

SUBMISSION TO THE EXECUTIVE AUTHORITY

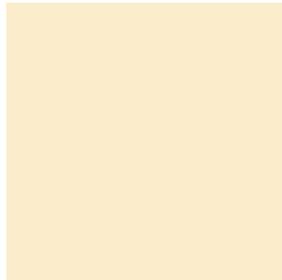
Dear Mr JL Mahlangu (MPL)

It is an honour to present the annual report for the Department of Economic Development and Planning for the financial year 1 April 2008 to 31 March 2009.

The annual report has been prepared in accordance with the requirements of Section 40 (1) (d) of the Public Finance Management Act 1999 (Act 1 of 1999) as amended by Act 29 of 1999.

A handwritten signature in black ink, appearing to read 'M Mazibuko', enclosed in a light blue rectangular box.

Mr. M Mazibuko
HEAD OF DEPARTMENT
31 August 2009



Part One

General Information





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ABBREVIATIONS AND ACRONYMS

AMTS	Advanced Manufacturing Technology Strategy
APP	Annual Performance Plan
BBBEE	Broad Based Black Economic Empowerment
CCTV	Closed Circuit Television
CFO	Chief Financial Officer
DEDP	Department of Economic Development and Planning
EIC	Enterprise Information Centre
HOD	Head of Department
HDI	Historically Disadvantaged Individuals
GIS	Geographical Information System
ICC	International Convention Centre
KMIA	Kruger Mpumalanga International Airport
LED	Local Economic Development
MEC	Member of the Executive Council
MGB	Mpumalanga Gambling Board
MEGA	Mpumalanga Economic Growth Agency
MTGS	Mpumalanga Tourism Growth Strategy
MTPA	Mpumalanga Tourism and Parks Agency
NIPF	National Industrial Policy Framework
PFMA	Public Finance Management Act
PGDS	Mpumalanga Provincial Growth and Development Strategy
PRIME	Programme for Industrial Manufacturing Excellence
RTP	Responsible Tourism Planning
SAHC/OOAK	South African Handmade Collection/ One of a Kind exhibition
SEDA	Small Enterprise Development Agency
SONA	State of the Nation Address
SOPA	State of the Province Address
SMME	Small, Medium and Micro Enterprise
SMS	Senior Management Service

INTRODUCTION BY THE HEAD OF DEPARTMENT



Mr. M Mazibuko

HEAD OF DEPARTMENT

The annual report presents an account of delivery in line with the mandate of the department which is to drive all economic development initiatives to assist government in its endeavor to reduce poverty and unemployment and to bring about a better life for all our people in the Province.

It is a report that indicates significant progress, highlights challenges and solutions that were advanced to make 2008/9 financial year a successful period of this administration.

One of the critical tasks of management during the financial year was to provide efficient and effective administrative and strategic support service to the department.

In this regard, we ensured that the political directive to fill vacant funded posts is implemented within the tight stipulated timeframes. We ensured that we deal with the backlogs in other related administration challenges that beset the department for some time.

It is our belief that we have used the opportunity that was given to this administration to push back the challenges in implementation of our programme of action and in the process deal successfully with incidental issues relating to our administration.

In order to bring the services closer to our people, the department will move with speed to establish regional

offices in Gert Sibande District. We will in the new financial year finalise the appointment of the Regional managers for the three Districts in our Province.

During this period, we facilitated support and development for business enterprises through financial and non-financial support provided to small and medium enterprises in the province.

The BBBEE strategy was finalised and the BBBEE forum and advisory committee were launched signalling the consolidation of the resolve to ensure that the previously disadvantaged individual have a voice in the implementation and monitoring of the empowerment programmes.

We completed the drafting of the Cooperatives Support Strategy and will soon put it into practical mode of delivery.

The export programme was implemented with success. We managed to expose many small firms to different markets; facilitated training for emerging exporters and many participated in local and international export opportunities.

We continued to raise awareness about the broad mandate and services of the department through seminars, economic opportunities roadshow and community awareness campaigns.



In an effort to ensure broad understanding and a shared implementation of our tourism development strategy, we conducted training on responsible tourism for tourism practitioners in the province.

The current economic meltdown facing the world has had a negative impact on consumers' spend patterns. During the reporting period, the consumer protection services directorate received more consumer complaints that are attributable to this unfavourable economic situation in the country and the world. Successive awareness campaigns, which were targeting consumers, were implemented thus positioning the department as the champion of consumer rights in the province. The Consumer Court is expected to assume its functions in the new financial year, thus strengthening the capacity of the department to deal with matters affecting consumers in the Province.

Significant progress has been made through putting the Maputo Development Corridor project back on track and we are confident that the programmes that have been put in place will take the project to its logical conclusion: large scale socio-economic investment and job growth.

Our investment promotion programmes also assisted us to bring the much needed investments into the province.

Liquor and Gambling programmes formed a critical area of successful performance of the department and the Mpumalanga Gambling Board.

We owe our successes to the determination of the officials in the department and the three agencies (MGB, MEGA and MTPA) that ensured we went a long way to meeting the targets that we have set for ourselves for the financial year of 2008/09. The fact that the department has had an unqualified audit

opinion from the Auditor-General on its 2008/09 financial statements is a magnificent underline of the efforts of all to move into a new direction of proper and prudent financial management and governance.

The governance, financial management as well as the control environment and the coincidental management control-consciousness were subjected to interrogation by the Auditor General then a management report to that extent has been presented to the department.

We view this crucial contribution to improving corporate governance in the department as an absolutely important benchmark and baseline-determining exercise for us. In the new fiscal year we intend to improve on management of the department in all areas: Performance and Financial Management.

I remain eternally grateful of the support of the great staff in the department, CEOs of our public entities and their staff, CEOs of the flagships, the former as well as current Executive Authority and the patient and consistent guidance from the Provincial Executive Council.

MR M MAZIBUKO
HEAD OF DEPARTMENT

1. INFORMATION ABOUT DEPARTMENT

Legislative and other mandates

The Department of Economic Development and Planning derives its mandate from the Constitution of the Republic of South Africa Act (Act 108 of 1996).

