

**PROVINCIAL TREASURY
PROVINCE OF LIMPOPO
VOTE 5
ANNUAL REPORT
2013/2014 FINANCIAL YEAR**



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY
ANNUAL REPORT
2013-2014



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



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LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

ANNUAL REPORT
2013-2014



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





Part A

GENERAL INFORMATION

1 DEPARTMENT GENERAL INFORMATION

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2 LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
AO	Accounting Officer
APP	Annual Performance Plan
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
CoGHSTA	Co-Operative Governance, Human Settlement and Traditional Affairs
DRP	Disaster Recovery Plan
EU	European Union
EXCO	Executive Council
GIAMA	Government Immovable Assets Management Act
GITO	Government Information and Technology Office
GM	General Manager
HOD	Head of Department
HR	Human Resources
HRD	Human Resource Development
IDIP	Infrastructure Delivery Improvement Programme
IFMS	Integrated Financial Management System
IYM	In-Year Monitoring
LAH	Limpopo Academic Hospital
LDPW	Limpopo Department of Public Works
LEGDP	Limpopo Employment Growth and Development Plan
LPT	Limpopo Provincial Treasury

MEC	Member of Executive Council
MISS	Minimum Information Security Standards
MTEF	Medium Term Expenditure Framework
N/A	Not Applicable
NT	National Treasury
PFMA	Public Finance Management Act
PPP	Public Private Partnerships
PRF	Provincial Revenue Fund
QTR	Quarter
SAQA	South African Qualifications Authority
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SISP	Strategic Information System Plan
SITA	State Information Technology Agency
SLA	Service Level Agreement
SMME	Small Medium and Micro Enterprises
SMME	Small Medium and Micro Enterprises
TAC	Tender Advice Centre
TR	Treasury Regulations
U-AMP	User Asset Management Plan

3 FOREWORD BY THE MEC



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

It is my pleasure to present this 2013/14 Annual Report for Provincial Treasury.

The report includes the financial performance of the Department and the outcomes and outputs of the Department against targets set in the Annual Performance Plan. From the information included in this report it will be evident that the Department had a successful financial year. During the period under review the Department strived to deliver on its mandate as contained in section 18 of the Public Finance Management Act which puts an obligation and responsibility on the Provincial Treasury to oversee provincial finances and ensure adherence to the financial prescripts by all provincial departments, public entities and municipalities.

The Department remained under administration, in terms of section 100(1)(b) of the Constitution of the Republic of South Africa and continued to implement key section 100(1)(b) recovery projects as outlined below:

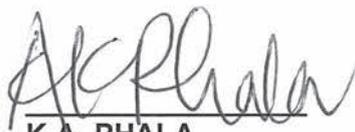
- Cash management controls were strengthened and the province was in a cash positive position at year end;
- Provincial accumulated unauthorized expenditure was reduced from R2.7 billion in 2011/12 to R677 million (to be funded by Provincial Revenue Fund) and R191 million (to be funded by Departments) as at 31 March 2014;
- Expenditure management processes were strengthened to limit the occurrence of any new unauthorized expenditure;
- A surplus provincial budget was tabled to generate reserves that may assist to deal with the accumulated unauthorized expenditure and unfunded mandates in the future;

- Accruals were better managed and compliance to the prescribed 30 day payment period was improved; and
- Provincial own revenue collections were improved through the implementation of the “Provincial Own Revenue Collection Strategy”.

Provincial Treasury unfortunately failed to achieve “Clean Audit” status in 2013/2014 but did maintain an unqualified audit opinion. The achievement of the “Clean Audit 2014” outcome was only achieved by one department in the province despite concerted efforts to improve the audit outcomes in all departments and public entities. Provincial Treasury will continue with its endeavor to achieve a “Clean Audit” status, during the next financial year and ensure efficiency in public spending, elimination of wastage and improve the alignment between budget allocations and government priorities to contribute towards addressing the national challenges of poverty, inequality and unemployment.

It must be emphasized that any achievement made during 2013/14 financial year was through the collective support and dedication of the Section 100(1)(b) team, the management team and all employees of the Provincial Treasury.

It is therefore my pleasure to present this Annual Report for 2013/14 financial year.



K.A. PHALA
MEC for Finance
Limpopo Provincial Treasury
22 August 2014

4 REPORT OF THE ACCOUNTING OFFICER

Report of the Accounting Officer for the year ended 31 March 2014



Mr. M. Tom
Accounting Officer and Administrator: Provincial Treasury,
Limpopo Government Section 100(1)(b) of the Constitution of the Republic South Africa,
Intervention

Report by the Accounting Officer to the Executive Authority and the Limpopo Provincial Legislature, for the year ending 31 March 2014.

4.1 OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT

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

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

On 05 December 2011, the National Executive (“the Cabinet”) agreed to intervene in five provincial line function departments in Limpopo in terms of section 100(1)(b) of the Constitution of the Republic of South Africa, 1996. Among the five provincial line function departments, was the Limpopo Provincial Treasury.

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

- a) The province has an accumulated unauthorised expenditure of R2.7 billion.
- b) The province started the 2011/12 financial year with an overdraft of R1.7 billion and there was insufficient cash management across the province.
- c) The province was on the verge of running out of cash and would have failed to pay its employees as well as honouring payments of suppliers and providers of goods and services rendered.

- d) Some departments, particularly Health and Education implemented the Occupational Specific Dispensation without making the necessary provisions in their budget; and
- e) Poor supply chain and contract management, including the use of Programme Managements Units (PMUs) were being used to obviate normal procurement procedures.

The objectives of the interventions were among others to:

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

The section 100(1)(b) Intervention diagnostic analysis found the following key matters that should be addressed in the Limpopo Provincial Treasury.

- a) Organizational Realignment and Strengthening the Provincial Treasury;
- b) Financial management skills and capacity
- c) Cash management procedures and internal controls;
- d) Compliance with the prescribed 30 day supplier payment turnaround requirement;
- e) Accumulated and new unauthorised expenditure;
- f) Cost containment measures to be developed, implemented and monitored;
- g) Intergrated electronic accounting system to be introduced and implemented in Limpopo;
- h) Provincial own revenue generation strategies to be reviewed

The implementation of the recovery plans that are in progress will result in achieving the following measurable outcomes:

- a) Reduced provincial overdraft
- b) Right people placed in the right positions leading to enhanced effectiveness and control in financial management by Provincial Treasury
- c) Upgraded systems and capabilities to ensure full compliance with all legislation, including the PFMA;
- d) Improved financial management through skills development and capacity building; and
- e) Raised level of accountability in managing finances.

A brief report on the s100(1)(b) intervention progress to date is as follows:

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

providers of the dates on which payments will be effected. Provincial Treasury now stringently monitors each department's cash flows and daily bank balances and also all payment-runs are now certified and approved by the Accounting Officer and Chief Financial Officer of each department before they are released from the BAS system by Provincial Treasury. The cash position of the province as at year end was positive.

As at December 2011 the province also had R2.7 billion accumulated unauthorized expenditure, which was not funded. The province has subsequently reduced the unauthorized expenditure by R1.8 billion of which a total of R1.5 billion was funded from the Provincial Revenue Fund in 2012/13 and 2013/14 and the balance funded through the various departmental budgets.

The balance of this outstanding unauthorized expenditure is R926 million of which the Provincial Revenue Fund is liable for R728 million and departments R197 million. It is planned to fund and clear this balance in 2014/15.

The Provincial Treasury together with Department of Public Service and Administration (DPSA) reviewed and aligned the Provincial Treasury structure with the National Treasury generic structure for provincial treasuries and the final proposed structure has been presented for approval. Through the intervention some key senior manager posts have been filled with skilled and experienced officials, however there are still some vacancies that must be filled in the near future.

Provincial Treasury embarked on a capacity building programme which provided officials in financial management, governance, and supply chain management with skills and knowledge through a work-based programme. Mentorship and coaching was integral to this programme to ensure sustainability. The Provincial Treasury also planned to assess the skills and capacities in the Chief Financial Officer offices of three departments during the year, unfortunately the assessments conducted of the skills and capacity in the office of the CFO in Provincial Treasury did not deliver the expected results and the contract with the service provider was cancelled, without incurring any costs. Provincial Treasury with the assistance of National Treasury identified a suitable service provider, which may be funded through the European Union, to deliver on this project in the 2014/15. A new 24 month internship programme called the "Public Sector Professional Development Programme" was launched on the 25 June 2013 and is progressing well.

The province currently uses a financial system known as FINEST to generate orders which does not interface with the accounting system used nationally, known as BAS and this makes it difficult to track expenditure and compromises the requirement for proper accountability. The intervention identified that this challenge is a major risk which leads to improper reporting on commitments, accruals, inventory and assets. In order to reduce this risk the need to implement an alternative national system known as LOGIS was agreed to with National Treasury. LOGIS will assist the province to record all procurement transactions in a single system which integrates with the LOGIS asset and inventory modules and also interfaces seamlessly into BAS. The province has decided to start the rollout of the LOGIS

system in three Departments, namely Provincial Treasury, Health and Education. The LOGIS system will be rolled out to all departments in a phased approach.

Provincial Treasury, in 2013/14, continued to intensively implement the Provincial Revenue Enhancement Strategy by embarking on and financing sustainable revenue enhancement projects within departments and public entities.

The Intervention also deployed consultants in the province to provide technical support to the 5 departments under s100(1)(b) intervention and another 2 departments (i.e. Social Development and Sport, Arts and Culture) to improve the audit outcomes. This project is still in progress and will continue to the end of the current audit cycle, 31 July 2014.

4.2 OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

4.2.1 Departmental Receipts

Departmental receipts	2013/2014			2012/2013		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	840	633	207	940	697	243
Interest, dividends and rent on land	135 000	188 597	(53 597)	-	123,384	(123 384)
Sale of capital assets	-	750	(750)	-	-	-
Financial transactions in assets and liabilities	1 250	1 016	234	491	292	199
Total	137 090	190 996	(53 906)	1 431	124 373	(122 942)

The main sources of revenue, in the Provincial Treasury, are from the sale of tender documents, commission earned on insurance and interest received. The Provincial Treasury does not regularly sell goods & services and therefore applies the provincial tariffs as approved from time to time.

The department's revenue collection has increased by 53.56% for 2013/14 to R191 million (2012/13 R124.4 million) and has over collected the revenue budget by R53.9 million in 2013/14 (2012/13 R122.9 million). The over collection was mainly attributable to the improved cash management controls and positive cash position of the province during the financial year which resulted in additional interest being earned.

Provincial Treasury does not render any free services that if charged would yield significant revenue other than the related party transaction disclosed in note 24 to the financial statements which include the provision of internal audit services to all departments.

4.2.2 Programme Expenditure

Programme Name	2013/2014			2012/2013		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Administration	128 246	119 961	8 285	119 655	119 528	127
Sustainable Resource Management	43 987	42 624	1 363	42 677	35 057	7 620
Assets, Liabilities and SCM	70 790	66 880	3 910	129 049	74 749	54 300
Financial Governance	139 950	127 358	12 592	63 463	52 468	10 995
Sub Total	382 973	356 823	26 150	354 844	281 802	73 042
Statutory	1 735	1 711	24	1 652	1 652	-
Total	384 708	358 534	26 174	356 496	283 454	73 042

The detailed expenditure breakdown per programme and economic classification is contained in the Appropriation Statement in the Annual Financial Statements.

The original budget allocation appropriated for Provincial Treasury was R384.7 million which was not adjusted for the year under review. An amount of R358,5 million was spent which equates to under spending and savings of R26,2 million (6,8%).

Provincial Treasury surrendered the 2012/13 under spending of R73 million to the provincial revenue fund in May 2013 and will be surrendering the 2013/14 under spend in May 2014.

Below is a brief analysis of the spending trends per programme, with reference to the table above:

Programme 1 – Administration

Programme 1 spent R120 million (93.5%) of the allocated budget of R128.2 million. The under spending is mainly due to R5.7 million in goods and services and R2.5 million in Payments for capital assets. The under spending in Payments for capital assets was mainly as a result of not approving the procurement of replacement vehicles during the year and delays in the SITA procurement process to procure IT equipment. The savings in goods and services were mainly due to the implementation of austerity measures.

Programme 2 – Sustainable Resources Management

Programme 2 spent R42.6 million (96.9%) of the allocated budget of R44 million. The R1.3 million under spending has resulted from under spending in Compensation of employees and Goods and services.

Programme 3- Assets, Liabilities and Supply Chain Management

Programme 3 spent R66.9 million (94.5%) of the allocated budget of R70.1 million. R1.2 million of the under spending was in Compensation of employees due to the delay in filling vacant posts and R2.5 million in Goods and services mainly due to savings realised in bank charges, printing of receipts books and other austerity items.

Programme 4 – Financial Governance

Programme 4 spent R127.4 million (91%) of the allocated budget of R140 million. The R12.6 million under spending comprises of under spending in Goods and services due mainly to s100(1)(b) of the Constitution of the Republic of South Africa intervention recovery projects that were still in progress and not fully implemented by year end. The Provincial Treasury also planned to assess the skills and capacities in the Chief Financial Officer offices of three departments during the year, unfortunately the assessments conducted of the skills and capacity in the office of the CFO in Provincial Treasury did not deliver the expected results and the contract with the service provider was cancelled, without incurring any costs. A further contributory factor to the under spending was the late appointment of the Audit Committee members during the year.

Below is a brief analysis of the spending trends per economic classification,

- **Compensation**

Provincial Treasury spent R202.8 million (98.9%) of the final budget appropriation for compensation of employees, including statutory payments, of R205 million in 2013/14 as compared to R178.8 million (91.7%) spent against the budget of R195 million in 2012/13. The under expenditure in 2013/14 financial year was mainly due to the delay in filling vacant posts.

- **Goods & Services**

Provincial Treasury spent R147.3 million (86,9%) of the final budget appropriation for goods and services of R169,5 million in 2013/14 financial year as compared to R94.9 million (63.6%) against the budget of R149,1 million in 2012/13..

The under spending in 2013/14 was mainly due to the intervention recovery projects not being fully implemented, the skills and capacity assessment in the Chief Financial Officer offices in three departments being cancelled and late appointment of Audit Committee members as outlined in Programme 4 above. There were also savings from austerity measures that were put in place to improve the cash flow situation of the Province.

- **Transfer Payments**

An amount of R4 million (99,9%) was spent against the final budget R4 million on transfer payments in 2013/14 financial year as compared to R4.1 million (70.1%) spent against the budget of R5.8 million in 2012/13 financial year.

- **Capital Payments**

An amount of R4.3 million (71.6%) was spent against the final budget R6 million for Payments for Capital Assets in 2013/14 financial year as compared to R5.3 million (80.3%) spent against the budget of R6.6 million in 2012/13 financial year. The under spending in was mainly as a result of not approving the procurement of replacement vehicles during the year.

4.2.3 Virements and Rollover

Virements

A total virement of R4.4 million was made from after the adjustment budget.

From Programme 4 – Financial Governance (R3.350 million)

Provincial Treasury moved R2.5 million and R250 thousand from current payments in Programme 4 to current payments and Payment of capital assets in Programme 3 respectively. A further R600 thousand was also moved from current payments in Programme 4 to current payments in Programme 1.

From Programme 2 – Sustainable Resources Management (R550 thousand)

Provincial Treasury moved R550 thousand from current payments in Programme 2 to current payments in Programme 1.

The above funds were used to pay for legal fees and software licences in Programme 1 and to supplement the purchase of assets scanners and SITA computer services in Programme 3.

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

Rollover

Provincial Treasury has applied for a rollover of R6.4 million to fund the completion of s100(1)(b) of the Constitution of the Republic of South Africa intervention recovery projects that were still in progress and not fully implemented by year end.

4.2.4 Unauthorised, Fruitless and Wasteful Expenditure

During the year under review the Provincial Treasury incurred no unauthorised expenditure. However, the Provincial Treasury did incur R2 thousand fruitless and wasteful expenditure during the year, which was as a result of interest paid on late payment made to a service provider. Provincial Treasury has improved the payment controls to prevent this from recurring in the future.

4.3 PUBLIC PRIVATE PARTNERSHIPS (PPP)

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

4.4 DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

No activity was discontinued during the year under review.

4.5 NEW/PROPOSED ACTIVITIES

There were no new proposed activities during the year under review

4.6 SUPPLY CHAIN MANAGEMENT

Provincial Treasury did not concluded any unsolicited bids during the year under review and has systems and processes in place to prevent irregular expenditure.

4.7 GIFTS AND DONATIONS RECEIVED

Provincial Treasury received donations in kind from Standard Bank of South Africa, the provincial banker, and Price Waterhouse Coopers during 2013/14 as disclosed in Annexure 1B to the financial statements.

4.8 EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

No exemptions from the PFMA or Treasury Regulations or deviation from the financial reporting requirements were applied for, or received, for the current and/or previous financial year.

4.9 EVENTS AFTER REPORTING DATE

No events have occurred after the reporting date and the date of approval of the Annual Financial Statements.

4.10 OTHER

There are no other material issues that may have an effect on the financial affairs of the Department.

4.11 ACKNOWLEDGEMENTS

I would like to take this thank the senior management and staff of the Provincial Treasury for their support during the s100(1)(b) intervention in the Provincial Treasury and more specifically the Hon MEC Phala for his continued support and guidance.

4.12 APPROVAL

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



Mr. M. Tom

Accounting Officer and Administrator: Provincial Treasury

**Limpopo Government Section 100(1)(b) of the Constitution of the Republic South Africa ,
Intervention.**

30 May 2014

5 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2014.

