Senior Management Service Band A, Permanent	33	3	3	9.1

Senior Management Service Band B, Permanent	5	0	0	0
Senior Management Service Band C, Permanent	3	0	1	33.3
Senior Management Service Band D, Permanent	1	0	0	0
Contract (Levels 1-2), Permanent	35	16	35	100
Contract (Levels 3-5), Permanent	4	0	0	0
Contract (Levels 6-8), Permanent	1	0	1	100
Contract (Levels 9-12), Permanent	6	0	2	33.3
Contract (Band B), Permanent	0	1	0	0
Contract (Band C), Permanent	1	0	0	0
TOTAL	469	53	55	11.7

TABLE 5.2- Annual Turnover Rates by Critical Occupation 1 APRIL 2009 to MARCH 2010

Occupation	Employment at Beginning of Period (April 2010)	Appointments	Terminations	Turnover Rate
Administrative related, Permanent	74	19	6	8.1
Cashiers tellers and related clerks, Permanent	2	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	16	0	0	0
Client inform clerks (switchboard reception clerks), Permanent	7	0	0	0
Communication and information related, Permanent	2	0	1	50
Finance and economics related, Permanent	51	3	0	0
Financial and related professionals, Permanent	127	7	8	6.3
Financial clerks and credit controllers, Permanent	21	0	0	0
Head of department/chief executive officer, Permanent	1	0	0	0
Human resources & organisational development & related professional, Permanent	11	0	2	18.2
Human resources clerks, Permanent	6	0	0	0
Human resources related, Permanent	5	1	0	0
Language practitioners interpreters & other communication, Permanent	2	0	0	0
Legal related, Permanent	1	0	0	0
Library mail and related clerks, Permanent	1	1	0	0
Logistical support personnel, Permanent	14	0	0	0
Material-recording and transport clerks, Permanent	2	0	0	0
Messengers porters and deliverers, Permanent	5	0	0	0

Occupation	Employment at Beginning of Period (April 2010)	Appointments	Terminations	Turnover Rate
Other administrat & related clerks and organisers, Permanent	30	16	33	110
Other administrative policy and related officers, Permanent	1	0	0	0
Other information technology personnel., Permanent	4	0	0	0
Other occupations, Permanent	19	0	2	10.5
Risk management and security services, Permanent	3	0	0	0
Secretaries & other keyboard operating clerks, Permanent	31	2	0	0
Security officers, Permanent	1	0	0	0
Senior managers, Permanent	29	4	3	10.3
Social work and related professionals, Permanent	3	0	0	0
TOTAL	469	53	55	11.7

TABLE 5.3 Reasons why staff are leaving the Department .

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	3	5.5	0.6	55	469
Resignation, Permanent	16	29.1	3.4	55	469
Expiry of contract, Permanent	31	56.4	6.6	55	469
Dismissal-misconduct, Permanent	1	1.8	0.2	55	469
Retirement, Permanent	4	7.3	0.9	55	469
TOTAL	55	100	11.7	55	469

TABLE 5.4 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2010)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	74	3	4.1	0	0
Cashiers tellers and related clerks	2	0	0	0	0
Cleaners in offices workshops hospitals etc.	16	0	0	0	0
Client inform clerks (switchboard receipt inform clerks)	7	0	0	0	0
Communication and information related	2	0	0	0	0

Occupation	Employment at Beginning of Period (April 2010)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Finance and economics related	51	3	5.9	0	0
Financial and related professionals	127	2	1.6	1	0.8
Financial clerks and credit controllers	21	0	0	1	4.8
Head of department/chief executive officer	1	0	0	0	0
Human resources & organisat developm & relate prof	11	0	0	0	0
Human resources clerks	6	0	0	0	0
Human resources related	5	0	0	0	0
Language practitioners interpreters & other commun	2	0	0	0	0
Legal related	1	0	0	0	0
Library mail and related clerks	1	0	0	0	0
Logistical support personnel	14	0	0	0	0
Material-recording and transport clerks	2	0	0	0	0
Messengers porters and deliverers	5	0	0	0	0
Other administrat & related clerks and organisers	30	0	0	0	0
Other administrative policy and related officers	1	0	0	0	0
Other information technology personnel.	4	0	0	0	0
Other occupations	19	0	0	0	0
Risk management and security services	3	0	0	0	0