Other legislations that assist the Department to execute its mandate include among others:

- Public Finance Management Act (Act No.1 of 1999)
- Mpumalanga Gaming Act (Act No.7 of 1999)
- Mpumalanga Liquor Licensing Act (Act No.5 of 2006)
- Liquor Act (Act No. 27 of 1989)
- National Gambling Act (Act 59 of 2003)
- National Liquor Act (Act 27 of 1989)
- Mpumalanga Consumer Act (Act No. 6 of 1998)
- Mpumalanga Trading Hours Act (Act No.5 of 1999)
- Mpumalanga Business Act (Act No.2 of 1996)
- Skills Development Act (Act No.97 of 1998)
- National Small Business Enabling Act (Act No. 102 of 1996) as amended in 2004
- Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003)
- Public Service Act (Act No. 1 of 1994)
- National Archives Act (Act No. 43 of 1996) as amended
- Mpumalanga Economic Growth Agency Act, (Act No.4 of 2005)
- Mpumalanga Tourism and Parks Act (Act No. 5 of 2005)
- Mineral and Petroleum Resources Development Act (Act No. 28 of 2002)
- Tourism Second Amendment Act (Act No. 70 of 2000)
- Labour Relations Act (Act No. 66 of 1995)
- Employment Equity Act (Act No. 55 of 1998)
- Basic Conditions of Employment Act (Act No. 75 of 1997)



Mandate

To drive all economic development and planning initiatives in the Province

Vision

A competitive and adaptive economy that improves the quality of life of all people in the province

Mission

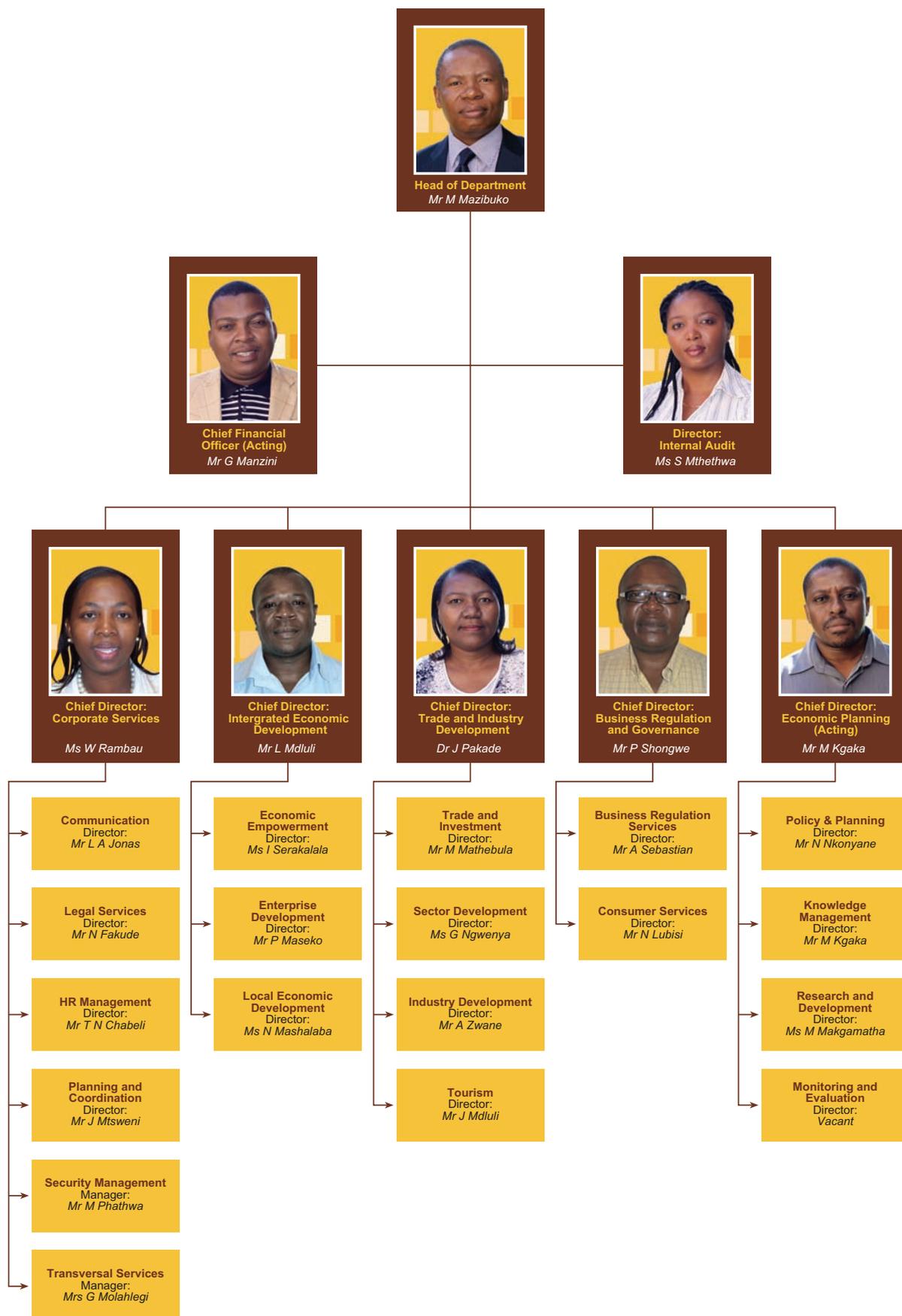
To facilitate, implement and co-ordinate integrated planning and stimulate sustainable economic development

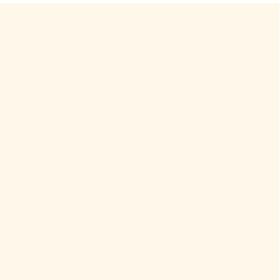
To take the leading role in the development of the economy in the province

Strategic Goal

Stimulate robust and sustainable economic growth that would lead towards the reduction of poverty, unemployment, and inequalities by 2014.