Yours faithfully



Mr. M. Tom

Accounting Officer and Administrator: Provincial Treasury

**Limpopo Government Section 100(1)(b) of the Constitution of the Republic South Africa ,
Intervention.**

30 May 2014

6 STRATEGIC OVERVIEW

6.1 VISION

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

6.2 MISSION

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

6.3 VALUES

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

6.4 LEGISLATIVE AND OTHER MANDATES

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

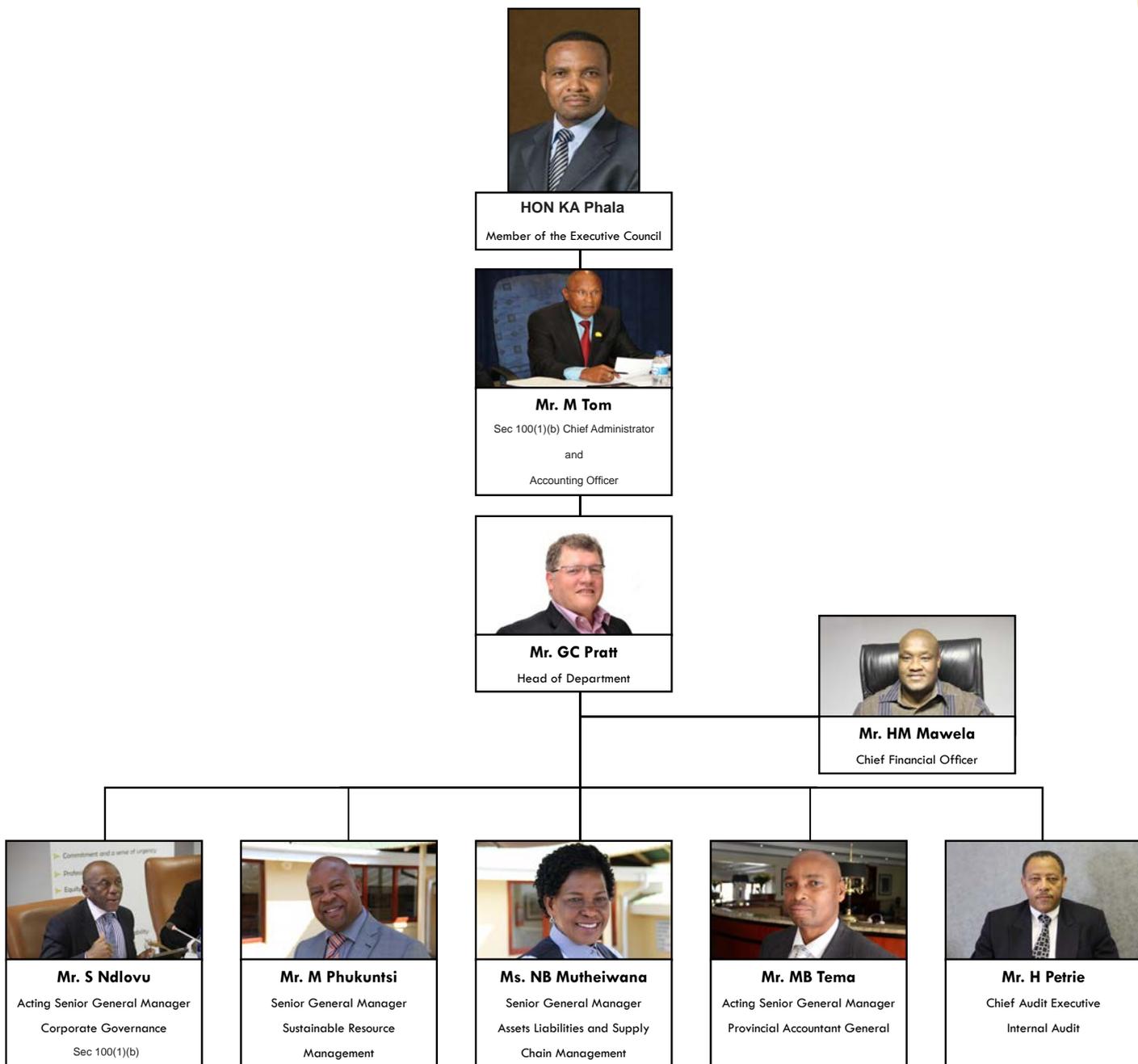
Limpopo Provincial Treasury has been established in terms of section 17 of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999). The functions and powers of the provincial treasury are provided in the PFMA under section 18(1) and (2).

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

- Public Finance Management Act (PMFA) [Act 1 of 1999 as amended by Act 29 of 1999];
- Municipal Finance Management Act (MFMA) [Act 56 of 2003];
- Annual Division of Revenue Act
- Preferential Procurement Policy Framework Act (PPPFA) [Act 2000 as amended]

The Provincial Treasury also has an oversight role in performance oversight as mandated by Framework for Managing Programme Performance Information. According to this Framework, Provincial Treasury is responsible for monitoring the implementation of the Framework by all institutions within their respective spheres and providing training and support on the use of performance information.

6.5 ORGANISATIONAL STRUCTURE



6.6 ENTITIES REPORTING TO THE MEC

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



Part B

PERFORMANCE INFORMATION



1 AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 118 of the Report of the Auditor General, published as Part E: Financial Information.

2 OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

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

- Published forty-three (43) editions of the provincial tender bulletin which were made available at no cost to the public and available at Provincial Treasury head office, district offices and the departmental website.
- A total of 4036 SMMEs and were trained and empowered on the government procurement process.

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

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

2.2 SERVICE DELIVERY IMPROVEMENT PLAN

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

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Support municipalities to improve audit outcomes	30 Municipalities	Partial compliance to financial regulations	100% compliance to financial regulations	30 municipalities were monitored and supported on compliance to financial regulations and guidelines
Support department to improve audit outcomes	13 Votes	Partial compliance to financial regulations	100% compliance to financial regulations	13 votes were supported to adhere to financial regulations
Manage payment of invoices within 30 days	13 Provincial departments and 5 public entities	Non-compliance to payment of invoices within 30 days	100% compliance to payment of invoices within 30 days.	80% compliance to payment of invoices by departments and public entities
Implementation of LOGIS	13 Provincial departments	Non-compliance to PFMA and SCM regulations and prescripts	100% compliance to PFMA, SCM regulations and prescripts	LOGIS is implemented in line with PFMA and SCM prescripts. SCM and Asset Management representatives are part of the implementation team to ensure that policy issues are taken into consideration

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Meetings and reports	Reports, workshops & Trainings. trainings	Reports, workshops & Trainings.
Feedback done in departments	Feedback through reports analysis	Public entities not done
Meetings and workshops	Meetings, reports & workshops	Meetings & workshops every 33three weeks

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Service Standards document	Service Standards document	Compliance to the set standards quarterly
SDIP document	SDIP document	Partial achievement of set service targets
Service Charter document	Service Charter document	Approved Service Charter
Citizen's Report document	Citizen's Report document	Achievement of set targets

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Suggestion boxes	Suggestion boxes	No complaints received
Premier Hotline	Premier Hotline	No complaints received
Presidential Hotline	Presidential Hotline	No complaints received

2.3 ORGANISATIONAL ENVIRONMENT

The Provincial Treasury was one of the five departments in the province placed under Administration in terms of section 100(1)(b) of the Constitution of the Republic of South Africa on the 05 December 2011, due to financial management and cash flow challenges faced by the Limpopo Provincial Administration. A diagnostic report was prepared and out of this report the following projects were identified to address shortcomings identified:

- Competitive Procurement
- Assets Management
- Records Management
- Infrastructure Management
- Compliance and enforcement.

These projects are being implemented in the departments.

Progress on other Intervention Recovery Projects is tabled below:

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

A tender to conduct the capacity and skills audit assessment was awarded in March 2013. The project will intended to first be done in Provincial Treasury, Education and Health and will later be extended to other departments. However the project could not kick start because the service provider could not deliver as expected and the contract was cancelled.

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

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

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

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

2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

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

2.5 STRATEGIC OUTCOME ORIENTED GOALS

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

i. Effective and efficient administrative support in the Department

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

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

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

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

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

3 PERFORMANCE INFORMATION BY PROGRAMME

3.1 PROGRAMME 1: ADMINISTRATION

Purpose:

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

The programme has the following sub-programmes namely:

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

Strategic Objectives:

- Programme 1 strategic objective 1: To provide strategic internal administrative support to four programmes in line with relevant prescripts during 2010/1 to 2014/15.

- Programme 1 strategic objective 2: Improve financial management in the department from financial capability level 3 to level 3+ by 2014.05.14

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives

PROGRAMME 1: ADMINISTRATION						
No.	Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1	To provide strategic internal administrative support to four programmes in line with relevant prescripts during 2010/11 to 2014/15.	33% compliance with institutional arrangements	100% compliance with institutional arrangements	79% compliance with institutional arrangements	21%	Some branch meetings were not held due to vacant posts at executive management level
		Implemented seven (7) HR Strategies in the HR plan to ensure recruitment and retention of skilled personnel in order to achieve organisational performance	Implementation of HR plan to ensure recruitment and retention of skilled personnel in order to achieve organisational performance	HR plan was implemented to ensure recruitment and retention of skilled personnel in order to achieve organisational performance	None	N/A
		4 of the Top 10 Departmental Risks were mitigated in line with the risk management plan to provide reasonable assurance on the achievement of set objectives	Top 10 Departmental Risks mitigated in line with the risk management plan to provide reasonable assurance on the achievement of set objectives	6 of the Top 10 Departmental Risks were mitigated in line with the risk management plan to provide reasonable assurance on the achievement of set objectives	4	Reliance on external stakeholders has led to delays in mitigating 3 risks; and Delays in the filling of Executive management posts.
		100% Compliance with Communication Strategy and Records Management System for improved information management	100% Compliance with Communication Strategy and Records Management System for improved information management	100% Compliance with Communication Strategy and Records Management System for improved information management	None	N/A
		100% of prioritised Strategic Information Systems Plan (SISP) projects implemented to achieve	100% of prioritised Strategic Information Systems Plan (SISP) projects implemented to achieve	90% of prioritised Strategic Information Systems Plan (SISP) projects implemented to achieve	10% Implementation of the backup solution not achieved.	Target deferred to the next financial year (2014/5).

PROGRAMME 1: ADMINISTRATION						
No.	Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
		departmental objectives through optimal use of information technology	departmental objectives through optimal use of information technology	departmental objectives through optimal use of information technology		
		100% of GIAMA plan was complied with to ensure a safe and healthy built and office environment	100% compliance to GIAMA plan to ensure a safe and healthy built and office environment	44% of GIAMA plan was complied with to ensure a safe and healthy built and office environment	56%	Delays in the filling of Cleaners posts due to the provincial HRTT process.
		Compliance Assessment with MISS Policy and Security Strategy for improved information and physical security; and prevention of fraud and corruption was no conducted.	100% (4 programmes) compliance with MISS Policy & Security Strategy for improved information and physical security; and prevention of fraud and corruption.	No Compliance Assessment was conducted.	Deviation cannot be determined because an assessment was not conducted	Lack of capacity to conduct the assessment
2	Improve financial management in the department from financial capability level 3 to level 3+ by 2014	Level 2 financial management capability attained.	Level 3+ financial management capability attained.	Level 3 financial management capability attained.	None	N/A
		80% of expenditure in line with allocated budget was achieved	98 - 100% of expenditure in line with allocated budget	93% of expenditure in line with allocated budget was achieved	5% deviation	Non completion of projects and non-appointment of service providers, late appointment of Audit Committee
		Performance of 4 Programmes monitored in line with Performance information frameworks and 70% of planned targets were achieved	Performance of 4 Programmes monitored in line with Performance information frameworks to ensure that 90% of planned targets are achieved	Performance of 4 Programmes monitored in line with Performance information frameworks and 83% of planned targets are achieved	None	N/A

Performance indicators

PROGRAMME 1: ADMINISTRATION						
No.	Performance Indicators	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1	Number of programmes monitored for compliance to institutional arrangements	4 (only in the first quarter)	4	4	0	N/A
2	Number of HR Strategies / Plans implemented in line with the approved HR Plan	7	7	7	0	N/A
3	Number of programmes supported and monitored in the implementation of Enterprise Risk Management plan to provide reasonable assurance on the achievement of set objectives.	4	4	4	0	N/A
4	Number of Information Management Strategies implemented and monitored for improved information management in the department	2	2	2	0	N/A
5	Number of buildings provided with auxiliary services in line with the GIAMA Plan	9	9	4	5	Delays in the filling of Cleaners posts due to the provincial HRTT process
6	Number of implementation reports on prioritised SISP projects in line with Operational Plan	4	4	4	0	N/A
7	Number of Security Policies and Investigation Strategies implemented and monitored for improved information and physical security; and prevention of fraud and corruption	2	2	2	0	N/A
8	Number of IYM reports compiled in line with National Treasury prescripts to monitor expenditure	12	12	12	0	N/A

PROGRAMME 1: ADMINISTRATION						
No.	Performance Indicators	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
9	Number of successful closure of books in line with National Treasury prescripts	12	12	12	0	N/A
10	Number of departmental plans and performance reports developed in line with National Treasury Frameworks	8	8	8	0	N/A
11	Number of strategic sourcing, maintenance and disposal plans implemented in line with applicable SCM prescripts	5	5	5	0	N/A

Strategy to overcome areas of under performance

Area of under performance	Strategies to address under performance
Providing auxiliary services to 5 departmental buildings in line with the GIAMA Plan	Request for the filling of cleaners' posts has been submitted to the HRTT for approval.

Changes to planned targets

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

Sub-programme expenditure

Sub-Programme Name	2013/2014			2012/2013		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	4,047	3,841	206	2,086	1,847	239
Management Services	3,251	3,479	(228)	2,383	2,177	206
Corporate Services	87,488	81,304	6,184	84,259	84,395	(136)
Financial Management (Office of the CFO)	35,195	33,050	2,145	30,927	31,109	(182)
Total	129,981	121,674	8,307	119,655	119,528	127

The programme spent an amount of R121,7 million from an adjusted budget of R129,9 million and this constitutes 93,8% spending. The programme spent 6% less as compared to the previous financial year.

3.2 PROGRAMME 2: SUSTAINABLE RESOURCES 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 1: To achieve clean audits in 13 Provincial Departments and 30 Municipalities by 2014

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT						
No.	Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1	To achieve clean audits in 13 Provincial Departments and 30 Municipalities by 2014	7 Research / Budget documents produced to align the Fiscal Policy	7 Research / Budget documents produced to align the Fiscal Policy	7 Research / Budget documents produced to align the Fiscal Policy	None	N/A
		Developed and monitored implementation of revenue enhancement strategy	Review and monitor implementation of revenue enhancement strategy	Revenue Enhancement Strategy reviewed and implementation monitored	None	N/A

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT						
No.	Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
		2 budget document compiled, tabled and gazetted in line with the set standards and national treasury guidelines	2 budget documents compiled, tabled and gazetted in line with the set standards and national treasury	2 budget documents compiled, tabled and gazetted in line with the set standards and national treasury	None	N/A
		12 provincial in year monitoring reports produced in line with section 32 of PFMA.	12 provincial in year monitoring reports produced in line with section 32 of PFMA.	12 provincial in year monitoring reports produced in line with section 32 of PFMA.	None	N/A
		Provincial Infrastructure expenditure monitored in 8 infrastructure departments	Provincial Infrastructure expenditure monitored	Provincial Infrastructure expenditure monitored in 9 infrastructure departments	None	N/A
		100% of PPP projects for departments, municipalities and entities monitored and supported in line with Treasury Regulation 16	100% of PPP projects for departments, municipalities and entities monitored and supported in line with Treasury Regulation 16	50% of PPP projects for departments, municipalities and entities monitored and supported in line with Treasury Regulation 16	50%	The Department of Health is in a process of deregistering the two projects (Laundry and pharmaceutical). The academic hospital project transferred to National Department Health.
		2 Municipalities received unqualified audit opinion	10 municipalities receive unqualified audit opinion	2 Municipalities received unqualified audit opinion as at April 2014.	8	AG has not completed audits for 4 municipalities; Lack of capacity in Budget and Treasury offices of municipalities due to inability to attract skilled personnel.

Performance indicators

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT						
No.	Performance Indicators	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1	Number of Research documents produced to align the Provincial Fiscal Policy	7	7	7	0	N/A
2	Number of Revenue and debt management reports to ensure collection of budgeted revenue and recovery of outstanding debts	12	12	12	0	N/A
3	Number of budget documents compiled, tabled and gazetted in line with the set standards and National Treasury guidelines (Main Appropriation Bill and Adjustment Budget)	2	2	2	0	N/A
4	Number of departments and public entities monitored and supported in the implementation of planning and performance information frameworks to ensure achievement of set targets	16	18	18	0	N/A
5	Number of provincial in year monitoring reports produced in line section 32 of PFMA to ensure that 13 departments spend within 98 - 100% of their allocated budgets	12	12	12	0	N/A
6	Number of infrastructure departments monitored and supported in the implementation of Infrastructure Delivery Management System.	3	8	9	1	For the first time LEDET received a budget of R60 million in the 2013/14 FY from the equitable share to do renovations and refurbishments of their nature reserves. As a result we had to include them as additional department to report on

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT						
No.	Performance Indicators	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
						IRM and monitor their infrastructure expenditure.
7	Number of departments monitored on Infrastructure expenditure to improve infrastructure service delivery	8	8	9	1	For the first time LEDET received a budget of R60 million in the 2013/14 FY from the equitable share to do renovations and refurbishments of their nature reserves. As a result we had to include them as additional department to report on IRM and monitor their infrastructure expenditure.
8	Number of existing PPP projects for departments and municipalities monitored and supported in line with Treasury Regulation 16	12	6	3	3	The Department of Health is in a process of deregistering the two projects (Laundry and pharmaceutical). The academic hospital project transferred to National Department of Health.
9	Number of Municipalities monitored and supported on budget process and documentation, financial management and governance.	30	30	30	0	N/A

Strategy to overcome areas of under performance

Area of under performance	Strategies to address under performance
Monitoring and support of existing PPP projects for departments and municipalities in line with Treasury Regulation 16	The Department of Health is in a process of deregistering the two projects (Laundry and pharmaceutical). The academic hospital project transferred to National Health.

Changes to planned targets

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

Linking performance with budgets

The programme spent an amount of R43,9 million from an adjusted budget of R42,6 million and this constitutes 97% spending. The programme spent 15% more in 2013/14 financial as compared to the previous financial year.

Sub-programme expenditure

Sub-Programme Name	2013/2014			2012/2013		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	1,329	1,219	110	1,464	1,099	365
Economic Analysis	2,500	2,313	187	1,969	1,709	260
Fiscal Policy	13,030	12,504	526	12,815	10,926	1,889
Budget Management	4,577	4,300	277	4,410	3,868	542
Public Finance	7,450	7,326	124	6,136	4,898	1,238
Intergovernmental Relations	15,101	14,963	138	15,883	12,557	3,326
Total	43,987	42,625	1,362	42,677	35,057	7,620

3.3 PROGRAMME 3: ASSETS, LIABILITIES AND SCM

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 1: To achieve clean audits in 13 provincial departments and 8 public entities by 2014.
- Programme 3 strategic objective 2: To provide transversal financial systems support to 13 provincial departments during 2010/11 to 2014/15.