Occupation	Employment at Beginning of Period (April 2010)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Secretaries & other keyboard operating clerks	31	0	0	0	0
Security officers	1	0	0	0	0
Senior managers	29	3	10.3	0	0
Social work and related professionals	3	0	0	0	0
TOTAL	469	11	2.3	2	0.4

TABLE 5.5 - Promotions by Salary Band period 1 APRIL 2011 to MARCH 2012

Salary Band	Employment at Beginning of Period (April 2010)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2), Permanent	7	0	0	0	0
Skilled (Levels 3-5), Permanent	31	0	0	0	0
Highly skilled production (Levels 6-8), Permanent	128	1	0.8	1	0.8
Highly skilled supervision (Levels 9-12), Permanent	214	7	3.3	1	0.5
Senior management (Levels 13-16), Permanent	42	3	7.1	0	0
Contract (Levels 1-2), Permanent	35	0	0	0	0
Contract (Levels 3-5), Permanent	4	0	0	0	0
Contract (Levels 6-8), Permanent	1	0	0	0	0
Contract (Levels 9-12), Permanent	6	0	0	0	0
Contract (Levels 13-16), Permanent	1	0	0	0	0
TOTAL	469	11	2.3	2	0.4

6. EMPLOYMENT EQUITY

The tables in this section are based on the formats by the EEA.

TABLE 6.1 - Total number of Employees (incl. Employees with disabilities) in each of the following occupational categories as at 31 MARCH 2012

Occupational Categories	MALE					FEMALE					TOTAL
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
Legislators, senior officials and managers, Permanent	15	0	1	16	1	12	0	1	13	0	30
Professionals, Permanent	144	0	2	146	3	50	2	0	52	2	203
Technicians and associate professionals, Permanent	52	0	0	52	0	46	0	0	46	0	98
Clerks, Permanent	33	0	0	33	0	59	1	0	60	2	95
Service and sales workers, Permanent	0	0	0	0	1	2	0	0	2	0	3
Elementary occupations, Permanent	7	0	0	7	0	26	0	0	26	0	33
TOTAL	251	0	3	254	5	195	3	1	199	4	462
Occupational Categories	MALE					FEMALE					TOTAL
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
Employees with disabilities	1	0	0	1	0	2	0	0	2	0	3

TABLE 6.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands

Occupational Bands	MALE					FEMALE					Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
Top Management, Permanent	1	0	0	1	1	0	0	1	1	0	3
Senior Management, Permanent	20	0	0	20	1	18	0	0	18	0	39
Professionally qualified and experienced specialists and mid-management, Permanent	158	0	1	159	1	57	2	0	59	2	221
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	49	0	0	49	0	78	1	0	79	2	130
Semi-skilled and discretionary decision making, Permanent	11	0	0	11	0	21	0	0	21	0	32
Unskilled and defined decision making, Permanent	1	0	0	1	0	5	0	0	5	0	6
Contract (Top Management), Permanent	0	0	1	1	0	0	0	0	0	0	1
Contract (Senior Management), Permanent	0	0	0	0	0	1	0	0	1	0	1
Contract (Professionally qualified), Permanent	0	0	1	1	2	0	0	0	0	0	3
Contract (Semi-skilled), Permanent	2	0	0	2	0	2	0	0	2	0	4
Contract (Unskilled), Permanent	9	0	0	9	0	13	0	0	13	0	22
TOTAL	251	0	3	254	5	195	3	1	199	4	462

TABLE 6.3 – Recruitment 1 April 2010- 31 March 2011

Occupational Bands	Male,	Male,	Male,	Male,	Male,	Female,	Female,	Female,	Female,	Female,	To tal
Senior Management, Permanent	2	0	0	2	0	1	0	0	1	0	3
Professionally qualified and experienced specialists and mid-management, Permanent	1	0	0	1	0	2	0	0	2	0	13
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	8	0	0	8	0	2	0	0	2	0	20
Contract (Senior Management), Permanent	0	0	0	0	0	1	0	0	1	0	1
Contract (Unskilled), Permanent	9	0	0	9	0	7	0	0	7	0	16
TOTAL	3	0	0	3	0	2	0	0	2	3	53