Organizational structure as at 31 March 2009





Part Two

Programme Performance





2. PERFORMANCE REPORT

2.1 Purpose

The purpose of this report is to provide a balanced and reliable information regarding the performance of the Department of Economic Development and Planning against the planned objectives as contained in the annual performance plan and implementation plan for 2008/9 financial year.

2.2 Appropriated funds

Appropriation	Main appropriation	Adjusted appropriation	Actual amount spent	Under expenditure
R'000	R'000	R'000	R'000	R'000
442,654	442,654	441,654	430,118	11,536
Responsible MEC		Mr. Jabu Mahlangu		
Administering department		Department of Economic Development and Planning		
Accounting officer		Mr. Mandla Mazibuko		

2.3 Aim of the Vote

The aim of the vote is to facilitate, implement and coordinate integrated planning and sustainable economic development in the province.

2.4 Strategic Objectives, Programmes and Achievements

2.4.1 Strategic objectives

The following sums up the strategic objectives that were adopted for the period under review:

- To provide efficient and effective administrative and strategic support service to the Department
- To facilitate support and development of business enterprises
- To ensure the participation of HDIs in the mainstream of the economy
- To ensure growth in exports and direct investments in the Province
- To ensure the development of competitive industries in the growth sector
- To ensure industrial development in the Province
- To create a platform to enhance sustainable tourism growth
- To implement consumer protection and awareness strategies that creates environment conducive to fair trade

- To ensure the coordination of relevant economic research
- To contribute to the management of information and knowledge on the economy in the department
- To provide economic policies and strategies
- To determine the effectiveness and impact of provincial policy and programme objectives and strategies

2.4.2 Programmes

During the reporting period the high-level structure of the department consisted of the following five programmes (also see page 11 for a diagram of the organizational structure):

Programme 1: Administration

The programme is responsible for provision of efficient and effective administrative and strategic support services to the Department.

Programme 2: Integrated Economic Development Services

The programme is responsible for implementation of programmes aimed to enhance shared economic growth through sustainable development.

Programme 3: Trade and Investment Development

The programme is responsible for development of trade and industry sectors in the Province.

Programme 4: Governance and Business Regulation

The programme is responsible for facilitation of a transparent, predictable, and a stable business environment and fair trade.

Programme 5: Economic Planning

The programme is responsible for management of economic planning in the province.



2.5 Official visits abroad

The MEC undertook the following international trips during the period under reviews:

Destination	Period/ Date	Purpose
Egypt	17 – 21 May 2008	Trade mission to Ismailia to strengthen ties with specific focus on co-operation in tourism, agriculture, culture and sports, particularly the preparations for the 2010 soccer world cup
Mozambique	1 – 3 October 2008	Trade mission to Maputo to strengthen existing bilateral relations
China	1 – 3 November 2008	Trade mission to Chongqing Municipal Province and Sichuan Province to deepen and renew relations with the two provinces in the areas of human resource development, economic development, agriculture, education, business to business partnerships and other areas of mutual interest

2.6 Overview of organizational environment

During the period under review, the department engaged in a process to streamline the organisational structure so as to enable effective service delivery.

The department consulted with other provincial departments that are responsible for economic development and also engaged the Office of the Premier to ensure that the organisational structure is reconfigured. Furthermore the name of the Chief Directorate: Trade and Industry Development and related two directorates will be changed in accordance with the national directives from 1 April 2009.

2.7 Strategic overview and key policy developments

The mandate of the department is to lead all economic development initiatives in the province. This is achieved mainly through implementation of economic policies and strategies, driven in part by the three parastatals that report to the department.

2.7.1 Implementation plan

During the period under review, the department submitted the annual performance plan and annual implementation plan for the 2008/9 financial year to the legislature.

2.7.1.1 Performance Highlights of the Parastatals

Mpumalanga Economic Growth Agency (MEGA)



The Mpumalanga Economic Growth Agency was formed in terms of the Mpumalanga Economic Growth Agency Act (Act No. 4 of 2005). The Act was promulgated in phases to facilitate a smooth transition to the new legal entity. MEGA became fully operational and commenced its business activities on 1 April 2006.

Strategic Objectives

- To promote trade and investment
- To support enterprise development;
- To provide funding in respect of approved enterprise development focusing on HDIs within the province; and
- To focus on project management, development and management of immovable property.

Service Delivery Achievements

MEGA streamlined the operations of the organisation in preparation for a new strategic approach in 2009/2010. The key achievements in this area include:

- Distribution of allocated funds to approved applications of the SMMEs.
- Establishment of a robust loan approval process.
- Establishment and provision of non-financial support to BBBEE compliant service providers.
- Undertaking the foreign trade missions to Mozambique, India, Ghana, China and Egypt.
- The launch of the Mpumalanga Growth Fund.
- The signing off of the Mpumalanga ICC joint venture, currently in final stages of the land transaction.

Mpumalanga Gambling Board (MGB)



The Mpumalanga Gambling Board is a *juristic persona* serving as a provincial public entity, established in terms of section 2 of the Mpumalanga Gambling Act (Act 5 of 1995), as amended.

The institution has been charged with the responsibility to perform all functions assigned to it in terms of the Mpumalanga Gambling Act or any other legislation by advising, reporting or making recommendations to the Responsible Member on any matter relating to the control of gambling in the Province.

Strategic Objectives

- To ensure the suitability of all persons wishing to participate in the gambling industry within Mpumalanga;
- To ensure that gambling activities regulated by the MGB are conducted fairly, honestly and free of criminal influence and exploitation.
- To ensure that the regulation of gambling is effective and efficient.
- To render support and advice to the Member of the Executive Council on gambling issues and ensure that the Government's policy on gambling is implemented.
- To render support to the National Gambling Board of South Africa.
- To conduct research, with a view to advice the Government on the socio-economic impact of gambling within the Province.