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives

Programme 3 : Assets, Liabilities and Supply Chain Management						
No.	Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1	To achieve clean audits in 13 Provincial Departments and 8 Public Entities by 2014	Asset Management Policy Implementation monitored in 13 departments and 5 Public Entities to improve on the management of assets	Asset Management Policy Implementation monitored in 13 departments and 5 Public Entities to improve on the management of assets	Asset Management Policy Implementation monitored in 13 departments and 5 Public Entities to improve on the management of assets	None	N/A
		14 provincial cash forecasting and implementation reports produced to ensure that departments spend within available funds.	14 provincial cash forecasting and implementation reports produced to ensure that departments spend within available funds.	14 provincial cash forecasting and implementation reports produced to ensure that departments spend within available funds.	None	N/A
		13 reports produced on technical support given to 13 departments on banking services	13 reports produced on technical support given to 13 departments on banking services	13 reports produced on technical support given to 13 departments on banking services	None	N/A
		12 reconciliation statements for PRF, Bank Charges, Interest and Own Revenue Accounts to ensure unqualified audit opinion on PRF.	1 Set of Provincial Revenue Fund Annual Financial Statements and 12 reconciliation statements for PRF, Bank Charges, Interest and Own Revenue Accounts to ensure unqualified audit opinion on PRF.	12 reconciliation statements for PRF, Bank Charges, Interest and Own Revenue Accounts to ensure unqualified audit opinion on PRF.	1 Set of Provincial Revenue Fund Annual Financial Statements	1 Set of Provincial Revenue Fund Annual Financial Statements not prepared due to reconstruction of opening balances from 2003/04
		44% compliance to SCM prescripts achieved to ensure transparent, equitable, fair, competitive and cost-effective procurement system in the province	100% compliance to SCM prescripts to ensure transparent, equitable, fair, competitive and cost-effective procurement system in the province	44% compliance to SCM prescripts achieved to ensure transparent, equitable, fair, competitive and cost-effective procurement system in the province	56%	SCM Compliance Monitoring was stalled upon the PWC intervention where we spent seven months focussing on the SOP development project Movement of SCM personnel in provincial departments and public entities

Programme 3 : Assets, Liabilities and Supply Chain Management						
No.	Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
		Identified and managed transversal contracts to ensure a cost-effective procurement system in the province.	Identification and management of transversal contracts to ensure a cost-effective procurement system in the province.	Identified and managed transversal contracts to ensure a cost-effective procurement system in the province.	None	N/A
		2914 SMMEs trained on government procurement processes	Trained SMMEs on government procurement processes	4036 SMMEs trained on government procurement processes	2436	Increased interest by the suppliers due to policy changes
2	To provide transversal financial systems support to 13 provincial departments during 2010/11 to 2014/15.	12 departments provided with financial systems support in order to improve financial and HR data management	12 departments provided with financial systems support in order to improve financial and HR data management	12 departments provided with financial systems support in order to improve financial and HR data management	None	N/A

Performance indicators

Programme : 3 Assets, Liabilities and Supply Chain Management						
No .	Performance Indicators	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1	Number of Inventory Management Monitoring and Support Reports to improve the effectiveness, efficiency and economical Inventory Management	9	10	10	0	N/A
2	Number of Asset Management Monitoring and Support Reports to improve effectiveness, efficiency and economical Asset Management	10	10	10	0	N/A

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Programme : 3 Assets, Liabilities and Supply Chain Management						
No .	Performance Indicators	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
3	Number of cash forecasting and implementation reports to ensure that departments spend within available funds.	14	14	14	0	N/A
4	Number of banking services reports on technical support provided to 13 departments	13	13	13	0	N/A
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.	12	13	12	1	2012/13 PRF has been reconciled but the AFS will be finalised after the Audit of the 2010/11 & 2011/12 AFS.
6	Number of Provincial Departments and Public Entities monitored on SCM compliance	20	17	17	0	N/A
7	Number of SCM capacity building interventions	10	8	22	14	The department coordinated DTI training to train Provincial Departments and Public Entities on the implementation of SBD Form 6.2. The other training sessions were requested by the institutions whilst others were based on the SCM Challenges identified during compliance monitoring processes.
8	Number of bids coordinated for adjudication in line with prescripts to ensure transparent, equitable, fair, competitive and cost-	2	2	2	0	N/A

Programme : 3 Assets, Liabilities and Supply Chain Management						
No	Performance Indicators	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
	effective procurement system in the province.					
9	Number of reports on compliance to transversal contracts by departments & suppliers issued	4	4	4	0	N/A
10	Number of SMMEs skilled on bidding with government.	2914 SMMEs	1600	4036	2436	Increased interest by the suppliers due to policy changes
11	Number of SMMEs assessed on their capacity to deliver on government procurement	112 SMMEs	65	94	29	Growing need for compliance by suppliers
12	Number of reports on financial systems utilization produced and analyzed.	12	4	4	0	N/A
13	% implementation of LOGIS in identified sites	-	100% in 3 sites	60% (in 1 site)	40% in 1 site and 100% in 2 sites	Lack of human resources

Strategy to overcome areas of under performance

Area of under performance	Strategies to address under performance
1. Annual Financial Statements for the Provincial Revenue Fund (PRF)	Annual Financial Statements for 2012/13 have been compiled and just awaiting audit outcomes for 2008/9 - 2011/12.
2. Implementation of LOGIS in identified sites	Acquire resources through SITA contracts during the next 4 months.

Changes to planned targets

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

The programme spent an amount of R66,8 million from an adjusted budget of R70,8 million and this constitutes 94% spending. The programme spent 36% more in 2013/14 financial as compared to the previous financial year.

Sub-Programme Name	2013/2014			2012/2013		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	2,154	1,581	573	62,561	13,655	48,906
Asset Management	10,667	10,454	213	10,632	8,931	1,701
Liabilities Management	9,336	8,545	791	21,783	8,267	1,039
Supply Chain Management	22,966	22,262	704	21,783	20,744	1,039
Support and Interlinked Financial	25,667	24,037	1,630	23,894	23,152	742
Total	70,790	66,879	3,911	129,049	74,749	54,300

3.4 PROGRAMME 4: FINANCIAL GOVERNANCE

Purpose:

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

Strategic Objectives:

- Programme 4 strategic objective 1: To achieve clean audits in 13 provincial departments and 8 public entities by 2014.

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives

Programme 4 : Financial Governance						
No.	Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1	To achieve clean audits in 13 Provincial departments and 5 Public Entities by 2014	100 transversal systems and 8 financial management training courses offered to nominated officials in 13 votes and five public entities	Co-ordinate and administer financial management training and provide transversal systems training to nominated officials in 13 votes and 5 public entities to improve financial management skills in the province	Co-ordinated and administered financial management training and provide transversal systems training to nominated officials in 13 votes and 5 public entities to improve financial management skills in the province	None	N/A
		Supported 12 votes on financial management and the financial management capability level of 2 was achieved	Support 12 votes on financial management for improved financial management capability level of 3+	Supported 12 votes on financial management for improved financial management capability level of 3+	None	N/A
		Supported 13 votes and 5 public entities on financial reporting framework to improve financial reporting.	Support 13 votes and 5 public entities on financial reporting framework to improve financial reporting.	Supported 13 votes and 5 public entities on financial reporting framework to improve financial reporting.	None	N/A
		Consolidated Annual Financial Statements for votes and public entities not prepared in line with PFMA	Consolidated Annual Financial Statements for votes and public entities prepared in line with PFMA	2 out of 4 Consolidated Annual Financial Statements for votes and 3 out of 3 public entities were prepared in line with PFMA	2 Consolidated Annual Financial Statements for votes still to be submitted to AG	2 Consolidated AFS still to be submitted to AG after 2008/09 and 2009/10 AFS audit has been finalized.
		Annual Financial Statements for Tribal Levies and Trust Accounts not prepared	Annual Financial Statements for Tribal Levies and Trust Accounts prepared	Annual Financial Statements for Tribal Levies	Annual Financial Statements for Tribal Levies and Trust Accounts not prepared	Waiting for directive from National Treasury on which Accounting

Programme 4 : Financial Governance						
No.	Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
				and Trust Accounts not prepared		Standard to use – Modified Cash or GRAP.
		Risk Management framework implementation guidance and monitoring provided to all 12 budget votes and 5 public entities to minimise government risks to assure delivering set objectives.	Risk Management framework implementation guidance and monitoring provided to all 12 budget votes and 5 public entities to minimise government risks to assure delivering set objectives.	Risk Management framework implementation guidance and monitoring provided to all 12 budget votes and 5 public entities to minimise government risks to assure delivering set objectives.	None	N/A
		Reviewed and improved adequacy of 4 high risk financial process internal control procedures (SCM, Revenue Management, Payroll Management and Asset Management) towards a clean audit for departments and public entities.	Review and improve adequacy of 4 high risk financial process internal control procedures towards a clean audit for departments and public entities.	Review and improvement of adequacy of 4 high risk financial process internal control procedures not achieved	0	Lack of technical staff in the unit.
		Compliance with 2012/13 approved risk based internal audit plan achieved for 12 votes to achieve a clean audit in departments	Compliance with 2013/14 approved risk based internal audit plan achieved for 12 votes to achieve a clean audit in departments	Compliance with 2013/14 approved risk based internal audit plan achieved for 12 votes to achieve a clean audit in departments	None	N/A

Performance indicators

Programme 4 : Financial Governance						
No.	Performance Indicators	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1	Number of courses conducted on transversal systems in line with National Treasury standards.	100 (transversal systems)	54	55	1	One extra course was conducted for newly appointed officials so that they are given access to the system
2	Number of financial management courses coordinated in line with SAQA	8 (financial Management)	3	6	3	1 course was a special requirement by the Branch, the 2nd course was conducted by SARS as part of their capacity building in the province and the 3rd course was funded by Standard Bank being part of their capacity building to Limpopo Government officials.
3	Number of reports on the administration of long-term financial management in Provincial Departments	-	4	4	0	N/A
4	Number of votes monitored in resolving AG audit findings to improve audit outcomes	13	13	13	0	N/A
5	Number of audit committee meetings supported to improve governance in departments	52	23	18	5	The 1 st and 2 nd quarter meetings were merged into one while the 3 rd quarter and Special Audit Committee meeting were merged into one due delay in the appointment of Audit Committee members.
6	Number of votes supported with regards to SCoPA matters	13	13	13	0	N/A
7	Number of votes and public entities supported in preparing annual financial statements in line with the PFMA.	13 (votes)	13	13	0	N/A
		5 (public entities)	5	5	0	N/A

Programme 4 : Financial Governance

No.	Performance Indicators	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
8	Number of consolidated Annual financial statements for votes and for public entities prepared and submitted to the Auditor General	0 (votes)	4	2	2	2010/11 and 2011/2012 AFS were prepared but to be submitted to AG after 2008/09 and 2009/10 AFS audit has been finalized.
		0 (public entities)	3	3	0	N/A
9	Number of Annual Financial Statement prepared for Tribal Levies and Trust Accounts.	0	1	0	1	Waiting for directive from National Treasury on which Accounting Standard to use – Modified Cash or GRAP.
10	Number of votes and Public Entities assessed on Risk Management Performance	17	17	17	0	N/A
11	Number of Provincial Risk Profiles monitored	1	1	1	0	N/A
12	Number of developed or reviewed Transversal Risk Management Prescripts	-	5	5	0	N/A
13	Number of votes and public entities assessed in implementing reviewed and improved high risk financial process Internal Control procedures	14 (10 Votes and 4 Public Entities)	17	15	2	12 votes and 5 public entities not assessed in the 4 th quarter because Officials within the directorate are still in consultation with subject matter experts to gain the understanding of processes.
14	Number of votes monitored in the implementation of internal audits findings and recommendations to achieve improved internal controls in departments	12	12	12	0	N/A



Programme 4 : Financial Governance						
No.	Performance Indicators	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
15	Number of votes audited by the Provincial Internal Audit in compliance with the approved 2012/13 risk based audit plan to achieve improved internal controls in departments	12	12	12	0	N/A

Strategy to overcome areas of under performance

Area of under performance	Strategies to address under performance
1. Supporting audit committee meetings to improve governance in departments	Meeting that were held were able to deal with issues relating to the period when the Audit committee was not in place
2. Consolidation of Annual financial statements for votes and for public entities prepared and submission to the Auditor General	To submit to Auditor General all outstanding the Consolidated Annual Financial Statements as soon as the audit of prior financial years is finalised.
3. Preparation of Annual Financial Statement for Tribal Levies and Trust Accounts.	To submit to Auditor General all outstanding Annual Financial Statements for Tribal Levies and Trust Account in 2014/15 financial year.
4. Number of votes and public entities assessed in implementing reviewed and improved high risk financial process Internal Control procedures	The areas of Payroll, Revenue and Asset Management will be mapped and completed by the second quarter of 2014/15. Currently the unit's role is being reviewed to ensure accuracy of the service to be provided.

Changes to planned targets

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

Sub-Programme Name	2013/2014			2012/2013		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	74,346	67,853	6,493	1,608	1,066	542

Accounting Services	57,876	51,987	5,889	53,188	44,438	8,750
Risk Management	7,728	7,518	210	8,667	6,964	1,703
Total	139,950	127,358	12,592	63,463	52,468	10,995

The programme spent an amount of R127,3 million from an adjusted budget of R139,9 million and this constitutes 91% spending. The programme spent 8% more in 2013/14 financial as compared to the previous financial year.

4 TRANSFER PAYMENTS

4.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES

The department does not have public entities.

4.2 TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

The department paid for external bursaries.

The table below reflects the transfer payments made for the period 1 April 2013 to 31 March 2014

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
Universities	Higher learning institutions	Bursaries	N/A	1 802	1 802	N/A
Various	Households	Leave Gratuity	N/A	2 235	2 235	N/A
Various	Households	Injury on Duty	N/A	10	10	N/A
				4047	4047	

The table below reflects the transfer payments which were budgeted for in the period 1 April 2013 to 31 March 2014, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
Households	Leave Gratuity	5	-	Not Needed

5 CONDITIONAL GRANTS

5.1 CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

The department does not have conditional grants..

6 DONOR FUNDS

6.1 DONOR FUNDS RECEIVED

The department received the following donations during the year.

Name of Donor	Purpose	Amount Received in Kind (R'000)	Amount Received in Cash (R'000)
Standard Bank	Provincial Governance Conference - Gala dinner	60	-
Standard Bank	Provincial Governance Conference - Corporate gifts for speakers	9	-
Standard Bank	Provincial Governance Conference - Bags for delegates	16	-
PriceWaterhouse Coopers/ Rakoma	Post Budget Breakfast	120	-
Institute of Internal Auditors	Graduation Ceremony	-	3
		205	3

7 CAPITAL INVESTMENT

7.1 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

The department does not have capital investments.



Part C GOVERNANCE



1 INTRODUCTION

The department is committed to high standard of governance in managing public finance and resources. The department utilize its resources effectively, efficiently and economically. Good corporate governance is an integral part of Provincial Treasury's operations. Accordingly Provincial Treasury is fully committed to the principles of the Code of Corporate Practices. In supporting the code Provincial Treasury recognises the need to conduct its business with integrity. Business and governance structures are in place to ensure a coherent and consistent governance approach.

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

- The department is still under administration in terms of section 100(1)(b) of the Constitution of South Africa and as a result the governance structures remain as they were in the previous year, namely that the appointed s100(1)(b) Administrator has the powers and functions of the Accounting Officer and the Minister of Finance the powers of the Executing Authority of Provincial Treasury.
- A Departmental Bid Committees had been appointed to ensure that procurement processes were fair, competitive, equitable, transparent and cost effective.
- All senior managers made full financial disclosure to the Executive Authority.
- Financial, human resource and other operational policies were in place and implemented during the year. The policies were also in the process of being reviewed.
- There was an on-going awareness of emerging governance trends and the Provincial Treasury arranged a Provincial Governance Conference which was attend by head of Departments, Members of the Executive Council, members of the provincial Legislature, Audit Committee members, Chief Financial Officers, Head of Risk Management Units and Chief Executive Officers and Chief Financial Officers of our Public Entities. The conference was well attended and valuable contributions were made by the speakers at the conference.
- Provincial Treasury was kept abreast of all relevant legislation and regulations as well as major developments that could impact the on its operation.
- A delegation framework for the functions assigned to the Accounting Officer in terms of the PFMA and Treasury Regulation was developed and approved to enable the Accounting Officer, to delegated appropriate functions to relevant employees with adequate knowledge, skill and experience.

The Financial Governance branch is responsible for coordinating and managing the Cluster Audit Committees. The Province has a two tier audit committee structure consisting of three clusters and a central audit committee. The Audit Committees

meet on a quarterly basis to review departments' quarterly reports, culminating in a central audit committee meeting which then accounts and reports to the MEC for Provincial Treasury. In order to enhance monitoring and fruit-full engagements each Cluster Audit Committee now convenes for two days per cluster.

The Limpopo Provincial Administration did not possess an integrated electronic asset management system, during 2013/14 financial year. Due to the fact that there is no integrated electronic assets management system, the Auditor General has agreed to accept a Fixed Assets Register prepared in an EXCEL spreadsheet, provided it is password protected. Provincial Treasury has made use of the EXCEL spreadsheet, to record and consolidate all asset movements, and to compile the year end fixed asset register. The minimum requirements for a fixed assets register have been included in the EXCEL spreadsheet.

The province currently uses a financial system known as FINEST to generate orders which does not interface with the accounting system used nationally, known as BAS and this makes it difficult to track expenditure and compromises the requirement for proper accountability. The s100(1)(b) intervention identified that this challenge is a major risk which leads to improper reporting on commitments, accruals, inventory and assets. In order to reduce this risk the need to implement an alternative national system known as LOGIS was agreed to with National Treasury. LOGIS will assist the province to record all procurement transactions in a single system which integrates with the LOGIS asset and inventory modules and also interfaces seamlessly into BAS. The province has decided to start the rollout of the LOGIS system in three Departments, namely Provincial Treasury, Health and Education. The LOGIS system will be rolled out to all departments in a phased approach. The province has introduced the BAUD system for the management of assets in the province in order to prepare the province for the migration to LOGIS, however this project will only be finalised in July 2014.