TABLE 6.4- Promotions for the period 1 April 2011 to 31 MARCH 2012

Occupational Bands	MALE					FEMALE					Total
	A	C	I	Total Blacks	W	A	C	I	Total Blacks	W	
Senior Management, Permanent	2	0	0	2	0	1	0	0	1	0	3
Professionally qualified and experienced specialists and mid-management, Permanent	6	0	0	6	0	2	0	0	2	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1	0	0	1	0	2	0	0	2	0	3
TOTAL	9	0	0	9	0	5	0	0	5	0	14

TABLE 6.5- Terminations for the period 1 April 2008 to 31 MARCH 2009

Occupational Bands	MALE					FEMALE					Total
	A	C	I	Total Blacks	W	A	C	I	Total Blacks	W	
Top Management, Permanent	1	0	0	1	0	0	0	0	0	0	1
Senior Management, Permanent	3	0	0	3	0	0	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management, Permanent	5	0	0	5	0	3	0	0	3	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2	0	0	2	0	3	0	0	3	0	5

Contract (Professionally qualified), Permanent	0	0	0	0	0	2	0	0	2	0	2
Contract (Skilled technical), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Unskilled), Permanent	18	0	0	18	0	17	0	0	17	0	35
TOTAL	30	0	0	30	0	25	0	0	25	0	55

TABLE 6.6 - Disciplinary Action for the period 1 April 2011 to 31 MARCH 2012.

Disciplinary action	MALE					FEMALE					Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
TOTAL	2	0	0	0	0	1	0	0	0	0	3

TABLE 6.7 - Skills Development for the period 1 April 2011 – 31 March 2012

Occupational Categories	Male			Total Blacks	Male White	Female			Female Total Blacks	Female White	Total	
	African	Coloured	Indian			African	Coloured	Indian				
Legislators, Senior Officials and Managers	15	0	2	21	3	34	2	1	15	2	203	
Professionals	1	0	0	0	0	0	0	0	0	0	1	
Technicians and Associate Professionals	3	0	0	0	0	3	0	0	0	0	6	
Clerks	58	0	0	0	0	76	0	0	0	2	136	
Service and Sales Workers	0	0	0	0	0	0	0	0	0	0	0	
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0	
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0	0	0	
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0	0	0	
Elementary Occupations	2	0	0	0	0	12	0	0	0	0	14	
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0	
TOTAL	22	0	2	21	3	12	5	2	1	15	4	360

PERFORMANCE REWARDS

In order to encourage good performance, the Department granted the following rewards during the 2011/2012 financial year under review. The information is presented in terms of race, gender and disability.

TABLE 7.1 - Performance Rewards by Race, Gender and Disability

Demographics	Beneficiary Profile			Cost	
	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	1	193	0.5	3	2 551
African, Male	4	250	1.6	24	5 911
Asian, Female	0	1	0	0	0
Asian, Male	0	3	0	0	0
Coloured, Female	0	3	0	0	0
Total Blacks, Female	1	197	0.5	3	2 551
Total Blacks, Male	4	253	1.6	24	5 911
White, Female	0	4	0	0	0
White, Male	0	5	0	0	0
Employees with a disability	0	3	0	0	0
TOTAL	5	462	1.1	26	5 239

TABLE 7.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service

Salary Band	Beneficiary Profile			Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of Beneficiaries	Total Employment	Percentage of Total Employment		
Lower skilled (Levels 1-2)	0	6	0	0	0
Skilled (Levels 3-5)	2	32	6.3	5	2 500
Highly skilled production (Levels 6-8)	1	130	0.8	2	2 000
Highly skilled supervision (Levels 9-12)	2	221	0.9	19	9 500
Contract (Levels 1-2)	0	22	0	0	0
Contract (Levels 3-5)	0	4	0	0	0
Contract (Levels 9-12)	0	3	0	0	0
Periodical Remuneration	0	14	0	0	0
TOTAL	5	432	1.2	26	5200