Service Delivery Achievements

Mpumalanga Gambling Board made strides in implementing its mandate. Among the key achievements of the Board during the period under review are:



- Granting of an application for amendment of Casino license of the Ridge Casino and Entertainment Resort.
- Publishing of a Request for Applications for a Fourth Casino license (RFA).
- Granting of eight site operators licenses for operators with 20 machines sites and one independent site operator license with forty machines.
- Granting of the first two applications for bingo operators license in the province to VIVA Bingo to operate Bingo centres in Middleburg and Ermelo.
- Hosted 10 top Indian tour operators in the Province.
- Launched Songimvelo Nature Reserve Social Responsibility Programme.
- Completed the infrastructure audit in all Parks/Reserves in partnership with the Council for Scientific Research and Industrial Research.
- Concluded the tourism products and infrastructure audit to assess the capacity of the destination to host a successful 2010 FIFA World Cup.

Mpumalanga Tourism and Parks Agency (MTPA)



Mpumalanga Tourism and Parks Agency is a scheduled 3c Public Entity established in terms of Mpumalanga Tourism and Parks Agency Act of 2005.

The Mpumalanga Tourism and Parks Agency was established to provide an integrated tourism and biodiversity conservation management system in order to stimulate sustainable economic growth for the Province.

Strategic Objectives

- To ensure sound tourism & bio-diversity conservation strategic framework
- To ensure sound stakeholder network and service deliver
- To ensure internal business excellence within the MTPA

Service Delivery Achievements

- Launched the 102 Days Quick Wins Programme of Strategic Activities.
- Developed and implemented the provincial product and services database.

2.7.1.2 Performance Highlights of the Flagship

Maputo Development Corridor



The department provides oversight function and strategic support service to Maputo Development Corridor flagship.

Maputo Development Corridor is one of the “big five” flagship programmes identified by the Mpumalanga Provincial Government. The flagship is aimed at anchoring key government priorities in economic growth, service delivery, environmental sustainability, skills development, and improving institutional systems and processes.

The flagship was initiated for a number of specific objectives which constitute a mixture of “enabling factors” (e.g. investment transport infrastructure and creating an enabling environment for economic growth and development) and “desired outcomes” (e.g. positive macro- and social economic impacts that are sustainable).

Service Delivery Achievements

- Maputo Development Corridor Flagship was officially launched on 9 December 2008
- Memorandum of Understanding was signed with the Maputo City Province, committing us to work together in areas of health, education, arts and culture, agriculture amongst others.



2.7.2 Policy Developments

There were numerous changes to various legislations and regulations that govern economic development in the province. The changes were necessitated by the changing environment and also as a result of statutory requirements that were imperative to enable effective service delivery.

- **Regulations for Mpumalanga Liquor Licensing Act 2006**

The regulations for liquor incensing were approved to operationalise section 1-32 and section 33-69 as set out in the Mpumalanga Liquor Licensing Act (Act 5 of 2005). The approval of the regulations enabled the Mpumalanga Liquor Licensing Authority to fully implement the Act in terms of the regulations of micro manufacturing, distribution and sale of liquor in the province.

- **Mpumalanga Gambling Levies Act, 2007**

The Mpumalanga Gambling Levies Act, 2007 was promulgated on 10 October 2008.

- **Mpumalanga Gambling Amendment Bill,**

Mpumalanga Gambling Amendment Bill, 2008, which includes the proposed amendments to the Horse-racing and Betting Ordinance regulations were approved for submission to the Legislature.

- **Regulations for Mpumalanga Tourism and Parks Agency Act, 2005**

The regulations for tourism were approved for implementation. The regulations provide for and seek to regulate the registration of tourism establishments and tourism operators within the Province.

PROGRAMME 1: ADMINISTRATION

Purpose of the programme

The purpose of the programme is to provide efficient and effective administrative and strategic support services to the Department.

Sub programmes

The programme consists of the following sub programmes:

- Office of the Member of the Executive Council, Office of the Head of Department, Financial Management and Internal Audit
- Corporate Services, which includes Planning and Coordination, Human Resource Management, Communication, Legal Services, Transversal Services, Security Management

Key Measurable Objectives and Service Delivery Achievements

Key Measurable Objectives

- To develop and manage effective and efficient systems, processes and programmes critical to the implementation of the political mandate
- To conduct quarterly performance and evaluation of senior managers
- To monitor and evaluate the implementation of shareholders compact with public entities
- To ensure implementation of Executive Council and Lekgotla resolutions
- To evaluate the effectiveness of the department's control, risk management and governance processes
- To develop and implement financial policies
- To develop system of financial risk management and internal control
- To compile Annual Financial Statements
- To provide proper budgeting and monitoring of expenditure
- To improve revenue collection
- Provide financial training to managers
- To ensure effective and efficient Asset Management



Service Delivery Achievements

During the period under review, the management services provided guidance on implementation of administration's mandate and programme. This was achieved through:

- Tabling of the implementation plan; proposed budget; strategic plan and organogram and submission of the responses to oral and written questions to the Province Legislature;
- Monitoring of performance of the department and agencies through interrogation of monthly, quarterly, six month, nine months and twelve month reports.
- Facilitating the participation of the MEC during the Cabinet outreach activities, oversight visits to business premises, and the forums.
- During the reporting period the function of monitoring of performance of the public entities was transferred to sub programme: Monitoring and Evaluation to enable effective provision of this services.
- Facilitating the appointment of the new Audit Committee members; completing and communicating the results of the audit review on the department's internal control, risk management and corporate governance on the focus areas such as Asset Management, Information and communication technology and delays in the Department's tender processes. An audit review report on issues raised by internal audit and the Auditor General in 07/08 financial year and a report on ad-hoc audit review on the utilisation of cellular phones in the Department were produced.
- Reviewed and updated financial policies such as Debt Management, Supply Chain Management, Asset Management, Transport Management, Cell Phone, and Subsistence and Travel.