2 RISK MANAGEMENT

Provincial Treasury developed a risk management plan which was aligned to the 2013/14 Annual Performance Plan. A risk management committee was appointed to monitor the implementation of the mitigation plan for the identified risks.

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

Risk Management in the Limpopo Province is functioning, the foundation that has been laid in terms of Risk Management is of an acceptable standard. Best practice models of Risk Management are being adhered to; more especially in the Provincial Departments and some Public Entities. Risk Registers are developed, updated and the progress with regards to the implementation of the mitigations to address prioritised risks is being monitored on an on-going basis. The governance structures are also in place and they are functioning well. The combined assurance model is being applied to enhance the effectiveness of Risk Management in the Province.

Risk Management support is being extended to the Public Entities, however capacity remains a challenge in some of the entities. Top-Management's buy in is critical for the maturity level of risk management to improve (this include amongst others; the willingness of the executives to invest resources in risk management). Inadequate funding to ensure effective implementation of Risk Management Plans remains a challenge across all spheres of the Provincial Government.

The department conducted a risk identification and assessment during strategic planning which focussed on the strategic plan of the department. The departments' strategies to identify and mitigate risk are based on departmental policies which are in line with Public Sector Risk Management Framework.

A number of risks have been mitigated successfully. Noteworthy was that the lack of accountability on tribal levies and trust accounts due to non-existence of historical financial records has been successfully mitigated. The department facilitated the legislative process to approve the historical opening balances and prescripts how to split the funds are being implemented

3 FRAUD AND CORRUPTION

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

The Department has an approved fraud prevention plan in place which applies to all employees, stakeholders, contractors, vendors / suppliers and anybody doing business with Limpopo Treasury.

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

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

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

- Progress made in implementing fraud prevention plan,
- Reports received by the Department regarding fraud incidents with the view to making any recommendations to the Head of Department and register the incident in the departmental fraud register,

- Progress made with all investigations initiated, and
- All allegations received from the National Anti-Corruption Hotline.

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

4 MINIMISING CONFLICT OF INTEREST

All Senior Managers are compelled in terms of the Public Service Act to annually disclose all their financial interests. All employees are also encouraged to disclose any possible conflict of interest that may exist. They are also advised not to conduct remunerative work outside the public service without first obtaining permission to do so from the MEC. The Risk Management and internal audit units also conducted a comparison of the employees identity numbers to the identity numbers on the Companies and Intellectual Property Commission (CIPC) database to identify any possible conflicts that may exist. All supply chain officials also declare that they have no conflict of interest and bid committee members declare that they have no conflict of interest prior to any bid being evaluated or adjudicated.

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

5 CODE OF CONDUCT

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

6 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department has a dedicated unit for occupational health, safety and environment. The unit is a sub-programme of Employee Health and Wellness Program, a Sub- Directorate of Transformation Services. The Unit coordinates hazard identification and risk assessment and liaise with relevant stakeholders for the implementation measures (recommendations) to mitigate the hazards/risks identified. The following activities were coordinated:

- Hazard identification in all department workplaces. Reports with recommendations were submitted to relevant stakeholders for implementation.
- Monitoring of the implementation of measures/recommendations to mitigate hazards and risks identified were done on quarterly basis.
- Risks and progress with regard to implementation were reported to Management through Departmental Risk Management Committee.
- Departmental Health and Safety Committee established and met quarterly to discussed incidents and other health and safety issues affecting the employees.
- Health and Safety representatives were appointed in writing and trained.
- First aid service provided and first aiders were trained on first aid level 1 & 2.
- Fire safety inspections conducted in partnership with the local fire chief (Local Municipality) in departmental workplaces.
- Emergency preparedness plan developed and approved.
- Compensation for occupational injuries and diseases (COID) managed. This included reporting of injuries on duty to the Compensation Commissioner/ Department of Labour, payment of administrative and medical costs.
- Education and awareness session on health and safety issues including COID were conducted.

7 PORTFOLIO COMMITTEES

- The following are dates when Portfolio Committee on Finance held meetings;
 - 10 May 2013
 - 23 October 2013
 - 30 October 2013

o 06 March 2014

- The Portfolio Committee considers matters relating to APP adoption, Quarterly Performance against planned APP targets. Other ad hoc financial matters such as Division of Revenue Bill, Appropriation Bill, and Adjustment Appropriation Bill are discussed. The following are matters raised by the Portfolio Committee and their resolutions:

RESOLUTIONS	PROGRESS	CHALLENGES	INTERVENTIONS
1. Monitor and Evaluate the impact of Policy Dialogue Forums to measure achievement of intended objectives	No progress	The Policy dialogue is suspended and will be revived in the next financial year now that the Budget has been tabled.	None
2. Enforce measures to deal with incidences of non-compliance with SCM Prescripts.	<p>SCM Instruction Notes are currently being rolled out for provincial departments and public entities to ensure compliance with prescripts.</p> <p>All SCM practitioners in all the five districts were trained on SCM processes, specifically on non-compliance issues identified during monitoring.</p> <p>This included in-house training by Provincial Treasury, PALAMA, and the Department of Trade and Industry.</p> <p>A further training was conducted in the five districts of Social development in the 3rd quarter of 2013, and</p>	None	None

RESOLUTIONS	PROGRESS	CHALLENGES	INTERVENTIONS
	coordinated National Treasury Reporting Training for contracts above R1000 000 for the Department of Public Works.		
3. Implementation of IFMS and information backup systems.	<p>IFMS implementation has been halted by National Treasury.</p> <p>SITA has finalized the disaster recovery plan (DRP). Back-up system design is part of the DRP. Presently SITA is finalizing the proposal for the implementation of the back-up solution and the entire DRP.</p>	<p>IFMS not ready for roll-out at its present state.</p> <p>There were delays in finalization of the development of the DRP.</p>	<p>LOGIS implementation identified as an alternative interim solution to IFMS which the province is pursuing.</p> <p>Monitor the implementation of DRP phase2 in line with the proposal and service agreement.</p>

8 SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
1	Significant matters of uncertainty	Accounting Officer must develop an effective plan to manage law suits	The department has procedures in place to control and manage law suits. The department has also strengthened the contract management process by identifying all substantive contracts and monitoring compliance to the contractual deliverable terms	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			and conditions	
2	Material under spending of the budget	Accounting Officer must develop a plan to effectively utilise their budget, and that all funded vacant posts are filled	Budget Committee is re-established and is functional. Monthly expenditure reports are also discussed at the EXCOM to ensure close monitoring of the budget.	No
3	Reliability of performance information	Accounting Officer must ensure that the APP is amended accordingly	APP was amended	Yes
4	Annual financial statements, performance and annual report	Accounting Officer must take appropriate action against the responsible officials	A verbal warning was issued to the officials responsible for the preparation of the AFS. AFS for 2012/13 were found to be without any material misstatements	Yes
5	Income and expenditure statements for Tribal Levies Account	Accounting Officer must prepare the 2003/04 opening balance financial statements and submit to the Auditor General	Financial statements were prepared but not submitted to the AG for audit, as planned, due to uncertainty on the accounting standards and accounting policies	No
6	Consolidated annual financial statements for public entities and departments	Accounting Officer must take appropriate steps to ensure that Consolidated Annual Financial Statements for departments and public entities are prepared and submitted within the required period	AFS for 2009 and 2010 financial years for departments were submitted to the AG. 2011 financial year will be submitted once the AG completes the audit of the two previous financial years. 2011 and 2012 financial statements for public entities were submitted to the AG.	No
7	Provincial Revenue Fund statements	Accounting Officer must take appropriate action against the responsible officials and ensure that	All outstanding PRF AFS are planned to be submitted before February 2014	No

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		financial statements for PRF are submitted to the AG		
8	Human resource management and compensation	Accounting Officer must take appropriate action against the responsible officials	All SMS submitted their performance agreement before the 31 May 2013	Yes
9	Expenditure management	MEC must take appropriate action against the Accounting Officer as required by the PFMA.	Investigation was conducted on the fruitless and wasteful expenditure	No
10	Provincial Treasury intervention	Accounting Officer must take appropriate steps against departments which persistently breach the PFMA	Steps were taken by Treasury against the departments	Yes

9 PRIOR MODIFICATIONS TO AUDIT REPORTS

The department received an unqualified audit opinion and was able to put in place an audit action plan to address all issues raised by the Auditor General on the management letter and other matters as indicated on the audit report in the previous financial year. Out of 24 audit and management report issues raised, four remained unresolved at year end (Tribal levies and trust account, Consolidated AFS and AFS for the Provincial Revenue Fund and not filling vacant post within 12 months). Processes are in place to resolve these remaining four matters by 31 July 2014.

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Tribal levies and trust account statements	2012/13	The matter is in progress
Consolidated annual financial statements for public entities and departments	2012/13	The matter is in progress
Provincial revenue fund statements	2012/13	The matter is in progress
Filling of SMS posts within 12 months	2012/13	The matter is in progress

10 INTERNAL CONTROL UNIT

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

11 INTERNAL AUDIT AND AUDIT COMMITTEES

New Audit Committee members were appointed with effect from the 1 January 2014. The audit Committee Charter has been reviewed by the new members.

The Audit Committees were not in place for the 3rd Quarter of 2013/14 due to a delay in appointing new Audit Committee members. The Audit Committees met to discuss internal audit reports and other governance matters with each Department. All Departmental Accounting Officers, Chief Financial Officers, Risk Managers and the Auditor General's office were invited to the audit committee meetings. In addition the Audit Committee met with the Auditor General and internal audit separately in private meetings.

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

Internal Audit

The objective of Internal Audit is to provide assurance of the institution's risk management process, internal control and governance arrangement and to provide assurance that

- The internal controls are adequate and effective
- Assets are safeguarded
- Performance information is reliable and accurate
- Financial information is reliable and accurate
- The institutions resources been acquired in an economic, efficient and effective manner

For the financial year under review Internal Audit planned 15 audits for Provincial Treasury. The following are audits which were completed and reported on during the 13/14 financial year.

- Banking and Cash Flow Management_1
- Banking and Cash Flow Management_2
- Implementation of Clean Audit Strategy
- Technical Support
- Contract Management
- Predetermined Objectives
- Management of Performance Assessment Tool (MPAT)
- Interim Financial Reporting
- Supply Chain Management

- Governance Structures
- Policy Development and Implementation
- Performance Development Management System
- Occupational Health and Safety
- Risk Management
- Follow ups

Audit Committee

Audit Committee (AC) has satisfactorily performed its mandate as enshrined in Sections 76 (4) (d) and 77 of the Public Finance Management Act (Act No. 1 of 1999) & Treasury Regulations 3.1 which states that AC must, amongst others, review the following:

- I. the effectiveness of the internal control systems;
- II. the effectiveness of the internal audit function;
- III. the risk areas of the institution's operations to be covered in the scope of internal and external audits;
- IV. the adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- V. any accounting and auditing concerns identified as a result of internal and external audits;
- VI. the institution's compliance with legal and regulatory provisions; and
- VII. the activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.

In addition, the AC has been reporting and making recommendations to the Accounting Officer of the Department of which the Audit Committee Reports to the Department as well as the Minutes are substantial to this effect. The AC has met at least five times during the financial year 2013/2014 to perform its roles and responsibilities as stipulated in its approved Terms of Reference. All the AC Members have participated in the Limpopo Public Sector Corporate Governance Workshop held January 2014 of which the Central AC Chairperson made a valuable presentation amongst other governance experts and dignitaries.

The following table outlines the nature and activities of each AC meeting held:

NO.	PERIOD	NATURE OF THE AC MEETING	INFORMATION / DOCUMENTS REVIEWED
1.	May 2013	Review of Fourth Quarterly Performance Review and Draft Annual Report before submission to the Auditor General	a. Performance Information, b. Draft Annual Financial Statements, c. Accounting Officer Report to the AC (Financial & Non-Financial), d. Quarterly Risk Management Report, e. SCOPA Resolutions Implementation Progress, f. Auditor General Audit Findings Implementation Progress, g. Internal Audit Quarterly Progress Report
2.	June 2013	Approval of the Three Year Internal Audit Plan plus Annual Plan and Auditor General Audit Coverage Strategy	a. Three Year Internal Audit Plan plus 2013/2014 Annual Plan, b. Auditor General Audit Coverage Strategy.
3.	July 2013	Review of Draft Audit and Management Reports	a. Audited Financial Statements, b. Draft Management Report, and c. Draft Audit Report.
4.	January 2014	Review of Half Yearly (First & Second Quarter) Performance Review	a. All information under No. 1 despite point a & b
5.	March 2014	Approval of Auditor General Audit Coverage Strategy, Approval of 2014/2015 First Quarterly Internal Audit Plans and Review of Third Quarterly Performance Review	a. Auditor General Audit Coverage Strategy, b. First Quarterly Internal Audit Plans, and c. All information under No. 1 despite point a & b.

Objectives of the Audit Committee

The Strategic Objectives of the AC as stipulated in its approved written Terms of Reference (AC Charter) are to ensure:

- a. the availability of a well-resourced, functional and sustained internal audit function;
- b. sound relationship with all assurance providers, oversight structures and other stakeholders;
- c. effective and efficient Internal and External Audit processes

- d. promotion of sound functional interaction between the internal audit and other assurance providers;
- e. that there is adequate and effective corporate governance, encompassing fraud and risk management, information technology, internal control, financial management and reporting systems;
- f. Heads of Departments are fully supported in fulfilling their responsibilities in terms of the PFMA;
- g. accountability in terms of financial management and performance information for effective service delivery; and
- h. Compliance with relevant laws and regulations.

Attendance of audit committee meetings by audit committee members

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
T Mudaly	B COM B COM (Honours – CTA) Diploma in Solvency Law & Practice CA (SA)	External	N/A	01 April 2013	31 August 2013	03
K.V Maja	CIA (SA) SAIPA IRM (SA) BCom BCom (Hons) MBL	External	N/A	01 April 2013	31 August 2013	03
M Morata	LLB LLM Certificate in Legal Training Certificate in Commercial Law Diploma: Drafting Contracts	External	N/A	01 April 2013	31 August 2013	02
N.J Manthata	B. Comm	External	N/A	01 April 2013	31 August 2013	03

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Name	Qualifications	Internal or external member	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
K.V Maja	1. CIA (SA) 2. SAIPA 3. IRM (SA) 4. B Com 5. B Com (Hons) 6. MBL	External	N/A	01 January 2014	To Date	02
T Boltman	1. CIA 2. CGAP 3. CCSA 4. B TECH: Internal Auditing 5. Certificate in Forensic Examination	External	N/A	01 January 2014	To Date	02
Adv. J.C Weapond	1. MTECH: IT & Forensic Investigation 2. B COM Honours – Information Technology 3. LLB 4. Diploma in Compliance Management	External	N/A	01 January 2014	To Date	02
M McKenzie	1. CA(SA) 2. MCOM (Cum Laude) 3. B COM: Honours 4. B COM: Accounting 5. Advanced Certificate in Auditing	External	N/A	01 January 2014	To Date	02

12 AUDIT COMMITTEE REPORT



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 2014

Audit Committee Structure

Limpopo has an Audit Committee which is two tiered consisting of 4 Cluster Audit Committees, dealing with specific departments, and a shared Central Audit Committee

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

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

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

No.	Audit Project
1	Banking and Cash Flow Management (2 nd and 4 th Quarters)
2	Contract Management
3	Disaster Recovery Plan
4	Governance Structures

Ismiti Towers, 45 Hans Van Rensburg Street, POLOKWANE, 0700. Private Bag X9486, POLOKWANE, 0700

No.	Audit Project
5	Implementation of Provincial Clean Audit Strategy
6	Interim Financial Reporting
7	Internal Audit Follow-Up
8	Management Performance Assessment Tool (MPAT)
9	Occupational Health and Safety
10	Performance Management and Development System
11	Policy Development and Implementation
12	Predetermined objectives
13	Risk Management
14	Supply Chain Management (SCM)
15	Technical Support

The following were areas of concern:

- The internal controls are not always working as designed.
- Delays in resolving Internal Audit findings.
- The Chief Administrator has never attended Audit Committee meetings during the financial year under review.

In-Year Management and Monthly/Quarterly Report

The department has reported monthly and quarterly to the Treasury as is required by the PFMA.

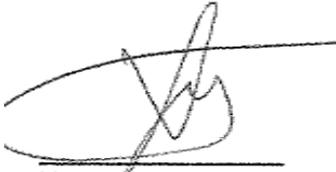
Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the department.

Auditor General's Report

We have reviewed the department's implementation plan for audit issues raised in the previous year and we are not satisfied that the matters have been adequately resolved.