TABLE 7.3 - Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	0	82	0	0	0
Cashiers tellers and related clerks	0	2	0	0	0
Cleaners in offices workshops hospitals etc.	0	16	0	0	0
Client inform clerks (switchboard reception clerks)	0	7	0	0	0
Communication and information related	0	1	0	0	0
Finance and economics related	1	54	1.9	2	2 000

Financial and related professionals	1	125	0.8	17	17 000
Financial clerks and credit controllers	0	20	0	0	0
Head of department/chief executive officer	0	1	0	0	0
Human resources & organisat developm & relate prof	0	9	0	0	0
Human resources clerks	0	7	0	0	0
Human resources related	0	7	0	0	0
Language practitioners interpreters & other commun	0	1	0	0	0
Legal related	0	1	0	0	0
Library mail and related clerks	0	2	0	0	0
Logistical support personnel	0	15	0	0	0
Material-recording and transport clerks	1	2	50	2	2 000
Messengers porters and deliverers	0	5	0	0	0
Other administrat & related clerks and organisers	2	23	8.7	5	2 500
Other administrative policy and related officers	0	1	0	0	0
Other information technology personnel.	0	3	0	0	0
Other occupations	0	13	0	0	0
Risk management and security services	0	2	0	0	0
Secretaries & other keyboard operating clerks	0	32	0	0	0
Security officers	0	1	0	0	0
Senior managers	0	28	0	0	0
Social work and related professionals	0	2	0	0	0
TOTAL	5	462	1.1	26	5200

TABLE 7.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

SMS Band	Beneficiary Profile			Average cost per employee	Total cost as a % of the total personnel expenditure	Average cost per employee	Personnel Cost SMS (R'000)
	Number of Beneficiaries	Total Employment	Percentage of Total Employment				
Band A	0	32	0	0	0	0	0
Band B	0	8	0	0	0	0	0
Band C	0	3	0	0	0	0	0
Band D	0	1	0	0	0	0	0
TOTAL	0	44	0	0	0	0	0

TABLE 7.5. – Performance agreements submitted for SMS's as at September 2011

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.	%	Per m.	cont	NO.	%	NO.	%		
Hod	1	100%	1	100%	0	0%	0	1	1	100	0	0%	N/A	
15	5	100%	3	60%	2	36%	3	0	1	33%	2	66.6%	N/A	
14	12	100%	8	66.6%	4	33.3%	8	0	5	62.5%	3	37.5%	N/A	
13	44	100%	32	72.7%	12	27.2%	32	0	27	84.3%	5	15.6%	N/A	
	62	100%	44	69.3%	18	29.3%	43	1	34	77.2%	10	22.7%		
Total number of all employees on the approved establishment								43	6					
	Level	Filled/Vacant	Perm/contract	If vacant, since when										
CFO	13	Filled	Permanent											
HoD	15	Filled	Contract											

Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

TABLE 8.1 - Foreign Workers by Salary Band 2009/2010 for the period 1 April 2011 to 31 MARCH 2012

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Highly skilled supervision (Levels 9-12)	0	0	1	50	1	100	1	2	1
Contract (Levels 9-12)	1	100	1	50	0	0	1	2	1
TOTAL	1	100	2	100	1	100	1	2	1

TABLE 8.2 - Foreign Workers by Major Occupation

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Professionals and managers	1	100	2	100	1	100	1	2	1
TOTAL	1	100	2	100	1	100	1	2	1

LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2011 TO 31 DECEMBER 2012

The following tables provide an indication of the rise of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

TABLE 9.1 - Sick Leave for Jan 2011 to 31 Dec 2011

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
Lower skilled (Levels 1-2)	11	63.6	4	1.3	3	3	308	7
Skilled (Levels 3-5)	142	93.7	22	7.1	6	50	308	133
Highly skilled production (Levels 6-8)	725	83.3	104	33.8	7	447	308	604
Highly skilled supervision (Levels 9-12)	1004	91.2	134	43.5	7	396	308	916
Senior management (Levels 13-16)	91	71.4	21	6.8	4	235	308	65
Contract (Levels 1-2)	49	55.1	16	5.2	3	8	308	27
Contract (Levels 3-5)	26	88.5	3	1	9	7	308	23
Contract (Levels 9-12)	20	80	4	1.3	5	40	308	16
TOTAL	2068	86.6	308	100	7	2186	308	1791