Service delivery objectives, indicators and achievements

Sub programme	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Office of the MEC	Facilitated the tabling of relevant documents to the Legislature	Proficient and efficient support to the Executive Authority	Facilitated the tabling of relevant documents to the Legislature	Tabled 4 policy documents at the legislature
	Responded to all questions for oral and written reply	Department and agencies comply with the requirements of the Legislature when exercising its oversight function	Responded to all questions for oral and written reply	Responded to 3 oral and 9 written questions
	Quarterly reports analysed		Quarterly reports analysed	Analysed reports
	Policy & Budget Speech		Policy & Budget Speech	Tabled Policy and Budget Speech for 2008/9
	Provision of proficient and effective administrative support to the Executive Authority		Provision of proficient and effective administrative support to the Executive Authority	Provided proficient and effective administration support to the Executive Authority
Office of the HOD	Senior Managers' performance evaluated on quarterly basis	The evaluation of Performance of Senior managers per quarter	Senior Managers performance evaluated on quarterly basis	Evaluated performance of senior managers
	Improved communication and distribution of information	Effective communication and distribution of information	Improved communication and distribution of information	Held 3 Executive Management Committee and 13 Management Committee Meetings
	3 parastatals provided strategic leadership and capacity building	3 parastatals provided strategic leadership and capacity building	3 parastatals provided strategic leadership and capacity building	Held 2 CEO's forum meetings
	Performance of public entities according to the signed shareholders compact monitored	Shareholders compact signed and compliance by public entities	Performance of public entities according to the signed share holders compact monitored	Shareholders compact signed and performance reports of Public Entities analysed
	Executive council and Lekgotla resolutions implemented	Number of resolutions implemented within stipulated time frames	Executive council and Lekgotla resolutions implemented	Implemented all Executive Council Lekgotla resolutions
Internal Audit	Department's risk assessment report	A report of the department's risk assessment	Department's risk assessment report	Completed Department's risk assessment report
	3 year Strategic Internal Audit Plan	3 year risk based Internal audit strategic plan	3 year strategic Internal Audit plan	3 year strategic internal audit plan was developed and approved



Sub programme	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
	1 year Internal audit Operational Plan Developed	1 year Internal Audit Operational Plan	1 year Internal Audit Operational Plan	1 year Internal Audit Operational Plan was developed and approved
	Internal Audit Charter and Audit Committee Charter	A reviewed and approved internal audit charter and a reviewed and approved Audit committee charter	Internal audit charter and Audit Committee Charter	Developed Internal Audit Charter and Audit Committee Charter
	A report on quality assurance review of the Department's internal audit	External quality assurance review	A report on quality assurance review of the department's internal audit	Developed a report on quality assurance review of the department's internal audit
	6 Internal Audit reports on Progress made against audit plan on the department's control risk management & governance processes	Internal Audit reports on Progress made against the annual audit operational plan on the department's control risk management & governance processes completed	6 Internal Audit reports on Progress made against audit plan on the department's control risk management & governance processes	Completed 8 internal audit reports on the department's internal control, risk management and corporate governance
Financial Management	Review and update financial policies and manuals	Policies formulated and procedure manuals developed	Reviewed and updated financial policies and manuals.	Reviewed and updated Financial policies and manuals in line with delegations of authority
	Monitor and evaluate Risk Management Strategy	Risk Management Strategy developed	Monitored and evaluated Risk Management Strategy	Monitored and Evaluation risk Management Strategy
	Submit Annual Financial Statements to treasury and auditor general	Compliance with Generally Accepted Accounting Practices	Annual Financial Statements submitted to Treasury and Auditor-General	Submitted Annual Financial Statements to Treasury and Auditor-General by 31 May 2008
	Properly costed budget	Budget prepared in terms of PFMA and Treasury Regulations	Properly costed budget	Prepared credible budget for 2009/10 prepared in terms of PFMA and Treasury Regulations
	Expenditure monitoring		Expenditure monitoring	Prepared and submitted in Year Monitoring report to Provincial Treasury and monthly expenditure reports to managers

Sub programme	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
	Increase revenue collection by 5% to 15% above the provincial target of 10%	Increased revenue collection by 5% to 15% above the provincial target of 10%	Increased revenue collection by 5% to 15% above the provincial target of 10%	Achieved revenue collection of 10% over target to 25% with total collection of R43,421 million
	100% compliance with Supply Chain Management policies, practice notes and regulations	Compliance with Supply Chain Management policies, practice notes and regulations	100% compliance with Supply Chain Management policies, practice notes and regulations	Supply Chain Management policy and procedure manual which complies with practice notes and regulations approved
	Update Asset Register	Asset register which complies with minimum requirements of Treasury	An updated asset register	Asset register updated and complies with minimum requirements of Treasury
	Effective and efficient management of department		Effective and efficient management of departmental fleet	Transport policy approved and implemented
	Overall compliance with the National Archives Act 43 of 1996 as amended	Implementation of filling plan	Overall compliance with the National Archives Act 43 of 1996 as amended	Records Management policy developed
	Ensure that offices are always clean and cleaning material are always available	Ensure that offices are always clean	Ensure that offices are always clean and cleaning materials are always available	Ensured that offices are clean
	Ensuring that the vehicles available/ stationed at our registry for our messenger to use when delivering	No lost documentation by the massager	Ensuring that there is a vehicle available/ stationed at our registry for our messenger to use when delivering	Vehicles available and stationed at our registry for messenger' services



PROGRAMME 1: ADMINISTRATION

Purpose of the programme

The programme is intended to render effective support services to the Department

Sub programmes

The programme consists of four sub programmes and two divisions:

- Human Resource Management
- Planning and Coordination
- Communication
- Legal Services
- Division: Security Management
- Division: Transversal Services

Key Measurable Objectives and Service Delivery Achievements

Key Measurable Objectives

- Develop internal capacity in order to deliver on department's mandate
- Coordinate the compilation of strategic plans and give advice to the department
- To develop and implement communication strategy and implementation plans
- To draft speeches and key messages for communication purposes
- To promote public and stakeholder interaction and participation
- To render media liaison services
- To conduct media monitoring and produce media analysis reports
- To use media products and communication vehicles to raise awareness about department's programmes
- To render internal communication
- Ensure mainstreaming of HIV and AIDS, Youth, gender, and disability programmes into Departmental programmes
- Provide a comprehensive security management to the Department
- Provide effective and efficient legal support