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



K. V. Maja
Chairperson of the Audit Committee
Provincial Treasury
15 August 2014

Part D

HUMAN RESOURCE MANAGEMENT



1 INTRODUCTION

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

2 OVERVIEW OF HUMAN RESOURCES

Status of Human Resources:

- The department has a structure of 674 posts of which 425 are filled. The vacancy rate stands at 36.6% constituting 247 vacant posts.
- The total number of SMS in the department is 47 i.e. 20 women representation and 27 males members. In terms of gender representation in the SMS level the status is 43% women and 57% men.
- In terms of compliance to disability targets the department is at 1% in terms of the overall workforce which is 5 employees with disability in the total number of 427 employees. The department has complied with disability target at SMS level which stands at 2% representation.
- All employees signed performance agreements and performance reviews are done every quarter.
- Wellness programmes are taking place in the department, for example sporting codes, HCT, eye testing, financial advice, blood donation etc;

Challenges faced

- Failing to attract the right skills
- Delays in the filling of vacant posts

3 HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 PERSONNEL RELATED EXPENDITURE

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2013 and 31 March 2014

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	121 674	70 799	0	0	58.1	596.44
Assets, Liabilities & SCM	66 879	44 456	0	0	66.4	743.10
Financial Governance	127 346	49 837	0	0	39.1	1043.81
Sustainable Resource Management	42 625	37 742	0	0	88.5	676.58
Total	358 524	202 834	0	0	56.6	423.45

Table 3.1.2 Personnel costs by salary band for the period 1 April 2013 and 31 March 2014

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	552	0.27	4	138
Skilled (level 3-5)	7 938	3.91	55	144
Highly skilled production (levels 6-8)	40 851	20.1	158	259
Highly skilled supervision (levels 9-12)	109 541	54	214	2028
Senior and Top management (levels 13-16)	41 108	20.26	48	857
Periodic workers	2 844	1.4	20	142
Total	202 834	100	499	407

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2013 and 31 March 2014

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Programme 1: Administration	54 160	75.8	34	0	2 112	3	2 504	3.5
Programme 2: Sustainable Resource	30 176	75.5	0	0	1 131	2.8	683	1.7
Programme 3: Assets & Liabilities	35 692	77.2	0	0	1 002	2.2	1 167	2.5
Programme 4: Financial Governance	39 162	71.6	0	0	1 390	2.5	1 445	2.6
Total	159 190	75	34	0	5 635	2.7	5 799	2.7

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2013 and 31 March 2014

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	336	60.9	0	0	47	8.5	71	12.9
Skilled (level 3-5)	6 180	77.4	0	0	298	5.5	361	6.7
Highly skilled production (levels 6-8)	31 813	77	6	0	1 260	3.4	1 787	4.8
Highly skilled supervision (levels 9-12)	87 699	75.2	28	0	2 536	2.2	2 936	2.6
Senior management	33 162	76.9	0	0	1 495	3.4	645	1.5

(level 13-16)								
Periodical Remuneration	0	0	0	0	0	0	0	0
Total	159 190	75	34	0	5 636	2.7	5 800	2.7

3.2 EMPLOYMENT AND VACANCIES

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and vacancies by programme as on 31 March 2014

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1: Administration	216	204	5.6	47
Programme 2: Sustainable Resources	66	63	4.5	3
Programme 3: Assets & Liabilities Management	93	90	3.2	4
Programme 4: Financial Governance	131	122	6.9	0
Total	506	479	5.3	54

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2014

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	4	4	0	0
Skilled(3-5)	55	55	0	22
Highly skilled production (6-8)	167	158	6.5	29
Highly skilled supervision (9-12)	229	214	7	3
Senior management (13-16)	51	48	6	0
Total	506	479	5.3	54

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2014

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related	145	142	2.1	51
Archives, Curators	1	1	0	0
Cashiers, tellers	3	3	0	0
Cleaners in offices	14	14	0	0
Client inform clerks	6	5	16.7	0
Communication & Info	1	1	0	0
Finance & Economics	52	49	5.8	0
Financial & Related	125	119	4.8	0
Financial Clerks	29	22	24.1	0
Head of Department/CEO	1	1	0	0
HR & OD related	11	11	0	0
HR Clerks	7	6	14.3	0
HR related	7	7	0	0
Language Practitioner	1	1	0	0
Legal related	1	0	100	0
Library, mail & related	1	1	0	0

Logistical support	12	12	0	0
Messenger, porters	5	5	0	0
Other Admin & related	7	7	0	0
Other Admin Policy related	1	1	0	0
Other information tech	3	3	0	0
Other Occupations	2	2	0	0
Risk Man. & Security	2	2	0	0
Secretaries & Other	31	29	6.5	0
Security Officer	1	1	0	0
Senior Managers	32	29	9.4	0
Social work & related	2	2	0	0
Trade/Industry adviser	3	3	0	3
Total	506	479	5.3	54

3.3 FILLING OF SMS POSTS

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2014

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	0	0	0	0	0
Salary Level 16 -HOD	1	1	100	0	0
Salary Level 15	5	2	40	3	60
Salary Level 14	10	7	70	3	30
Salary Level 13	38	37	97	1	3
Total	54	47	87	7	13

Table 3.3.2 SMS post information as on 30 September 2013

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	0	0	0	0	0
Salary Level 16	1	1	100	0	0
Salary Level 15	3	0	0	3	100
Salary Level 14	9	6	67	3	33
Salary Level 13	38	37	97	1	3
Total	51	44	86	7	14

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2013 and 31 March 2014

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	0	0	0	0	0
Salary Level 16	1	1	100	0	0
Salary Level 15	5	2	40	3	60
Salary Level 14	12	7	58	5	42
Salary Level 13	44	37	84	7	16
Total	62	47	76	15	24%

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2013 and 31 March 2014

Reasons for vacancies not advertised within six months
The department complied

Reasons for vacancies not filled within six months
The department complied

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2013 and 31 March 2014

Reasons for vacancies not advertised within six months
N/A

Reasons for vacancies not filled within six months
N/A

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

3.4 JOB EVALUATION

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 20YY and 31 March 20ZZ

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	26	0	0	0	0	0	0
Skilled (Levels 3-5)	43	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	229	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	313	24	8%	16	67%	0	0
Senior Management Service Band A	43	2	5%	1	50%	0	0
Senior Management Service Band B	13	0	0	0	0	0	0
Senior Management Service Band C	5	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	673	26	3.9%	17	65%	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2013 and 31 March 2014

Gender	African	Asian	Coloured	White	Total
Female					
Male					
Total					

Employees with a disability	
-----------------------------	--

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2013 and 31 March 2014

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

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
related				2008/2009
Financial clerks and credit controllers	10	11	12	Downgraded 2008/2009
Financial clerks and credit controllers	14	9	10	Resolution 3/2009
Financial clerks and credit controllers	6	11	12	Resolution 3/2009
Total number of employees whose salaries exceeded the level determined by job evaluation				62
Percentage of total employed				13%

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2013 and 31 March 2014

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	1	0	0	0	1
Total	1	0	0	0	1

Employees with a disability	5	0	0	0	5
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3.5 EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2013 and 31 March 2014

Salary band	Number of employees at beginning of period-1 April 20YY	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	5	0	0	0
Skilled (Levels3-5)	32	2	1	3.1
Highly skilled production (Levels 6-8)	128	8	2	1.6
Highly skilled supervision (Levels 9-12)	208	3	11	5.3
Senior Management Service Bands A	33	0	0	0
Senior Management Service Bands B	7	0	1	14.3
Senior Management Service Bands C	0	1	0	0
Senior Management Service Bands D	1	0	0	0
<i>Contract</i> (Levels 3-5), Permanent	22	15	15	68.2
<i>Contract</i> (Levels 6-8), Permanent	15	15	18	120
<i>Contract</i> (Levels 9-12), Permanent	4	2	0	0
<i>Contract</i> (Band B), Permanent	1	0	1	100
<i>Contract</i> (Band C), Permanent	1	0	0	0
Total	457	46	49	10.7

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2013 and 31 March 2014

Critical occupation	Number of employees at beginning of period-April 20YY	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate

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Critical occupation	Number of employees at beginning of period-April 20YY	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, Permanent	125	37	34	27.2
Cashiers tellers and related clerks, Permanent	2	1	0	0
Cleaners in offices workshops hospitals etc., Permanent	15	0	1	6.7
Client inform clerks(switchboard receipt inform clerks), Permanent	5	0	0	0
Communication and information related, Permanent	1	0	0	0
Finance and economics related, Permanent	50	0	5	10
Financial and related professionals, Permanent	117	1	3	2.6
Financial clerks and credit controllers, Permanent	21	1	0	0
Head of department/chief executive officer, Permanent	2	0	1	50
Human resources & organisat developm & relate prof, Permanent	9	0	0	0
Human resources clerks, Permanent	6	0	0	0
Human resources related, Permanent	7	0	0	0
Language practitioners interpreters & other commun, Permanent	1	0	0	0
Legal related, Permanent	1	0	1	100
Library mail and related	1	0	0	0



Critical occupation	Number of employees at beginning of period-April 20YY	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
clerks, Permanent				
Logistical support personnel, Permanent	13	0	1	7.7
Material-recording and transport clerks, Permanent	1	0	0	0
Messengers porters and deliverers, Permanent	4	1	0	0
Other administrat & related clerks and organisers, Permanent	8	0	1	12.5
Other administrative policy and related officers, Permanent	1	0	0	0
Other information technology personnel., Permanent	3	0	0	0
Other occupations, Permanent	2	0	0	0
Risk management and security services, Permanent	2	0	0	0
Secretaries & other keyboard operating clerks, Permanent	30	2	1	3.3
Security officers, Permanent	1	0	0	0
Senior managers, Permanent	26	1	1	3.8
Social work and related professionals, Permanent	2	0	0	0
Trade/industry advisers & other related profession, Permanent	1	2	0	0

Critical occupation	Number of employees at beginning of period-April 20YY	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
TOTAL	457	46	49	10.7

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2013 and 31 March 2014

Termination Type	Number	% of Total Resignations
Death, Permanent	3	6.1
Resignation, Permanent	6	12.2
Expiry of contract, Permanent	31	63.3
Discharged due to ill health, Permanent	1	2
Retirement, Permanent	8	16.3
Total number of employees who left as a % of total employment	49	100

Table 3.5.4 Promotions by critical occupation for the period 1 April 2013 and 31 March 2014

Occupation	Employees 1 April 20YY	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	125	2	1.6	66	52.8
Archivists curators and related professionals	0	1	0	0	0
Cashiers tellers and related clerks	2	0	0	3	150
Cleaners in offices workshops hospitals etc.	15	0	0	13	86.7
Client inform clerks (switchboard receipt inform clerks)	5	0	0	5	100
Communication and information related	1	0	0	2	200
Finance and economics related	50	3	6	48	96
Financial and related professionals	117	5	4.3	83	70.9
Financial clerks and credit controllers	21	0	0	17	81
Head of department/chief	2	0	0	1	50

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Occupation	Employees 1 April 20YY	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
executive officer					
Human resources & organisat developm & relate prof	9	1	11.1	8	88.9
Human resources clerks	6	0	0	6	100
Human resources related	7	0	0	7	100
Language practitioners interpreters & other commun	1	0	0	1	100
Legal related	1	0	0	0	0
Library mail and related clerks	1	0	0	1	100
Logistical support personnel	13	0	0	3	23.1
Material- recording and transport clerks	1	0	0	0	0
Messengers porters and deliverers	4	0	0	4	100
Other administrat & related clerks and organisers	8	0	0	4	50
Other administrative policy and	1	0	0	1	100

Occupation	Employees 1 April 20YY	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
related officers					
Other information technology personnel.	3	0	0	3	100
Other occupations	2	0	0	0	0
Risk management and security services	2	0	0	3	150
Secretaries & other keyboard operating clerks	30	0	0	30	100
Security officers	1	0	0	1	100
Senior managers	26	3	11.5	32	123.1
Social work and related professionals	2	0	0	2	100
Trade/industry advisers & other related profession	1	0	0	0	0
TOTAL	457	15	3.3	344	75.3

Table 3.5.5 Promotions by salary band for the period 1 April 2013 and 31 March 2014

Salary Band	Employees 1 April 2013	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	5	0	0	3	60
Skilled (Levels3-5)	32	0	0	30	93.8
Highly skilled production (Levels 6-8)	128	0	0	91	71.1
Highly skilled supervision (Levels 9-12)	208	10	4.8	169	81.3
Senior Management (Level 13- 16)	41	5	12.2	47	114.6
Contract (Levels 3-5), Permanent	22	0	0	0	0
Contract (Levels 6-8), Permanent	15	0	0	0	0
Contract (Levels 9- 12), Permanent	4	0	0	2	50
Contract (Levels 13- 16), Permanent	2	0	0	2	100
Total	457	15	3.3	344	75.3

3.6 EMPLOYMENT EQUITY

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2014

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers, Permanent	17	1	0	1	12	0	0	0	31
Professionals, Permanent	129	0	1	4	59	2	0	2	197
Technicians and associate professionals, Permanent	79	0	0	0	75	0	0	1	155
Clerks, Permanent	20	0	0	0	50	1	0	2	73
Service and sales workers, Permanent	0	0	0	1	2	0	0	0	3
Elementary occupations, Permanent	5	0	0	0	15	0	0	0	20
TOTAL	250	1	1	6	213	3	0	5	479
Employees with disabilities	2	0	0	0	3	0	0	0	5

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2014

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	2	1	0	0	0	0	0	0	3
Senior Management, Permanent	23	0	0	1	20	0	0	0	44
Professionally qualified and experienced specialists and mid-management, Permanent	140	0	1	3	62	2	0	2	210
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	45	0	0	0	80	1	0	3	129
Semi-skilled and discretionary decision making, Permanent	11	0	0	0	22	0	0	0	33
Unskilled and defined decision making, Permanent	1	0	0	0	3	0	0	0	4
Contract (Top Management), Permanent	0	0	0	1	0	0	0	0	1
Contract (Professionally	0	0	0	1	3	0	0	0	4

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
qualified), Permanent									
Contract (Skilled technical), Permanent	14	0	0	0	15	0	0	0	29
Contract (Semi-skilled), Permanent	14	0	0	0	8	0	0	0	22
Total	250	1	1	6	213	3	0	5	479

Table 3.6.3 Recruitment for the period 1 April 2013 to 31 March 2014

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	0	1	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid- management, Permanent	0	0	0	0	3	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	5	0	0	0	3	0	0	0	8
Semi-skilled and discretionary decision making, Permanent	1	0	0	0	1	0	0	0	2

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Contract (Professionally qualified), Permanent	0	0	0	0	2	0	0	0	2
Contract (Skilled technical), Permanent	9	0	0	0	6	0	0	0	15
Contract (Semi-skilled), Permanent	10	0	0	0	5	0	0	0	15
TOTAL	25	1	0	0	20	0	0	0	46
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2013 to 31 March 2014

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	1	0	0	0	0	0	0	0	1
Senior Management, Permanent	29	0	0	1	21	0	0	0	51
Professionally qualified and experienced specialists and mid-management, Permanent	111	0	1	3	60	2	0	2	179
Skilled technical and academically qualified workers, junior management, supervisors, foremen,	21	0	0	0	67	1	0	2	91

Permanent									
Semi-skilled and discretionary decision making, Permanent	9	0	0	0	21	0	0	0	30
Unskilled and defined decision making, Permanent	1	0	0	0	2	0	0	0	3
Contract (Top Management), Permanent	0	0	0	1	0	0	0	0	1
Contract (Senior Management), Permanent	0	0	0	0	1	0	0	0	1
Contract (Professionally qualified), Permanent	0	0	1	1	0	0	0	0	2
Total	172	0	2	6	172	3	0	4	359
Employees	1	0	0	0	3	0	0	0	4

Table 3.6.5 Terminations for the period 1 April 2013 to 31 March 2014

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	10	0	1	0	0	0	0	0	11

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Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1	0	0	0	1	0	0	0	2
Semi-skilled and discretionary decision making, Permanent	0	0	0	0	1	0	0	0	1
Contract (Senior Management), Permanent	0	0	0	0	1	0	0	0	1
Contract (Skilled technical), Permanent	8	0	0	0	10	0	0	0	18
Contract (Semi-skilled), Permanent	10	0	0	0	5	0	0	0	15
Total	30	0	1	0	18	0	0	0	49
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary action for the period 1 April 2013 to 31 March 2014

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disclosed wrong amounts in 2011/2012 Financial statements	2	0	0	0	0	0	0	0	2

Wrongly included Legislature as part of Transversal Risk Management Target.	0	0	0	1	0	0	0	0	1
Did not submit provincial revenue fund & annual financial statement.	1	0	0	0	0	0	0	0	1
Acting without permission (pending)	1	0	0	0	0	0	0	0	1
Total	4	0	0	1	0	0	0	0	5

Table 3.6.7 Skills development for the period 1 April 2013 to 31 March 2014

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	89	0	1	0	86	0	0	2	178
Professionals	23	0	0	0	31	0	0	0	54
Technicians and associate professional	8	0	0	0	13	0	0	0	21
Clerks	11	0	0	0	10	0	0	0	21
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0

Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	7	0	0	0	0
Total	138	0	1	0	140	0	0	2	281
Employees with disabilities	0	0	0	0	2	0	0	0	2

3.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2014

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	0	0	0	0
Salary Level 16	1	1	1	100
Salary Level 15	5	2	2	100
Salary Level 14	12	7	7	100
Salary Level 13	44	37	37	100
Total	62	47	47	100

Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2014.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2014

Reasons
All SMS members complied

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2014

Reasons
N/A

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

3.8 PERFORMANCE REWARDS

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2013 to 31 March 2014

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	52	458	23.2	1212	49 408
Female	30	210	14.3	466	15 521
Male	22	248	8.9	746	33 887
Asian	0	1	0	0	0
Female	0	0	0	0	0

Male	0	1	0	0	0
Coloured	0	4	0	0	0
Female	0	3	0	0	0
Male	0	1	0	0	0
White	1	11	20	17	16 754
Female	1	5	20	17	16 754
Male	0	6	0	0	0
Total	158	1 411	109.3	3 670	181 732

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2013 to 31 March 2014

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure (R202 834)
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower skilled (Levels 1-2)	3	4	75	21	7 000	0.01
Skilled (Levels 3-5)	17	33	51.5	160	9 412	0.07
Highly skilled production (Levels 6-8)	8	129	6.2	151	18 875	0.07
Highly skilled supervision (Levels 9-12)	24	210	11.4	882	36 750	0.43
Contract (Levels 3-5)	0	22	0	0	0	0
Contract (Levels 6-8)	0	29	0	0	0	0
Contract (Levels 9-12)	0	4	0	0	0	0

Periodical Remuneration	0	20	0	0	0	0
Total	52	451	11.5	1214	23 346	0.59

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2013 to 31 March 2014

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative related	6	142	4.2	191	31 833
Archivists curators and related professionals	1	1	100	25	25 000
Cashiers tellers and related clerks	0	3	0	0	0
Cleaners in offices workshops hospitals etc.	13	14	92.9	106	8 154
Client inform clerks (switchboard reception clerks)	1	5	20	11	11 000
Communication and information related	0	1	0	0	0
Finance and economics related	2	49	4.1	84	42 000
Financial and related professionals	10	119	8.4	297	29 700
Financial clerks and credit controllers	3	22	13.6	76	25 333
Head of department/ chief executive officer	0	1	0	0	0
Human resources & organisational development & related professions	3	11	27.3	86	28 667
Human resources	2	6	33.3	40	20 000