TABLE 9.2 - Disability Leave (Temporary and Permanent) for Jan 2011 to Dec 2011

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
Highly skilled production (Levels 6-8)	40	100	3	37.5	13	28	40	8
Highly skilled supervision (Levels 9-12)	198	100	5	62.5	40	228	198	8
TOTAL	238	100	8	100	30	256	238	8

TABLE 9.3 - Annual Leave for Jan 2011 to 31 Dec 2011

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	116	19	6
Skilled (Levels 3-5)	673	21	32
Highly skilled production (Levels 6-8)	2545	18	143
Highly skilled supervision (Levels 9-12)	4878	22	226
Senior management (Levels 13-16)	849	20	42
Contract (Levels 1-2)	412	9	44
Contract (Levels 3-5)	100	11	9
Contract (Levels 9-12)	105	21	5
Contract (Levels 13-16)	24	12	2
TOTAL	9702	19	509

TABLE 9.4 - Capped Leave for Jan 2010 to 31 Dec 2011

Salary Band	Total days of capped leave	Average number of days taken per employee	Average capped leave per employee as at 31	Number of Employees who took Capped leave	Total number of capped leave available at 31	Number of Employees as at 31 December 2011
Highly skilled production (Levels 6-8)	4	4	110	1	5065	46
Highly skilled supervision (Levels 9-12)	186	10	145	18	21564	149
Senior management (Levels 13-16)	15	5	82	3	1402	17
TOTAL	205	9	132	22	28031	212

TABLE 9.5 - Leave Payouts for Jan 2011 to 31 Dec 2011

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Capped leave payouts on termination of service for 2011/12	347	19	18263
Current leave payout on termination of service for 2011/12	72	5	14400
TOTAL	419	24	17458

TABLE 9.6 – Sick Leave: More than 15 days continuously - Jan 2011 to 31 Dec 2011

Salary Levels	Total days	Total number of employees using more than 15 days	Number of employees using PILIR	Average days per employee
(13-16)	54	2	0	27
(9-12)	148	8	0	18.50
(6-8)	22	1	0	22
(3-5)	22	1	0	22
(1-2)	0	0	0	0
TOTAL	246	12	0	20.50

10. HIV AND AIDS AND HEALTH PROMOTION PROGRAMMES

TABLE 10.1 - Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Cleaners, field workers, and migratory employees	We have conducted HIV and AIDS awareness sessions through commemoration of candlelight memorial, red ribbon month, STI's and condom week and World TB day. We have conducted educational sessions to employees, security officers and interns. We have organised health promotion services including HCT through quarterly integrated wellness days on site. We have distributed male and female condoms in all our work stations on regular basis. We have distributed 1,621 HIV related brochures, posters, and pamphlets to all our workstations. We have trained peer educators.

TABLE 10.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide 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. Senior Manager - Transformation Services
2. Does the department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		An integrated employee health and wellness programme is being implemented and the components are: Safety, health, environment, risk and quality management (SHERQ) HIV and AIDS &TB Management, and Wellness Management. The sub-directorate is co-ordinated by a manager, while the components are co-ordinated by deputy managers . The HIV and AIDS unit does not have a focal co-ordinator. The budget for the programme for the financial year 2012/2013 is R343,500.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	x		Our department is implementing an integrated employee health and wellness programme. The key elements of the programme are : Psychosocial counselling and support services, management consultations, capacity building, health risk assessments, medical check ups, integrated physical wellness
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.			Mr Joel Kekana, Mr Maredi Mangoale and Mr Sydwell Mabunda. The other members have transferred to other department.
5. Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	x		The employment policies have been reviewed but not audited to check whether they do not unfairly discriminate employees against HIV and AIDS.
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.			The departmental HIV and AIDS policy does make provision for non discrimination in clause 5.1.3
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	x		HIV Counselling and Testing services are organised on site on quarterly basis. I know my status pins given to the employees who test. Both male and female employees do participate in the programme.