Service Delivery Achievements

The chief directorate accomplished the following during the period under review:

- Coordinated strategic planning sessions to align department and agencies' plan with the Provincial Government priorities.
- Reviewed and implemented the following Human Resource Management policies: Employment Equity, HRD, Recruitment; Resettlement, PMDS, Incentive Scheme, Grievance Procedure, Sick leave, Special leave, Employee wellness, Sexual Harassment, Code of Conduct, Maternity leave, Family responsibility leave, Overtime, Induction and Exit. Furthermore, the programme developed four draft policies on Retention, Succession Planning, Probation and Acting Allowance.
- Implemented Skill Development Programme through facilitation of training for 16 employees in Employment Equity, 16 in Business Writing Skills, 16 in Managing Workplace Discipline, 2 in Policy Development, 16 in Appointing Employees and 11 employees received training in Advanced Trial Advocacy. Additionally, the programme facilitated training for the members of the junior, middle and senior management as follows: 7 SMS members attended Khaedu Module 1 (Core); 2 attended Executive Development Programme Module 2 and 1 participated in Executive Development Programme Module 3, 5 Deputy Directors attended Middle Management Development Module 1 and 5 Assistant Directors attended Junior Management Development Programme Module 1.
- Facilitated participation of the newly employed officials on levels 1 – 5 in the Massified Induction Programme and other employees attended internal induction programme.
- Enrolled 48 officials on ABET programme, 7 interns completed their internship programme, 28 new interns recruited and 3 learners on experiential training recruited. Four interdepartmental career exhibitions were attended to market career opportunities within the department. Moreover, a total of 21 new internal bursaries were approved.
- Handled 7 grievances within the stipulated time frame, these include 2 for non payment of S & T claims; 1 for non implementation of JE results, 1 for unfair labour practice [Director: LED post], 1 for refusal by supervisor to assess employee for 4th quarter performance cycle; 1 for absorption; and 1 for tax on service bonus).
- Applied “No-Work, No-Pay” principle for 12 employees that participated in a stayaway. Conducted 1 disciplinary hearing and a final written warning was issued. Conducted investigation on 3 cases that were received from Integrity Management Unit. The cases were withdrawn due to unfounded allegations.
- Investigated and finalized 2 cases of alleged nepotism and movement of receptionist.
- Evaluated performance for 184 employees on level 1 – 12, inclusive of 51 who were transferred to MTPA, and finalised moderation for the 2007/08 performance cycle were done. Out of 238 employees on level 1-12, 189 submitted contracts, 120 submitted their first quarterly reviews, 136 submitted second quarterly reviews and 148 submitted quarterly reviews for the 08/09 performance cycle as at 31 March 2009.



- Developed and implemented annual communication strategy and programme and four targeted communication plans for the following events: Policy and Budget speech occasion, Consumer month, economic opportunities roadshow and imbizo.
- Produced speeches/speaker's notes for the Tourism graduation ceremony, Launch of BBBEE advisory committee, Penryn strategic planning session, Growth and Development summit, Women's gala dinner, SMME business week, Miss World Gala dinner, opening of conference centre, Launch of Mpumalanga Growth Fund, Debate on economy (legislature debate), Sod turning for Douglas-Middleburg Optimisation project, Launch of Tourism Forum, Brand introduction at the Tourism Indaba, Exporter of the Year Awards, Economic Opportunities Roadshow, International Tourists Guide Day, Launch of Mpumalanga Growth Fund, 102 quick win campaign.
- Coordinated media publicity for programmes and activities of the department through issuing of media releases, coordination of media interviews in both print and broadcast media, securing media slots and arranging media briefings.
- Produced and distributed daily news summaries which are used to inform the management on key media issues that affect the department and its agencies.
- Provided news and photographic services for departmental activities.
- Coordinated the Izimbizo (community meetings) in the three municipal areas of Mbombela, Nkomazi and Lekwa. Participated in the Cabinet outreach activities which were held in Thembisile, Govan Mbeki, Delmas and Dipaleseng Municipalities. Conducted community awareness campaigns aimed at promoting the services of the department in collaboration with Driefontein, Balfour, Marapyane and Casteel Thusong Service Centres. Participated in exhibition opportunities at the national events such as the Eskom Small Business Expo and Annual Small Business Summit and in during the provincial events. Coordinated MEC's business outreach activities or business courtesy visits.
- Handled 9 litigation matters which include P DEXTER v/s MEC & MEGA, Departmental Forensic Investigation (criminal charges and civil claims instituted, M W Nkosi & 3 Others v/s DEDP, DEDP v/s Beva Direct, DEDP v/s COCKNEY-Liz Hotel, EDGE to EDGE v/s MTPA & MEC, Lomshiyi Trust v/s MTPA & DEDP, Declaration of dispute re: Chief Director Post & Gestetner Mpumalanga v/s MTPA & MEC.
- Finalised and facilitated an approval of the Mpumalanga Gambling Amendment Act, 2008, Mpumalanga Liquor Licensing Regulations, 2008 and Mpumalanga Tourism Regulations, 2008.
- Conducted physical security appraisals at Bushbuckridge and Nelspruit offices attached to the department.
- Conducted two security awareness workshops, one targeting the senior managers and the other for officials at the Head office.
- Commemorated 16 Days of Activism against Women and Children and World Aids Day.
- Conducted awareness workshop on mainstreaming of gender with the members of the Middle Management Services in Bushbuckridge region.
- Facilitated two economic empowerment workshops, one for women at Msukalinga Municipality in Gert Sibande and another one for the People with Disabilities in Ehlanzeni region.