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
clerks					
Human resources related	3	7	42.9	186	62 000
Language practitioners interpreters & other commun	0	1	0	0	0
Library mail and related clerks	0	1	0	0	0
Logistical support personnel	1	12	8.3	23	23 000
Messengers porters and deliverers	2	5	40	19	9 500
Other administrat & related clerks and organisers	4	7	57.1	45	11 250
Other administrative policy and related officers	0	1	0	0	0
Other information technology personnel.	0	3	0	0	0
Other occupations	0	2	0	0	0
Risk management and security services	0	2	0	0	0
Secretaries & other keyboard operating clerks	2	29	6.9	37	18 500
Security officers	0	1	0	0	0
Senior managers	0	29	0	0	0
Social work and related professionals	0	2	0	0	0
Trade/industry advisers & other	0	3	0	0	0

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
related profession					
TOTAL	53	479	11.1	1226	23 132

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2013 to 31 March 2014

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure (R202 834)
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	1	37	2.7	13	13 000	6.4
Band B	0	7	0	0	0	0
Band C	0	2	0	0	0	0
Band D	0	2	0	0	0	0
TOTAL	1	48	2.1	13	13 000	6.4

3.9 FOREIGN WORKERS

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2013 and 31 March 2014

Salary band	01 April 2013		31 March 2014		Change	
	Number	% of total	Number	% of total	Number	% Change
Highly skilled supervision (Levels 9-12)	1	50	2	100	1	0
Contract (Levels 9-12)	1	50	0	0	-1	0
Total	2	100	2	100	0	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2013 and 31 March 2014

Major occupation	01 April 2013		31 March 2014		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and managers	2	100	2	100	0	0

3.10 LEAVE UTILISATION

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

Table 3.10.1 Sick leave for the period 1 January 2013 to 31 December 2013

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	6	33.3	1	0.3	6	2
Skilled (levels 3-5)	148	91.2	24	7.3	6	60
Highly skilled production (levels 6-8)	823	81.8	113	34.2	7	639
Highly skilled supervision (levels 9 -12)	1 206	89.2	149	45.2	8	1 871
Top and Senior management (levels 13-16)	110	77.3	21	6.4	5	349
Contract (Level 3-5)	53	69.8	11	3.3	5	23
Contract (Level 6-8)	33	72.7	8	2.4	4	18
Contract (Level 9-12)	25	96	2	0.6	13	66
Contract (Level 13-16)	5	80	1	0.3	5	17
Total	2	85.5	330	100	7	3 045

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2013 to 31 December 2013

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	208	100	3	37.5	69	141
Highly skilled production (Levels 6-8)	77	100	3	37.5	26	86
Highly skilled supervision	0	0	0	0	0	0

(Levels 9-12)						
Senior management (Levels 13-16)	0	0	0	0	0	0
Contract (Level 3-5)	11	100	1	12.5	11	5
Contract (Level 6-8)	4	100	1	12.5	4	2
Total	300	100	8	100	38	234

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

Table 3.10.3 Annual Leave for the period 1 January 2013 to 31 December 2013

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	94	31	3
Skilled Levels 3-5)	796	23	34
Highly skilled production (Levels 6-8)	2 923	21	136
Highly skilled supervision(Levels 9-12)	5 626	25	222
Senior management (Levels 13-16)	1 044	22	48
Contract (Level 3-5)	181	9	20
Contract (Level 6-8)	274	10	28
Contract (Level 9-12)	40	10	4
Contract (Level 13-16)	49	25	2
Total	11 027	22	497

Table 3.10.4 Capped leave for the period 1 January 2013 to 31 December 2013

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2014
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled	0	0	0	0

production (Levels 6-8)				
Highly skilled supervision (Levels 9-12)	37	6	6	142
Senior management (Levels 13-16)	0	0	0	0
Total	37	6	6	142

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

Table 3.10.5 Leave payouts for the period 1 April 2013 and 31 March 2013

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2013/14 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2013/14	1732	08	216
Current leave payout on termination of service for 2013/14	289	12	24
Total			

3.11 HIV/AIDS & HEALTH PROMOTION PROGRAMMES

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

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

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Ms RA Oliphant Senior Manager: Transformation Services.
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		A dedicated EHW sub-directorate has a Manager who co-ordinates the following units; HIV and AIDS – no co-ordinator OHS – Deputy manager Wellness management – Deputy Manager Budget: R168,000.00
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		An in-house EAP is available for the employees. Key elements: <ul style="list-style-type: none"> • Do assessment and referral of employees for assistance • Provide short-term psycho-social counselling and support services • Provide Trauma debriefing • Management consultations • Facilitate EHW committee meetings. • Provide preventative and proactive programmes • Awareness campaigns and life skills education • Facilitate fitness and sport activities • Conduct mini surveys and needs analysis • Monitor and evaluate programme implementation

Question	Yes	No	Details, if yes
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.	Yes		<p>Individual committee structures have been established namely: HIV and AIDS committee Ms Moloi RB- Supply Chain Management Ms Ndou FD – Internal Audit. Mr Mangoale MJ- PSA Mr Mabunda KS - Budget Allocation.</p> <p>OHS committee Mr Mokoena CM – Security Services Ms Phoshoko MB – Supply Chain Management Mr Mangoale MD - PSA Mr Banda MS - Internal Control Ms Gwebu RM-Transport Mr Moloto PL- Internal Audit Mr Mathosa MS – Auxiliary Services. Mr Nkuna MR – Risk management Ms Nxumalo P- Mopani SCM Advice center Ms Lebelo MF- Waterberg SCM Advice center Mr Phasha MA- Sekhukhune SCM Advice center Mr Radzwiedane M- Vhembe SCM Advice center. Mr Hlongwane RJ – Records and Auxillary Service Ms Maphada NFK – Banking and Cash Floor. Ms Shipalana TM – Communication Services</p> <p>Social club committee. Ms Mabunda BE- Municipal finance Ms Langa S - Systems Administration. Mr Hlomela G – banking and Cash floor Ms Maphada NFK - Banking and Cash floor</p>
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		The wellness and OHS policies have been reviewed. The HIV and AIDS policy still need to be reviewed and aligned to the new strategic plan.2012/2016
6. Has the department introduced measures to protect HIV-positive employees or those	Yes		An HIV and AIDS policy has been developed and approved. It only needs to be reviewed according to

Question	Yes	No	Details, if yes
perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.			the new strategic plan.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		<ul style="list-style-type: none"> ▪ Quarterly HCT and TB screening sessions are organised on site and integrated with wellness days. This is done in partnership with GEMS.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		Monitoring tools are available : <ul style="list-style-type: none"> • Annual costed EHW operational plan according to DPSSA guidelines with targets and indicators • Monthly progress reporting templates • Quarterly monitoring reports • Quarterly gaps monitoring reports • SMT documents.

3.12 LABOUR RELATIONS

Table 3.12.1 Collective agreements for the period 1 April 2013 and 31 March 2014

Subject matter	Date
Total number of Collective agreements	None

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Collective agreements	None
--	-------------

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2013 and 31 March 2014

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	4	100
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
Total	4	0

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2013 and 31 March 2014

Type of misconduct	Number	% of total
Acting without permission (pending)	1	100
Total	1	100

Table 3.12.4 Grievances logged for the period 1 April 2013 and 31 March 2014

Grievances	Number	% of Total
Number of grievances resolved	8	73
Number of grievances not resolved	3	27
Total number of grievances lodged	11	100

Table 3.12.5 Disputes logged with Councils for the period 1 April 2013 and 31 March 2014

Disputes	Number	% of Total
3.12.1.1.1.1 Number of disputes upheld	2	100
Number of disputes dismissed	0	0
Total number of disputes lodged	2	100

Table 3.12.6 Strike actions for the period 1 April 2013 and 31 March 2014

Total number of persons working days lost	None
Total costs working days lost	None
Amount recovered as a result of no work no pay (R'000)	None

Table 3.12.7 Precautionary suspensions for the period 1 April 20YY and 31 March 20ZZ

3.12.1.1.1.2 Number of people suspended	None
Number of people whose suspension exceeded 30 days	None
Average number of days suspended	None
Cost of suspension(R'000)	None

3.13 SKILLS DEVELOPMENT

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

Table 3.13.1 Training needs identified for the period 1 April 2013 and 31 March 2014

Occupational category	Gender	Number of employees as at 1 April 2013	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	58		Master's in Business Administration, Advanced Programme in Risk	Finance for non-financial management	
	Male	42				100
Professionals	Female	2				
	Male	2				4

Technicians and associate professionals	Female	-		Management, A social Work, Masters in Public Administration, Masters in Business Leadership, Doctorate in Business Leadership, Executive Development Programme, Project Based Learning, Internal Audit, B Tech: Public Management, programme in corporate governance, Bachelor of Accounting, Administration, HRM, programme in management accounting	er, monitoring and evaluation	
	Male	3				3
Clerks	Female	41				
	Male	14				55
Service and sales workers	Female	-				
	Male	-				
Skilled agriculture and fishery workers	Female	-				
	Male	-				
Craft and related trades workers	Female	-				
	Male	-				
Plant and machine operators and assemblers	Female	-				
	Male	-				
Elementary occupations	Female	5				
	Male	1		6		
Sub Total	Female	106				
	Male	62				
Total		168			168	

Table 3.13.2 Training provided for the period 1 April 2013 and 31 March 2014

Occupational category	Gender	Number of employees as at 1 April 20YY	Training provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	88		project based learning, master's in public administration, doctorate in business leadership, masters in philosophy(internal audit), BA Social	Strategic capability, leadership and people management, retirement management, PFMA and budgeting, monitoring	
	Male	90				178
Professionals	Female	31				
	Male	23				54
Technicians and associate professionals	Female	13				
	Male	8				
Clerks	Female	10				
	Male	11				21

				work, programme in management	and evaluation,	
Service and sales workers	Female	-		accounting,	PERSAL and	21
	Male	-		programme in	bas, basic	
Skilled agriculture and fishery workers	Female	-		corporate	project	
	Male	-		governance,	management,	
Craft and related trades workers	Female	-		bachelor of	debt	
	Male	-		accounting,	management,	
Plant and machine operators and assemblers	Female	-		administration,	excel and	
	Male	-		honours in	spread sheet.	
Elementary occupations	Female	7		industrial		
	Male	-		psychology,		
Sub Total	Female	142		diploma in		
	Male	139		accounting, public		
Total	Female	7		management,		7
	Male	-		local government.		
		281				281

3.14 INJURY ON DUTY

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2013 and 31 March 2014

Nature of injury on duty	Number	% of total
Required basic medical attention only	3	75%
Temporary Total Disablement	1	25%
Permanent Disablement	0	0
Fatal	0	0
Total	4	100%

3.15 UTILISATION OF CONSULTANTS

The following tables relate information on the utilisation of consultants in the department. In terms of the Public Service Regulations "consultant" means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- The rendering of expert advice;
- The drafting of proposals for the execution of specific tasks; and
- The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2013 and 31 March 2014

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
PWC Rakoma-Ensuring sound financial management	Staff from two consulting Firms	14 Months	R79 million

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2013 and 31 March 2014

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
N/A	N/A	N/A	N/A

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2013 and 31 March 2014

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
N/A	N/A	N/A	N/A

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A	N/A	N/A	N/A

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2013 and 31 March 2014

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
N/A	N/A	N/A	N/A

3.16 SEVERANCE PACKAGES

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2013 and 31 March 2014

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0

Part E

FINANCIAL INFORMATION



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 123 to 157, which comprise the statement of financial position as at 31 March 2014, the statement of financial performance, statement of changes in net assets and 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 and fair presentation of these financial statements in accordance with the Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act no 1 of 1999) (PFMA) and Division of Revenue Act (Act no 5 of 2012) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation 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 2014, and its financial performance and cash flows for the year then ended in accordance with the MCS and the requirements of the PFMA and the DoRA.

Emphasis of matters

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

Significant uncertainties

8. As disclosed in 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 the department is challenging the validity of the system. The ultimate outcome of the matter cannot presently be determined and the department disclosed contingent liability in the notes to the annual financial statements.

Restatement of corresponding figures

9. As disclosed in note 29 to the financial statements, the corresponding figures for 31 March 2013 have been restated as a result of an error discovered during 2014 in the financial statements of the department and for the year ended, 31 March 2014.

Additional matters

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

Unaudited supplementary schedule

11. The supplementary information set out on pages 72 to 116 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

Report on other legal and regulatory requirements

12. 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

13. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2014:
 - Programme 2 : Sustainable resource management on pages 35 to 39
 - Programme 3 : Assets, liabilities and supply chain management on pages 39 to 44
 - Programme 4 : Financial governance on pages 44 to 50
14. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability.
15. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's 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's *Framework for managing programme performance information*.

16. The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
17. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Compliance with laws and regulations

18. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Human resource management and compensation

19. Funded vacant posts were not filled within 12 months as required by *Public Service Regulation 1/VII/C.1A.2*.

Internal control

20. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matter reported below is limited to the significant internal control deficiency that resulted in the findings on non-compliance with legislation included in this report.

Leadership

21. The accounting officer did not implement HR management effectively to ensure that adequate and sufficiently skilled resources are in place.

Auditor-General.

Auditor-General

Polokwane

31 July 2014



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNUAL FINANCIAL STATEMENTS FOR LIMPOPO PROVINCIAL TREASURY

For the year ended
31 March 2014

**LIMPOPO PROVINCIAL TREASURY
VOTE 5
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014**

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LIMPOPO PROVINCIAL TREASURY
VOTE 5
APPROPRIATION STATEMENT
for the year ended 31 March 2014

		Appropriation per programme										
		2013/14					2012/13					
	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
1. ADMINISTRATION												
Current payment	120 707		250	1 150	122 107	115 343	6 764	94.5%	108 821	111 735		
Transfers and subsidies	1 978		-	-	1 978	1 814	164	91.7%	5 127	2 336		
Payment for capital assets	4 411		(250)	-	4 161	2 781	1 380	66.8%	5 707	5 457		
Payment for financial assets	-		-	-	-	23	(23)	0.0%	-	-		
	127 096			1 150	128 246	119 961	8 285		119 655	119 528		
2. SUSTAINABLE RESOURCE MANAGEMENT												
Current payment	44 537		(158)	(550)	43 829	41 967	1 862	95.8%	42 127	34 532		
Transfers and subsidies	-		90	-	90	586	(496)	651.1%	400	436		
Payment for capital assets	-		68	-	68	68	-	100.0%	150	89		
Payment for financial assets	-		-	-	-	3	(3)	0.0%	-	-		
	44 537			(550)	43 987	42 624	1 363		42 677	35 057		
3. ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT												
Current payment	66 678		(788)	2 750	68 640	64 843	3 797	94.5%	128 496	73 392		
Transfers and subsidies	362		241	-	603	603	-	100.0%	330	1 320		
Payment for capital assets	1 000		547	-	1 547	1 433	114	92.6%	223	37		
Payment for financial assets	-		-	-	-	1	(1)	0.0%	-	-		
	68 040			2 750	70 790	66 880	3 910		129 049	74 749		
4. FINANCIAL GOVERNANCE												
Current payment	142 389		-	(3 350)	139 039	126 442	12 597	90.9%	62 962	52 163		
Transfers and subsidies	885		-	-	885	884	1	99.9%	-	23		
Payment for capital assets	26		-	-	26	26	-	100.0%	501	282		
Payment for financial assets	-		-	-	-	6	(6)	0.0%	-	-		
	143 300			(3 350)	139 950	127 358	12 592		63 463	52 468		
Subtotal	382 973				382 973	356 823	26 150	93.2%	354 844	281 802		
Statutory Appropriation												
Current payment	1735				1 735	1711	24	98.6%	1652	1652		
TOTAL	384 708				384 708	358 534	26 174	93.2%	356 496	283 454		
Reconciliation with Statement of Financial Performance												
Add:												
Departmental receipts					53 906				122 942			
					438 614				479 438			
Actual amounts per Statement of Financial Performance (Total Expenditure)						358 534					283 454	

LIMPOPO PROVINCIAL TREASURY
VOTE 5
APPROPRIATION STATEMENT
for the year ended 31 March 2014

Appropriation per Economic classification										
	2013/14					2012/13				
	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	203 323	500	(500)	203 323	201 123	2 200	98.9%	193 345	177 160	
Goods and services	169 546	(250)	250	169 546	147 438	22 108	87.0%	149 061	94 971	
Interest and rent on land	-	-	-	-	2	(2)	0.0%	-	-	
Transfers & subsidies										
Households	4 052	-	-	4 052	3 887	165	95.9%	5 857	4 115	
Payment for capital assets										
Buildings & other fixed structures	-	-	-	-	-	-	0.0%	220	217	
Machinery & equipment	6 052	(250)	250	6 052	4 308	1 744	71.2%	6 361	5 339	
Payment for financial assets										
	-	-	-	-	65	(65)	0.0%	-	-	
Total	382 973	-	-	382 973	356 823	26 150	93.2%	354 844	281 802	

Statutory Appropriation										
	2013/14					2012/13				
	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 National/Provincial Revenue Fund										
List all direct charges against the Revenue Fund										
Member of executive committee/parliamentary officers	1 652	83	-	1 735	1 711	24	98.6%	1 652	1 652	
Total	1 652	83	-	1 735	1 711	24	98.6%	1 652	1 652	

LIMPOPO PROVINCIAL TREASURY
VOTE 5
APPROPRIATION STATEMENT
for the year ended 31 March 2014

Detail per programme 1 - ADMINISTRATION
for the year ended 31 March 2014

Details per Sub-Programme	2013/14						2012/13		
	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	2 312	-	-	2 312	2 130	182	92.1%	2 086	1 847
1.2 MANAGEMENT SERVICES									
Current payment	3 251			3 251	3 479	(228)	107.0%	2 383	2 128
Transfers and subsidies				-			0.0%		49
1.3 CORPORATE SERVICES									
Current payment	80 949	250	1 150	82 349	76 710	5 639	93.2%	76 871	80 016
Transfers and subsidies	1 978			1 978	1 814	164	91.7%	4 626	1 787
Payment for capital assets	3 161			3 161	2 755	406	87.2%	2 762	2 592
Payment for financial assets				-	23	(23)	0.0%		
1.4 FINANCIAL MANAGEMENT (OFFICE OF THE CFO)									
Current payment	34 195	(250)		34 195	33 024	1 171	96.6%	27 481	27 744
Transfers and subsidies				-			0.0%	501	500
Payment for capital assets	1 250			1 000	26	974	2.6%	2 945	2 865
Total	127 096	-	1 150	128 246	119 961	8 285	93.5%	119 655	119 528