11. LABOUR RELATIONS FOR THE PERIOD 1 APRIL 2011 TO 31 MARCH 2012

TABLE 11.1 - Collective Agreements

Subject Matter	Date
00	

TABLE 11.2 - Misconduct and Discipline Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total	Total
TOTAL	3	.60	3

TABLE 11.3 - Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	Percentage of Total	Total
11.3.1 Fraud	1	.21	1
11.3.2 Non-Compliance with DPSA circular			
TOTAL	.50%	.50%	1

TABLE 11.4 - Grievances Lodged

Number of grievances addressed	Number	Percentage of Total	Total
TOTAL	18	3.9%	18

TABLE 11.5 - Disputes Lodged

Number of disputes addressed	Number	% of total
Dispute in labour court	0	0
Upheld	0	0
Dismissed	0	0
Total	0	0%

TABLE 11.6 - Strike Actions

Strike Actions	
Total number of person working days lost	12.5
Total cost(R'000) of working days lost	R7433.8
Amount (R'000) recovered as a result of no work no pay	R0.00

TABLE 11.7 - Precautionary Suspensions

Precautionary Suspensions	1
Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	120
Cost (R'000) of suspensions	R160.000.00

SKILLS DEVELOPMENT

TABLE 12.1 – Training Needs identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	73	0	project management , contract management, team building , finance for non finance manages, EDP, assets management ,security and risk management, mentoring and coaching, team building, KHAEDU, AMDP	0	174
	Male	101	0		0	0
Professionals	Female	1	0	Economic Research, Data Analysis	0	2
	Male	1	0		0	0
Technicians and associate professionals	Female	4	0	IT and security service management, WEB development and design,0	0	6
	Male	2	0		0	0
Clerks	Female	86	0	Records Management, Logistics And Transportation, Revenue Management	0	130
	Male	44	0		0	0
Elementary occupations	Female	12	0		0	13
	Male	1	0		0	0
Gender sub totals	Female	176	0		0	176
	Male	149	0		0	149
Total		325	0		0	650

TABLE 12.2 - Training Provided during 2011-2012 FY reporting period.

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	48	0	EDP, MPA, B compt, B comm, B admin, LLB, B TECH: I.T., KHAEDU, Gender Mainstreaming	0	85
	Male	37	0		0	0
Technicians and associate professionals	Female	0	0	Honours Bachelor of Information Science, B Tech IT	0	2
	Male	2	0		0	2

Clerks	Female	77	0	Train the Trainer on Public Sector Induction, PSI, TB Management, Service desk analyst, Monitoring and evaluation, Comptia A+, EMDP, Public Sector Trainer's Forum, Revenue Expenditure Management , Capturing Value from Innovation in the Public Sector ,IPM Annual Conference,Global organisation design summit , Fundamentals of Property and Leasing	B Com: Accounting, ND: Admin Management, B COM: Accounting Honours ,B Tech: Knowledge Management , B Admin, Programme in Logistics	145
	Male	68	0			0
Elementary occupations	Female	12	0	Hygiene Cleaning Management		13
	Male	1	0			0
Gender sub totals	Female	137	0	0	0	137
	Male	108	0	0	0	
Total		245	0	0	0	453

13. INJURY ON DUTY

TABLE 13.1 - Injury on Duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	3	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	3	0