Programme 1 Per Economic classification	2013/14						2012/13		
	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	68 880	250	50	69 180	69 087	93	99.9%	59 375	57 258
Goods and services	51 577		1 100	52 677	46 223	6 454	87.7%	49 446	54 786
Interest and rent on land				-	2	(2)	0.0%		
Transfers & subsidies									
Households	1 978			1 978	1 814	164	91.7%	5 127	2 336
Payment for capital assets									
Buildings & other fixed structures	4 661	(250)		4 411	2 781	1 630	0.0%	220	217
Machinery & equipment				-	54	(54)	63.0%	5 487	4 931
Payment for financial assets									
Total	127 096	-	1 150	128 246	119 961	8 285	93.5%	119 655	119 528

LIMPOPO PROVINCIAL TREASURY
VOTE 5
APPROPRIATION STATEMENT
for the year ended 31 March 2014

Details per Sub-Programme	2013/14						2012/13		
	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
2.1 PROGRAMME SUPPORT	1,629	(107)	(300)	1,222	1,112	110	91.0%	1,414	1,074
Current payment	-	90	-	90	89	1	98.9%	-	-
Transfers and subsidies	-	17	-	17	17	-	100.0%	50	25
Payment for capital assets	-	-	-	-	-	-	-	-	-
2.2 ECONOMIC ANALYSIS	2,500	-	-	2,500	2,313	187	92.5%	1,939	1,690
Current payment	-	-	-	-	-	-	0.0%	30	19
Payment for capital assets	-	-	-	-	-	-	-	-	-
2.3 FISCAL POLICY	13,670	(390)	(250)	13,030	12,007	1,023	92.1%	12,380	10,480
Current payment	-	-	-	-	497	(497)	0.0%	365	401
Transfers and subsidies	-	-	-	-	-	-	0.0%	70	45
Payment for capital assets	-	-	-	-	-	-	-	-	-
2.4 BUDGET MANAGEMENT	4,577	-	-	4,577	4,300	277	93.9%	4,410	3,868
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
2.5 PUBLIC FINANCE	7,450	-	-	7,450	7,326	124	98.3%	6,136	4,898
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
2.6 INTERGOVERNMENTAL RELATIONS	14,711	339	-	15,050	14,909	141	99.1%	15,848	12,522
Current payment	-	-	-	-	-	-	0.0%	35	35
Transfers and subsidies	-	51	-	51	51	-	100.0%	-	-
Payment for capital assets	-	-	-	-	3	(3)	0.0%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	44,537	-	(550)	43,987	42,624	1,363	96.9%	42,677	35,057
	2013/14								
Programme 2 Per Economic classification	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	39,049	-	(550)	38,499	37,742	757	98.0%	35,558	31,843
Compensation of employees	4,834	-	-	4,834	4,226	608	87.4%	6,569	2,689
Goods and services	586	-	-	586	586	-	100.0%	400	436
Transfers & subsidies	68	-	-	68	67	1	98.5%	150	89
Households	-	-	-	-	3	(3)	0.0%	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Machinery & equipment	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	44,537	-	(550)	43,987	42,624	1,363	96.9%	42,677	35,057

LIMPOPO PROVINCIAL TREASURY
VOTE 5
APPROPRIATION STATEMENT
for the year ended 31 March 2014

Detail per programme 3 - ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT for the year ended 31 March 2014												
Details per Sub-Programme	2013/14						2012/13					
	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	Variance R'000	Expenditure as % of final appropriation %	
3.1 PROGRAMME SUPPORT	2,154	-	-	2,154	1,582	572	73.4%	62,561	13,655			
Current payment												
3.2 ASSET MANAGEMENT	9,055	(384)	250	8,921	8,724	197	97.8%	10,602	8,482			
Current payment	362	-	-	362	362	-	100.0%	30	433			
Transfers and subsidies	1,000	384	-	1,384	1,367	17	98.8%	30	16			
Payment for capital assets	-	-	-	-	1	(1)	0.0%	-	-			
Payment for financial assets	-	-	-	-	-	-	-	-	-			
3.3 LIABILITIES MANAGEMENT	9,336	(241)	-	9,095	8,304	791	91.3%	10,134	7,865			
Current payment	-	241	-	241	241	-	100.0%	-	402			
Transfers and subsidies	-	-	-	-	-	-	0.0%	45	-			
Payment for capital assets	-	-	-	-	-	-	-	-	-			
3.4 PROVINCIAL SUPPLY CHAIN MANAGEMENT	22,966	(163)	-	22,803	22,196	607	97.3%	21,365	20,238			
Current payment	-	-	-	-	-	-	0.0%	330	485			
Transfers and subsidies	-	163	-	163	66	97	40.5%	88	21			
Payment for capital assets	-	-	-	-	-	-	-	-	-			
3.5 SUPPORT AND INTERLINKED FINANCIAL SYSTEMS	23,167	-	2,500	25,667	24,037	1,630	93.6%	23,834	23,152			
Current payment	-	-	-	-	-	-	0.0%	60	-			
Payment for capital assets	-	-	-	-	-	-	-	-	-			
Total	68,040	-	2,750	70,790	66,880	3,910	94.5%	129,049	74,749			
Programme 3 Per Economic classification												
Programme 3 Per Economic classification	2013/14						2012/13					
	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	Variance R'000	Expenditure as % of final appropriation %	
Current payments	45,752	-	-	45,752	44,456	1,296	97.2%	46,194	43,219			
Compensation of employees	20,388	-	2,500	22,888	20,385	2,503	89.1%	82,302	30,173			
Goods and services	-	-	-	-	-	-	-	-	-			
Transfers & subsidies	603	-	-	603	603	-	100.0%	330	1,320			
Households	-	-	-	-	-	-	-	-	-			
Payment for capital assets	1,297	-	250	1,547	1,434	113	92.7%	223	37			
Machinery & equipment	-	-	-	-	2	(2)	0.0%	-	-			
Payment for financial assets	-	-	-	-	-	-	-	-	-			
Total	68,040	-	2,750	70,790	66,880	3,910	94.5%	129,049	74,749			

LIMPOPO PROVINCIAL TREASURY
VOTE 5
APPROPRIATION STATEMENT
for the year ended 31 March 2014

Detail per programme 4 - FINANCIAL GOVERNANCE for the year ended 31 March 2014											
Details per Sub-Programme	2013/14						2012/13				
	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	Final Appropriation R'000	Actual Expenditure R'000
4.1 PROGRAMME SUPPORT											
Current payment	78,346	(650)	(3,350)	74,346	67,853	6,493	91.3%	1,608	1,066	1,608	1,066
4.2 ACCOUNTING SERVICES											
Current payment	56,715	250	-	56,965	51,525	5,440	90.5%	52,727	44,133	52,727	44,133
Transfers and subsidies	885	-	-	885	436	449	49.3%	-	23	-	23
Payment for capital assets	26	-	-	26	26	-	100.0%	461	282	461	282
4.3 RISK MANAGEMENT											
Current payment	7,328	400	-	7,728	7,064	664	91.4%	8,627	6,964	8,627	6,964
Transfers and subsidies	-	-	-	-	448	(448)	0.0%	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	0.0%	40	-	40	-
Payment for financial assets	-	-	-	-	6	(6)	0.0%	-	-	-	-
Total	143,300	-	(3,350)	139,950	127,358	12,592	91.0%	63,463	52,468	63,463	52,468
Programme 4 Per Economic classification											
2013/14											
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	Final Appropriation R'000	Actual Expenditure R'000	
Current payments											
Compensation of employees	49,642	250	-	49,892	49,838	54	99.9%	52,218	44,840	52,218	44,840
Goods and services	92,747	(250)	(3,350)	89,147	76,604	12,543	85.9%	10,744	7,323	10,744	7,323
Transfers & subsidies											
Households	885	-	-	885	884	1	99.9%	-	23	-	23
Payment for capital assets											
Machinery & equipment	26	-	-	26	26	-	100.0%	501	282	501	282
Payment for financial assets											
	-	-	-	-	6	(6)	0.0%	-	-	-	-
Total	143,300	-	(3,350)	139,950	127,358	12,592	91.0%	63,463	52,468	63,463	52,468

LIMPOPO PROVINCIAL TREASURY
VOTE 5
NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2014

- 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) 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**
Statements.
- 4 Explanations of material variances from Amounts Voted (after virement):**

4.1 Per programme:

Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
R'000	R'000	R'000	%

Administration

	128 246	119 961	8 285	6%
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The under spending is mainly due to R5.7 million in goods and services and R2.5 million in Payments for capital assets. The under spending in Payments for capital assets was mainly as a result of not approving the procurement of replacement vehicles during the year and delays in the SITA procurement process to procure IT equipment. The savings in goods and services were mainly due to the implementation of austerity measures.

Sustainable Resource management

	43 987	42 624	1 363	3%
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Late filling of vacated posts. The R1.3 million under spending has resulted from under spending in Compensation of employees due to the delay in filling vacant posts and the savings in goods and services were mainly due to the implementation of austerity measures.

Asset, Liabilities and Supply Chain Management

	70 790	66 880	3 910	6%
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R1.2 million of the under spending was in Compensation of employees due to the delay in filling vacant posts and R2.5 million in Goods and services mainly due to savings realised in bank charges, printing of receipts books and other austerity items.

Financial Governance

	139 950	127 358	12 592	9%
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The R12.6 million under spending comprises of under spending in Goods and services due mainly to s100(1)(b) of the Constitution of the Republic of South Africa intervention recovery projects that were still in progress and not fully implemented by year end. The Provincial Treasury also planned to assess the skills and capacities in the Chief Financial Officer offices of three departments during the year, unfortunately the assessments conducted of the skills and capacity in the office of the CFO in Provincial Treasury did not deliver the expected results and the contract with the service provider was cancelled, without incurring any costs. A further contributory factor to the under spending was the late appointment of the Audit Committee members during the year.

Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
R'000	R'000	R'000	%

Compensation of employees	203 323	201 123	2 200	1%
Goods and services	169 546	147 438	22 108	13%
Interest and rent on land		2	(2)	

Transfers and subsidies

Households	4 052	3 887	165	4%
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Payments for capital assets

Machinery and equipment	6 052	4 308	1 744	29%
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Payments for financial assets	-	65	(65)	
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**LIMPOPO PROVINCIAL TREASURY
VOTE 5
STATEMENT OF FINANCIAL PERFORMANCE**

for the year ended 31 March 2014

	<i>Note</i>	2013/14 R'000	2012/13 R'000
REVENUE			
Annual appropriation	1	382 973	354 844
Statutory appropriation	2	1 735	1 652
Departmental revenue	3	53 906	122 942
TOTAL REVENUE		438 614	479 438
EXPENDITURE			
Current expenditure			
Compensation of employees	4	202 834	178 812
Goods and services	5	147 438	94 663
Interest and rent on land	6	2	-
Total current expenditure		350 274	273 475
Transfers and subsidies			
Transfers and subsidies	8	3 887	4 115
Total transfers and subsidies		3 887	4 115
Expenditure for capital assets			
Tangible assets	9	4 308	5 864
Total expenditure for capital assets		4 308	5 864
Payments for financial assets	7	65	-
TOTAL EXPENDITURE		358 534	283 454
SURPLUS/(DEFICIT) FOR THE YEAR		80 080	195 984
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds		26 174	73 042
Annual appropriation		26 174	73 042
Departmental revenue and NRF Receipts	14	53 906	122 942
SURPLUS/(DEFICIT) FOR THE YEAR		80 080	195 984

LIMPOPO PROVINCIAL TREASURY
VOTE 5
STATEMENT OF FINANCIAL POSITION
as at 31 March 2014

	Note	2013/14 R'000	2012/13 R'000
ASSETS			
Current Assets			
Cash and cash equivalents	11	43,510	88,953
Receivables	12	937	737
TOTAL ASSETS		44,447	89,690
LIABILITIES			
Current Liabilities			
Voted funds to be surrendered to the Revenue Fund	13	26,174	73,042
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	18,071	16,457
Payables	15	1	-
TOTAL LIABILITIES		44,246	89,499
NET ASSETS		201	191
Represented by:			
Capitalisation reserve		-	-
Recoverable revenue		201	191
Retained funds		-	-
Revaluation reserves		-	-
TOTAL		201	191

LIMPOPO PROVINCIAL TREASURY
VOTE 5
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2014

NET ASSETS	<i>Note</i>	2013/14 R'000	2012/13 R'000
Recoverable revenue			
Opening balance		191	208
Transfers		10	(17)
Irrecoverable amounts written off	<i>7.1</i>	(1)	-
Debts revised			-
Debts recovered (included in departmental receipts)		(67)	(69)
Debts raised		78	52
Closing balance		201	191
TOTAL		201	191

LIMPOPO PROVINCIAL TREASURY
VOTE 5
CASH FLOW STATEMENT
for the year ended 31 March 2014

	2013/14	2012/13
Note	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts	574 954	480 869
Annual appropriated funds received	1.1 382 973	354 844
Statutory appropriated funds received	2 1 735	1 652
Departmental revenue received	3 899	989
Interest received	3.3 189 347	123 384
Net (increase)/ decrease in working capital	(199)	6 442
Surrendered to Revenue Fund	(262 424)	(153 952)
Current payments	(350 272)	(273 475)
Interest paid	6 (2)	-
Payments for financial assets	(65)	-
Transfers and subsidies paid	(3 887)	(4 115)
Net cash flow available from operating activities	16 (41 895)	55 769
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets	9 (4 308)	(5 864)
Proceeds from sale of capital assets	3.4 750	-
Net cash flows from investing activities	(3 558)	(5 864)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/ (decrease) in net assets	10	(17)
Net cash flows from financing activities	10	(17)
Net increase/ (decrease) in cash and cash equivalents	(45 443)	49 888
Cash and cash equivalents at beginning of period	88 953	39 065
Cash and cash equivalents at end of period	17 43 510	88 953

LIMPOPO PROVINCIAL TREASURY
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

Accounting Policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

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 (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1 Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard.

2 Going concern

The financial statements have been prepared on a going concern basis.

3 Presentation currency

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

4 Rounding

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

5 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

6 Revenue

6.1 Appropriated funds

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

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

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

6.2 Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

LIMPOPO PROVINCIAL TREASURY
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

6.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

7 Expenditure

7.1 Compensation of employees

7.1.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

7.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

7.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

7.3 Accrued expenditure payable

Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department.

Accrued expenditure payable is measured at cost.

7.4 Leases

7.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

7.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

LIMPOPO PROVINCIAL TREASURY
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

8 Aid Assistance

8.1 Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

8.2 Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

9 Cash and cash equivalents

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

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.

10 Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

Contractual payments which relate to the current and subsequent financial year are expensed in full in the financial year payment is made.

11 Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

12 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

13 Payables

Loans and payables are recognised in the statement of financial position at cost.

LIMPOPO PROVINCIAL TREASURY
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

14 Capital Assets

14.1 Immovable capital assets

Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.

Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.

14.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined accurately, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

14.3 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.

LIMPOPO PROVINCIAL TREASURY
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

15 Provisions and Contingents

15.1 Provisions

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

15.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably

15.3 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department

15.4 Commitments

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash

15 Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

16 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.



LIMPOPO PROVINCIAL TREASURY
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

17 Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the irregularity unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority or transferred to receivables for recovery.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

18 Prior period errors

Prior period errors relating to operating leases will be restated as finance leases where the finance lease classification criteria are met. These errors will be corrected retrospectively.

LIMPOPO PROVINCIAL TREASURY
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

1 Annual Appropriation

1.1 Annual Appropriation	2013/14		Funds not requested/ not received	Appropriation Received
Programmes	Final Appropriation R'000	Actual Funds Received R'000	R'000	2012/13 R'000
ADMINISTRATION	128,246	128,246	-	119,655
SUSTAINABLE RESOURCE MANAGEMENT	43,987	43,987	-	42,677
ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT	70,790	70,790	-	129,049
FINANCIAL GOVERNANCE	139,950	139,950	-	63,463
Total	382,973	382,973	-	354,844

2 Statutory Appropriation

	2013/14 R'000	2012/13 R'000
Member of executive committee	1,735	1,652
Total	1,735	1,652

Actual Statutory Appropriation received	1,735	1,652
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3 Departmental Revenue

	Note	2013/14 R'000	2012/13 R'000
Sales of goods and services other than capital assets	3.1	633	697
Interest, dividends and rent on land	3.2	189,347	123,384
Sales of capital assets	3.3	750	-
Transactions in financial assets and liabilities	3.4	266	292
Total revenue collected		190,996	124,373
Less: Own revenue included in appropriation	14	137,090	1,431
Departmental revenue collected		53,906	122,942

3.1 Sales of goods and services other than capital assets	Note	2013/14 R'000	2012/13 R'000
Sales of goods and services produced by the department	3	633	697
Sales by market establishment		84	90
Other sales		549	607
Sales of scrap, waste and other used current goods		-	-
Total		633	697

3.2 Interest, dividends and rent on land	Note	2013/14 R'000	2012/13 R'000
Interest	3	189,347	123,384
Dividends		-	-
Rent on land		-	-
Total		189,347	123,384

3.3 Sales of capital assets	Note	2013/14 R'000	2012/13 R'000
Tangible assets	3	750	-
Machinery and equipment	27	750	-
Total		750	-

3.4 Transactions in financial assets and liabilities	Note	2013/14 R'000	2012/13 R'000
Other Receipts including Recoverable Revenue	3	266	292
Total		266	292

LIMPOPO PROVINCIAL TREASURY
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

	<i>Note</i>	2013/14 R'000	2012/13 R'000
4 Compensation of Employees			
4.1 Salaries and wages			
Basic salary		146 153	127 154
Performance award		1 216	801
Service Based		10 765	9 729
Compensative/circumstantial		1 184	960
Periodic payments		3	-
Other non-pensionable allowances		19 736	18 060
Total		179 057	156 704
4.2 Social Contributions			
Employer contributions			
Pension		17 958	16 238
Medical		5 793	5 847
Bargaining council		26	23
Total		23 777	22 108
Total compensation of employees		202 834	178 812
Average number of employees		427	437

	<i>Note</i>	2013/14 R'000	2012/13 R'000
5 Goods and services			
Administrative fees		4 076	3 291
Advertising		672	1 239
Minor assets	5.1	802	479
Catering		853	692
Communication		2 908	4 081
Computer services	5.2	15 560	15 306
Consultants, contractors and agency/outsourced services	5.3	78 638	26 586
Entertainment		17	6
Audit cost – external	5.4	4 695	4 213
Fleet services		1 075	1 514
Consumables	5.5	5 630	2 177
Operating leases		1 526	1 153
Property payments	5.6	16 350	24 044
Travel and subsistence	5.7	11 447	7 650
Venues and facilities		1 203	364
Training and development		1 570	1 672
Other operating expenditure	5.8	416	196
Total		147 438	94 663

Included in the expenditure item computer services is an prepaid amount of R1 296 million due to a contractual agreement with IBM for computer licence.