OTHER INFORMATION

ACRONYMS

ABET	: Adult Basic Education and Training
AFS	: Annual Financial Statements
AG	: Auditor General
AMF	: Asset Management Forum
AMU	: Asset Management Unit
APP	: Annual Performance Plan
ASGISA	: Accelerated and Shared Growth Initiative for South Africa
BAS	: Basic Accounting System
BBBEE	: Broad Based Black Economic Empowerment
CC	: Close Corporation
CCTV	: Closed Circuit Television
CFO	: Chief Financial Officer
CIMA	: Chartered Institute of Management Accounting
CIPRO	: Companies and Intellectual Property Office
COLI	: Cost of Living Index
CompTIA	: Computing Technology Industry Association
CPC	: Central Procurement Committee
CPD	: Centralised Procurement Database
CPI	: Consumer Price Index
CROs	: Chief Risk Officers
DORA	: Division of Revenue Act
DPSA	: Department of Public Services and Administration
DPW	: Department of Public Works
DRP	: Disaster Recovery Plan
DWAF	: Department of Water Affairs and Forestry
ECD	: Early Childhood Development
EE	: Employment Equity
EEA	: Employment Equity Act
E-GOV	: Electronic Government
EHW	: Employee Health Wellness
EXCO	: Executive Council
EXCOM	: Executive Management Committee
FIFA	: Federation of International Football Association
FMCMM	: Financial Management Capability Maturity Model
GAMAP	: Generally Accepted Municipal Accounting Practice
GIAMA	: Government Immovable Assets Management Act
GCIS	: Government Communication and Information System
GDE	: Gross Domestic Expenditure
GDP	: Gross Domestic Product
GEMS	: Government Employee Medical Scheme
GNT	: Great North Transport
GovTech	: Government Technology
GRAP	: Generally Recognised Accounting Practice
GVA	: Gross Value Added
HDI	: Human Development Index
HDIIs	: Historically Disadvantaged Individuals
HOA	: Home Owners Allowance
HOD	: Head of Department
HR	: Human Resource
HRD	: Human Resource Development
HRM	: Human Resource Management
IDIP	: Infrastructure Delivery Improvement Programme
IDPS	: Integrated Development Plans
IGFR	: Intergovernmental Fiscal Relations
IFMS	: Integrated Financial Management System
IT	: Information Technology
IYM	: In Year Monitoring
KABP	: Knowledge, Attitudes, Behaviour and Perception
KRA	: Key result Area
LADC	: Limpopo Agricultural Development and Cooperation
LAR	: Labour Absorption Rate

LEDET	: Limpopo Economic Development, Environment and Tourism
LIBSA	: Limpopo Business Support Agency
LPPP	: Limpopo Preferential Procurement Policy
LPT	: Limpopo Provincial Treasury
LSSC	: Legal Shared Service Centre
MEC	: Member of Executive Council
MDG	: Millennium Development Goals
MFMA	: Municipal Finance Management Act
MISS	: Minimum Information Security Standards
MMS	: Middle Management Scheme
M&E	: Monitoring and evaluation
MOU	: Memorandum of Understanding
MTBPS	: Medium Term Budget Policy Statement
MTEF	: Medium Term Expenditure Framework
MTREF	: Medium Term Revenue and Expenditure Framework
N/A	: Not Applicable
NIA	: National Intelligence Agency
NT	: National Treasury
OD	: Organisational Development
OHSA	: Occupational Health and Safety Act
PARU	: Provincial Assets Restructuring Unit
PERSAL	: Personnel Salary
PGDS	: Provincial Growth and Development Strategy
PFMA	: Public Finance Management Act
PHC	: Primary Health Care
PLA	: Provincial Labour Absorption
PMG	: Paymaster General
PMC	: Project Management Committee
PMS	: Performance Management System
PPI	: Producer Price Index
PPP	: Public Private Partnership
PPSC	: Provincial Programme Steering Committee
PRF	: Provincial Revenue Fund
PTCF	: Provincial Technical Committee on Finance
PWG	: Provincial Working Group
SAQA	: South African Qualification Authority
SBD	: Standard Bidding Documentation
SCM	: Supply Chain Management
SCOA	: Standard Chart of Accounts
SCoPA	: Standing Committee on Public Accounts
SCMF	: Supply Chain Management Forum
SDIP	: Service Delivery Improvement Programme
SITA	: State Information Technology Agency
SISP	: Strategic Information System Plan
SLA	: Service Level Agreement
SMME	: Small Medium Micro Enterprise
SMS	: Senior Management Services
SOPC	: Strategic Operations and Policy Coordination
TAC	: Tender Advice Centre
VCT	: Voluntary Counselling and Testing
WAN	: Wide Area Network
WSP	: Work Skills Plan

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Additional Information

The following documents are also published and can be obtained on the department's website
www.limtreasury.gov.za .

Transversal Financial Policy
Strategic Plan
Annual Performance Plan