	<i>Note</i>	2013/14 R'000	2012/13 R'000
5.1 Minor assets			
Tangible assets	5	802	479
Machinery and equipment		802	479
Total		802	479
5.2 Computer services			
SITA computer services	5	9 354	10 223
External computer service providers		6 206	5 083
Total		15 560	15 306

Included in the expenditure item computer services is an prepaid amount of R1 296 million due to a contractual agreement with IBM for computer licence.

LIMPOPO PROVINCIAL TREASURY
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

	Note	2013/14 R'000	2012/13 R'000
5.3 Consultants, contractors and agency/outsourced services	5		
Business and advisory services		71,433	16,440
Legal costs		2,511	6,050
Contractors		512	246
Agency and support/outsourced services		4,182	3,850
Total		78,638	26,586
5.4 Audit cost – external	5		
Regularity audits		4,695	4,213
Total		4,695	4,213
5.5 Consumables	5		
Consumable supplies		1,368	215
Uniform and clothing		51	-
Household supplies		378	-
Building material and supplies		21	14
IT consumables		17	-
Other consumables		901	201
Stationery, printing and office supplies		4,262	1,962
Total		5,630	2,177
5.6 Property payments	5		
Municipal services		1,846	2,066
Property management fees		14,253	21,672
Property maintenance and repairs		222	306
Other		29	-
Total		16,350	24,044
5.7 Travel and subsistence	5		
Local		11,447	7,611
Foreign		-	39
Total		11,447	7,650
5.8 Other operating expenditure	5		
Professional bodies, membership and subscription fees		248	18
Resettlement costs		136	34
Other		32	144
Total		416	196
6 Interest and Rent on Land	Note		
Interest paid		2	-
Total		2	-

LIMPOPO PROVINCIAL TREASURY
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

	Note	2013/14 R'000	2012/13 R'000
7 Payments for financial assets			
Debts written off	7.3	65	-
Total		65	-
		2013/14 R'000	2012/13 R'000
7.3 Debts written off	7		
Nature of debts written off			
Recoverable revenue written off		1	-
Total		1	-
Other debt written off			
Ex employees		64	-
Total		64	-
Total debt written off		65	-
		2013/14 R'000	2012/13 R'000
8 Transfers and Subsidies			
Households	ANNEXURE 1A	3 887	4 115
Total		3 887	4 115
		2013/14 R'000	2012/13 R'000
9 Expenditure for capital assets			
Tangible assets		4 308	5 864
Buildings and other fixed structures	28	-	266
Machinery and equipment	27	4 308	5 598
Total		4 308	5 864
9.1 Analysis of funds utilised to acquire capital assets - 2013/14			
		Voted Funds R'000	Aid assistance R'000
			TOTAL R'000
Tangible assets		4 308	-
Machinery and equipment		4 308	-
Total		4 308	-
9.2 Analysis of funds utilised to acquire capital assets - 2012/13			
		Voted Funds R'000	Aid assistance R'000
			TOTAL R'000
Tangible assets		5 864	-
Buildings and other fixed structures		266	-
Machinery and equipment		5 598	-
Total		5 864	-
9.3 Finance lease expenditure included in Expenditure for capital assets		2013/14 R'000	
Tangible assets		887	
Machinery and equipment		887	
Total		887	-
		2013/14 R'000	2012/13 R'000
10 Unauthorised Expenditure			
10.1 Reconciliation of unauthorised expenditure			
Opening balance		-	6 803
Less: Amounts approved by Parliament/Legislature with funding		-	(6 803)
Unauthorised expenditure awaiting authorisation / written off		-	-

LIMPOPO PROVINCIAL TREASURY
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

	<i>Note</i>	2013/14 R'000	2012/13 R'000
11 Cash and Cash Equivalents			
Consolidated Paymaster General Account		43,508	88,953
Disbursements		2	-
Total		43,510	88,953

	<i>Note</i>	2013/14			Total R'000	2012/13 R'000
		Less than one year	One to three years	Older than three years		
		R'000	R'000	R'000		
12 Receivables						
Staff debt	12.1	2	88	90	149	
Other debtors	12.2	283	267	297	588	
Total		285	355	297	737	

	<i>Note</i>	2013/14 R'000	2012/13 R'000
12.1 Staff debt	12		
Staff		57	51
Excess on cellphone accounts		-	2
Other		24	63
Subsidized Transport		9	33
Total		90	149

	<i>Note</i>	2013/14 R'000	2012/13 R'000
12.2 Other debtors	12		
Sal: Tax Debt		1	7
Sal: Income Tax		455	183
Ex- Employees		391	398
Total		847	588

	<i>Note</i>	2013/14 R'000	2012/13 R'000
12.3 Impairment of receivables			
Estimate of impairment of receivables		205	-
Total		205	-

	<i>Note</i>	2013/14 R'000	2012/13 R'000
13 Voted Funds to be Surrendered to the Revenue Fund			
Opening balance		73,042	33,012
Transfer from statement of financial performance (as restated)		26,174	73,042
Paid during the year		(73,042)	(33,012)
Closing balance		26,174	73,042

	<i>Note</i>	2013/14 R'000	2012/13 R'000
14 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
Opening balance		16,457	13,024
Transfer from Statement of Financial Performance (as restated)		53,906	122,942
Own revenue included in appropriation		137,090	1,431
Paid during the year		(189,382)	(120,940)
Closing balance		18,071	16,457

LIMPOPO PROVINCIAL TREASURY
VOTE 5
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	Note	2013/14 R'000	2012/13 R'000
15 Payables - current			
Other payables	15.1	1	-
Total		<u>1</u>	<u>-</u>
		2013/14 R'000	2012/13 R'000
15.1 Other payables	15		
Sal:Pension fund		1	-
Total		<u>1</u>	<u>-</u>
		2013/14 R'000	2012/13 R'000
16 Net cash flow available from operating activities	Note		
Net surplus/(deficit) as per Statement of Financial Performance		80,080	195,984
Add back non cash/cash movements not deemed operating activities		(121,975)	(140,215)
(Increase)/decrease in receivables – current		(200)	(145)
(Increase)/decrease in other current assets		-	6,803
Increase/(decrease) in payables – current		1	(216)
Proceeds from sale of capital assets		(750)	-
Expenditure on capital assets		4,308	5,864
Surrenders to Revenue Fund		(262,424)	(153,952)
Own revenue included in appropriation		137,090	1,431
Net cash flow generated by operating activities		<u>(41,895)</u>	<u>55,769</u>
		2013/14 R'000	2012/13 R'000
17 Reconciliation of cash and cash equivalents for cash flow purposes	Note		
Consolidated Paymaster General account		43,508	88,953
Disbursements		2	-
Total		<u>43,510</u>	<u>88,953</u>

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	Note	2013/14 R'000	2012/13 R'000
18 Contingent liabilities and contingent assets			
18.1 Contingent liabilities			
Liable to			
Housing loan guarantees	Annex 2A	393	201
Claims against the department	Annex 2B	60 446	58 566
Total		60 839	58 767
	Note	2013/14 R'000	2012/13 R'000
19 Commitments			
Current expenditure			
Approved and contracted		29 344	68 461
		29 344	68 461
Total Commitments		29 344	68 461
		2013/14 R'000	2012/13 R'000
20 Accruals and payables not recognised			
Listed by economic classification			
		30 days	30+ days
		Total	Total
Goods and services		10 642	708
Total		10 642	708
Listed by programme level	Note	2013/14 R'000	2012/13 R'000
Administration		1 408	8 208
Sustainable Resource Management		167	161
Assets, Liabilities and Supply Chain Management		2 221	737
Financial Governance		7 554	403
Total		11 350	9 509
	Note	2013/14 R'000	2012/13 R'000
Confirmed balances with departments	Annex 4	1 198	753
Total		1 198	753
	Note	2013/14 R'000	2012/13 R'000
21 Employee benefits			
Leave entitlement		8 688	6 878
Service bonus (Thirteenth cheque)		5 592	5 020
Performance awards		3 050	2 925
Capped leave commitments		33 925	33 271
Total		51 255	48 094

The leave entitlement amount is net of negative leave amounting to R198 thousand due to some employees utilising their new leave cycle (Jan2014 -Dec2014)credits in excess of the days that had accrued to them as at 31 March 2014

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22 Lease commitments

22.1 Operating leases expenditure

2013/14	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	-	-	12 065	-	12 065
Later than 1 year and not later than 5 years	-	-	8 245	-	8 245
Total lease commitments	-	-	20 310	-	20 310

2012/13	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	-	-	9 614	-	9 614
Later than 1 year and not later than 5 years	-	-	18 628	-	18 628
Total lease commitments	-	-	28 242	-	28 242

Total	-	-	-	-	-
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The department has entered in lease agreements for buildings it occupies through the Department of Public Works with an average escalation clause of 8% per annum

22.2 Finance leases expenditure **

2013/14	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	-	-	-	842	842
Later than 1 year and not later than 5 years	-	-	-	379	379
Total lease commitments	-	-	-	1 221	1 221

2012/13	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	-	-	-	1 109	1 109
Later than 1 year and not later than 5 years	-	-	-	1 438	1 438
Total lease commitments	-	-	-	2 547	2 547

The Department has entered into cellphone contracts for cellphones provided to employees and lease agreements for the provision of labour saving devices. These contracts do not have any escalation clauses.

23 Accrued departmental revenue

	Note	2013/14 R'000	2012/13 R'000
Sales of goods and services other than capital assets			13
Sale of capital assets			750
Total		-	763

23.1 Analysis of accrued departmental revenue

	Note	2013/14 R'000	2012/13 R'000
Opening balance		763	-
Less: Amounts received		763	-
Add: Amounts recognised		-	763
Closing balance		-	763

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	2013/14 R'000	2012/13 R'000
24 Fruitless and wasteful expenditure		
24.1 Reconciliation of fruitless and wasteful expenditure		
Opening balance	94	298
Fruitless and wasteful expenditure – relating to current year	2	4
Less: Amounts resolved	-	(179)
Less: Amounts transferred to receivables for recovery	-	(29)
Fruitless and wasteful expenditure awaiting resolution	96	94
24.2 Analysis of awaiting resolution per economic classification		
Current	96	94
Total	96	94
24.3 Analysis of Current Year's Fruitless and wasteful expenditure		2013/14 R'000
Incident	Disciplinary steps taken/criminal proceedings	
Interest charged on Telkom Account	Investigation not yet concluded	2
	Total	2
25 Related party transactions		
	Note	2013/14 R'000
In kind goods and services provided/received		
<i>List in kind goods and services between department and related party</i>		
The department renders transversal functions in relation to Internal Audit to all provincial department, excluding the Provincial Legislature	✓	24,272
Office of the Premier		1,585
Department of Education		3,129
Department of Agriculture		2,187
Department of Economic Development, Environment & Tourism		2,364
Department of Health		3,286
Department of Roads & Transport		2,517
Department of Public Works		1,949
Department of Safety, Security & Liaison		1,330
Department of Cooperative Governance, Human Settlements & Traditional Affairs		2,361
Department of Social Development		1,567
Department of Sport, Arts & Culture		1,997
The department renders transversal functions in relation to Audit Committee to all provincial department, excluding the Provincial Legislature	✓	2,839
Office of the Premier		235
Department of Education		307
Department of Agriculture		248
Department of Economic Development, Environment & Tourism		211
Department of Health		317
Department of Roads & Transport		211
Department of Public Works		351
Department of Safety, Security & Liaison		261
Department of Cooperative Governance, Human Settlements & Traditional Affairs		247
Department of Social Development		235
Department of Sport, Arts & Culture		216
The department has related party transactions for an Audit Assistance Project paid for by Provincial Treasury for the Departments of Education, Health, Public Works, Roads, Sport and Social Development.	✓	49,114
Department of Education		15,127
Department of Health		19,116
Department of Roads & Transport		3,180
Department of Public Works		7,898
Department of Social Development		2,872
Department of Sport, Arts & Culture		921
Total		76,225

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Related party relationships

The department renders transversal functions in relation to Internal Audit to all provincial department, excluding the Provincial Legislature

The department renders transversal functions in relation to Audit Committee to all provincial department, excluding the Provincial Legislature

The department has related party transactions for an Audit Assistance Project paid for by Provincial Treasury for the Departments of Education, Health, Public Works, Roads, Sport and Social Development.

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

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

	No. of Individuals	2013/14 R'000	2012/13 R'000
26 Key management personnel			
Political office bearers (provide detail below)	1	1 711	1 652
Officials:			-
Level 15 to 16	4	2 787	2 331
Level 14 (incl CFO if at a lower level)	8	7 575	7 269
Family members of key management personnel	1	235	219
Total		12 308	11 471

27 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	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	33 882	-	3 421	69	37 234
Transport assets	7 500		-	-	7 500
Computer equipment	20 725		1 759	69	22 415
Furniture and office equipment	3 070		1 532	-	4 602
Other machinery and equipment	2 587		130	-	2 717
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	33 882	-	3 421	69	37 234

Additions

27.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Cash R'000	Non-cash R'000	(Capital work- in-progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
MACHINERY AND EQUIPMENT	4 308	-	(887)	-	3 421
Computer equipment	1 759		-	1 759	1 759
Furniture and office equipment	2 419		(887)	-	1 532
Other machinery and equipment	130		-	-	130
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	4 308	-	(887)	-	3 421

LIMPOPO PROVINCIAL TREASURY
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Disposals

27.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash received Actual R'000
MACHINERY AND EQUIPMENT	-	69	69	750
Transport assets			-	666
Computer equipment		69	69	52
Furniture and office equipment			-	32
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	69	69	750

27.3 Movement for 2012/13

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

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

27.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	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	-	-	-	8 920	-	8 920
Additions	-	-	-	389	-	389
TOTAL MINOR ASSETS	-	-	-	9 309	-	9 309

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets				172		172
Number of minor assets at cost				5 064		5 064
TOTAL NUMBER OF MINOR ASSETS	-	-	-	5 236	-	5 236

Minor assets

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	9 226	-	9 226
Additions	-	-	-	272	-	272
Disposals	-	-	-	578	-	578
TOTAL MINOR ASSETS	-	-	-	8 920	-	8 920

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

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27.5 Assets held under a finance lease

ASSETS HELD UNDER A FINANCE LEASE FOR THE PERIOD ENDED 31 MARCH 2014

	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
Finance lease assets				776		776
TOTAL FINANCE LEASE ASSETS	-	-	-	776	-	776

The asset held under finance lease for 2012/2013 is R213 732.65 as a result of correction of Prior Year error.

Movement for 2012/13

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

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

29 Prior period errors

29.1 Correction of prior period error for secondary information

	Note	2012/13 R'000
as follows:		
Note 6 - Operating Leases		-308
Note 10 - Payment for Capital - Machinery & equipment		308
Note 26.2 - Finance lease commitments and 39.6 lease assets		2 760
Net effect on the note		2 760

The comparative amounts in Note 6 were restated as follows:

Note 6 - Consumables	2177
Note 6 - Inventory	-2177
Line item 3 affected by the change	-
Net effect on the note	-

During the current year the department reassessed the cell phones and labour saving devices leased contracts and identified them as finance leases.

During the current year the department reclassified an amount of R2.177 million that was previously classified as inventory as consumable stores.

LIMPOPO PROVINCIAL TREASURY
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

ANNEXURE 1A
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2012/13
	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							
H/H EMPL S/BEN:INJURY ON DUTY				-	10		5
H/H EMPL S/BEN:LEAVE GRATUITY				-	2 235		1 231
H/H:BURSARIES(NON-EMPLOYEE)				-	1 642		4 621
	-	-	-	-	3 887		5 857
Total	-	-	-	-	3 887		5 857

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ANNEXURE 1B
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14	2012/13
		R'000	R'000
Received in cash			
Institute of Internal Audit	Graduation Ceremony	3	-
Subtotal		3	-
Received in kind			
Standard Bank	Provincial Governance Conference - Gala dinner	60	
Standard Bank	Provincial Governance Conference - Corporate gifts for speakers	9	
Standard Bank	Provincial Governance Conference - Bags for delegates	16	
PWC-Rakoma	Budget Breakfast	120	
Subtotal		205	-
TOTAL		208	-

**LIMPOPO PROVINCIAL TREASURY
VOTE 5
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014**

**ANNEXURE 2A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2014 –
LOCAL**

GUARANTOR INSTITUTION	Guarantee in respect of	original guaranteed capital amount	Opening balance 1 April 2013	Guarantees draw downs during the year	Guaranteed repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2014	Guaranteed interest for year ended 31 March 2014	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								
Northern Province Development Corporation			201	303	111		393		
	Total		201	303	111	-	393	-	-

LIMPOPO PROVINCIAL TREASURY
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2014

Nature of liability	Opening balance 1 April 2013	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2014
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Contractual dispute by suppliers	58,566	1,880	-	-	60,446
TOTAL	58,566	1,880	-	-	60,446

LIMPOPO PROVINCIAL TREASURY
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ANNEXURE 3
CLAIMES RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2013/14*	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Provincial Legislature	-	-	59	-	59	-	-	-
Sports, Arts and Culture	-	-	1	-	1	-	-	-
Public Works	-	-	11	-	11	-	-	-
Total	-	-	71	-	71	-		-

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ANNEXURE 4
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2013/14*	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Social Development(National)	-	16	-	-	-	16	-	-
Limpopo Depat of Roads and Transport	-	45	-	-	-	45	-	-
National Treasury	-	659	-	-	-	659	-	-
SAPS	-	12	-	-	-	12	-	-
Justice and Constitutional Development	1,198	20	-	-	1,198	20	-	-
Sports, Arts and Culture	-	1	-	-	-	1	-	-
Total Departments	1,198	753	-	-	1,198	753		
TOTAL INTERGOVERNMENTAL	1,198	753	-	-	1,198	753		