Service delivery objectives, indicators and achievements

Sub programme	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Human Resource Management	Fill all vacant but funded posts	Number of funded post filled	Advertised and facilitated interviews for posts in line with the reviewed structure	Advertised 125 posts, 79 employees assumed duties and 22 promoted
	4 induction sessions per year	Implement and monitor induction programme	4 induction sessions per year	5 induction sessions for newly appointed employees conducted
	Implement and review HR policies	Number of quality of Human Resources policies developed	11 policies reviewed and 15 monitored and implemented	Reviewed, monitored and implemented 17 Human Resource policies
	Performance of all officials evaluated	Quarterly performance reviews	Workshops of staff on the performance management system conducted	Conducted workshops on PMDS and facilitated contracting and assessment of performance of official
	40% female senior managers and 2% employees with disabilities	Equity report submitted to the department of labour	Monitored and evaluated equity targets/ drivers	Monitored and evaluated equity targets/drivers. 32% female at SMS level and 2% for employees with disabilities
	Develop and implement Annual Workplace Skills Plan	Number of employees skilled	Conducted training needs analysis	Developed and implemented Workplace Skills Plan. Submitted Annual Training Report to Office of the Premier and PSETA
	Grievances resolved and disciplinary	Reduction in the number of disputes	Awareness campaigns on grievance procedures conducted	Conducted information sessions and roadshows to raise awareness about grievance procedures
	Reconfigure the department	Reconfigure the department	Reconfigure the department	Reconfiguration of the department done
Planning and Coordination	Maintain the developed standard format of reporting for the DEDP	Developed standard format for reporting and review processes	Maintain the developed standard format of reporting for the DEDP	Developed and implemented Internal reporting template



Sub programme	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
	Align the departmental plans with the PGDS and other applicable legislations	A Report on programme alignment with PGDS and applicable legislative frameworks	Align the departmental plans with the PGDS and other applicable legislations	Aligned APP and Implementation plan with the PGDS, SONA, SOPA, Cabinet Lekgotla and APEX priorities
	Update database of plans	Developed and maintained database of plans	Updated database of plans	Updated Database of Departmental plans
	Compile reports on plans readily available	Coordinated, compiled reports and monitor the implementation plans	Compiled reports on plans readily available	Compiled monthly and quarterly reports
	Provide mid-term performance report	Monitored and evaluated the performance of the department	Provided mid-term performance report	Consolidated and submitted Performance reports to Office of the Premier and Provincial Treasury
Communication	Annual communication strategy developed and approved	Annual communication strategy in place	Annual communication strategy developed and approved	Annual communication strategy was developed, approved and implemented
	4 targeted communication strategies and plans for key priorities developed and implemented	Number of targeted communication plans developed and implemented	4 targeted communication strategies and plans for key priorities developed and implemented	5 targeted communication plans were developed and 4 implemented
	Annual communication programme approved and implemented	Developed annual communication programme based on implementation pla	Annual communication programme approved and implemented	Annual communication programme approved and implemented
	8 speakers notes or key messages document or speeches developed and delivered	Number and relevance of key message documents/speeches developed	8 speakers notes or key messages document or speeches developed and delivered	19 speeches produced and delivered and 2 key message documents produced
	4 <i>izimbizo</i> held	Number of <i>izimbizo</i> held	4 <i>izimbizo</i> held	3 <i>izimbizo</i> were held
	4 community awareness campaigns conducted	Number of community awareness campaigns conducted	4 community awareness campaigns conducted	4 community awareness campaigns conducted

Sub programme	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
	Strategic partnership established	Communication forum established and meetings held	Strategic partnership developed	Communication forum established and 3 meetings held
	3 stakeholder meetings/ briefings supported	Number of stakeholder meeting/ briefings supported	3 stakeholder meetings/ briefings supported	4 stakeholder meetings/ forums were supported
	8 media sessions held	Number of media sessions (visits to media houses, briefings and networking sessions) held	8 media sessions held	8 media sessions held
	20 media slots secured	Number of media slots secured	20 media slots secured	15 media slots secured
	Daily print and broadcast media summaries produced and distributed	Number and relevance of media clippings and news summaries produced	240 media clippings document developed and distributed	210 media clippings/ briefs produced and distributed, daily media summaries produced and distributed
	12 monthly communication environment reports produced	Number and accuracy of communication environment reports	12 monthly communication environment reports produced	9 monthly communication environment reports produced
	Daily updates on the website	Website updated	Daily updates on the website	Website developed and updated with latest information
	4 quarterly external newsletters produced and distributed	Number and relevance of external newsletters produced	4 quarterly external newsletters produced and distributed	4 quarterly newsletters produced and distributed
	Annual report produced	Produced annual report	Annual report produced	Annual report produced and distributed
	Exhibitions conducted	Participation in exhibition opportunities	Exhibitions conducted	Exhibitions conducted at the provincial and national events
	Intranet operational	100% operational intranet	Intranet operational	Intranet operational and updated
	4 internal campaign or events supported	Number of internal communication campaigns and events supported	4 internal campaign or events supported	6 internal campaigns were supported
	12 internal bulletins produced and distributed	Produced and distributed staff publication	12 internal bulletins produced and distributed	10 internal bulletins produced and distributed



Sub programme	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Legal Services	Implementation and review of Acts	Number of legislative reviews completed	Implementation and review of Acts	Consumer Regulations, Tourism Regulations, Draft Repeal Bill, Horse Racing and Betting legislation finalised
	Attend to litigation and render legal opinions	Number of litigation matters handled and number of opinions prepared.	Attend to litigation and render legal opinions	9 litigation matters handled and 56 written opinions prepared
	Monitor and review existing agreements	Number of agreements drafted/reviewed	Monitor and review existing agreements	Reviewed/prepared 27 agreements
Security Services	Implement internal security policy	Safety of Departmental documents, assets and personnel	Implement internal security policy	Updated vetting register Conducted 3 physical appraisal and 3 access cards spot checks Conducted 50 site inspections at 5 sites
	Prevent theft of departmental assets	Enhanced physical security of departmental assets	Security devices acquired, maintained and asset control register updated	9 CCTV cameras installed and asset control register updated
Transversal Services	15 Target Groups programmes, implemented and monitored in all three regions	Number of stakeholders reached	15 Target Groups programmes, implemented and monitored in all three regions	16 targeted groups programmes conducted
	Monitor and Implement treatment on positive living in all three regions		Ensure implementation of the Equity Plan 50% Women, 2% people with Disabilities	Women occupy 32% of all posts at the SMS level Department is at 2% on disability targets.
	Monitor and implement treatment on positive living in all three regions		Monitor and implement treatment on positive living in all three regions	Implemented 4 positive living programmes and monitored 1 programme

PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Purpose of the programme

The purpose of the programme is to enhance shared economic growth through sustainable development

Sub programmes

The programme consists of the following sub programmes:

- Enterprise Development
- Economic Empowerment
- Local Economic Development

Key Measurable Objectives and Service Delivery Achievements

Key Measurable Objectives

- To facilitate the development of co-operatives
- To facilitate access to finance for small enterprises
- To facilitate access to business development services
- To ensure all municipal LED's and IDP's plans are in line with National and Provincial priorities
- To strengthen and support capacity of in collaboration of local government
- To co-ordinate LED investment promotion initiatives
- To develop the Broad Based Black Economic Empowerment Provincial Strategy
- To communicate and have an oversight on the implementation of BBBEE Charters and Codes of Good Practice in all sectors of the provincial economy
- To facilitate the establishment of institutional support for BEE in the province
- To facilitate the establishment of BEE firms in the beneficiation chain



Service Delivery Achievements

During the period under review the Chief Directorate accomplished the following:

- Supported and monitored performance of 5 SEDA branches and supported the following Enterprise Information Centres: EIC Kwaggafontein, EIC Siyabuswa, EIC Belfast, EIC Thulamahashe, EIC Mkhuhlu and Nomndeni EIC Belfast.
- Held a provincial consultative workshop on the revised Provincial SMME strategy and the Provincial Cooperatives Strategy.
- Held meetings with LED units within municipalities and Provincial Government Departments to sensitise them on SMME Targeted Procurement Programme (10 products initiative).
- Held three provincial SMME seminars targeting youth, women and people with disabilities in Albert Luthuli, Delmas and in Mbombela municipality.
- Conducted training needs analysis and begun engagement with the Department of Labour to fund training for the SMMEs.
- Provided support to financial institutions such as the New Business Finance satellite office (Nkangala, Witbank) through identification of suitable premises for its location, setting-up of Anglo Zimele SMME Hubs in Nkangala District (Steve Tshwete & Emalahleni Municipality) and Gert Sibande District (Govan Mbeki Municipality).
- Conducted monthly visits to accredited Micro-Credit Outlets.
- Supported five cooperatives to participate at the National Cooperative Week exhibition in Pretoria.
- Held five workshops on the cooperatives strategy with the Provincial Departments; all government and non-governmental agencies and private business and the district and local municipalities.
- Held seminars for the cooperatives in Dipaliseng, Nkangala), Nkomazi, (Ehlanzeni), JS Moroka (Nkangala), Thembisile (Nkangala), Msukaligwa (Gert Sibande) Mbombela (Ehlanzeni), and, Emalahleni (Nkangala), Lillydale Village (Bushbuckridge), Mhluzi (Steve Tshwete) and Piet Retief (Mkhondo).
- Monitored the following Cooperatives: Masoyi Community Development, (Mbombela Municipality), Bushbuckridge Youth, (Bushbuckridge Municipality), Open Gate Pottery, (Bushbuckridge Municipality), Fanang Bakery, (Thaba Chweu Municipality), The Future Leaders Skills and Social Development, (Nkomazi Municipality), Naledi, (Mbombela Municipality), Imbaliyesizwe Worker CP, (Msukaligwa Municipality), Abalondolozu Cleaning, (Mkhondo Municipality), Future Group (Ehlanzeni), Thuthukani (Ehlanzeni), Masenka (Nkangala), Yekumona (Gert Sibande), Thandakuhle Beekeeping (Gert Sibande), Thandimvelo recycling, Tsimologo ya Katlego Laundry, Ezabelwani Arts & Culture, Mphiri Otee ga olle Agric & Ziqalele Agriculture.

- Facilitated access to finance - in the form of short term loans - to 292 SMME's as follows: Development Finance Institutions Umsobomvu Youth Fund (197); New Business Finance (37); Anglo Zimele Small Business Hubs (14), and South African Micro Apex Fund's partner organization (44).
- Facilitated the establishment and launch of the BBBEE advisory committee and BBBEE forum. Finalized the draft provincial Broad Based Black Economic Empowerment strategy. Held seminars to raise awareness about the BEE legislation and to get inputs and buy in from all role-players for the provincial BBBEE strategy.
- Participated in the process of review and analysis of the districts and municipalities' IDP/ LED plans.
- Conducted four capacity building interventions which includes the development of Industrial Roadmap for Nkangala District Municipality, coordination of exchange programme to Germany and two training workshops on development of an Industrial Development Strategy and another on Business Government Integrated Development Planning Dialogue in Ehlanzeni and Gert Sibande Districts respectively. Established a steering committee at a municipal level within Gert Sibande for constant review of investment plan's reports.



Sub programme	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Enterprise Development	7 SEDA 2 EICs supported and monitored	Number of non-financial institutions supported and monitored	7 SEDA & 2 EICs supported and monitored	5 SEDA branches and 6 EICs supported and monitored
	21000 SMMEs accessing business development services (non-financial support) from SEDA and 1000 from the Department	Number of SMMEs accessing business development services (non-financial support)	21000 SMME's accessing business development support services from SEDA and 1000 from the department	SEDA provided business development services (non-financial support services) to 16 657 SMME's Department provided business development services (non-financial support services) to 776 walk-in clients
	Implement the review SMME strategy	Implement and review the provincial SMME development support strategy	Implement the reviewed SMME strategy	A workshop with stakeholders on monitoring and evaluation of the SMMEs Strategy's Implementation plan held
	3 seminars for targeted groups (1 per district)		3 seminars for targeted groups (1 per district)	1 seminar in each district for targeted groups held
	4 retail financial intermediaries supported and monitored	Number of Retail Financial Institutions	4 retail financial intermediaries supported and monitored	2 retail financial intermediaries supported and monitored
	250 SMME supported to access finance	Number of SMMEs supported through financial support institutions	250 SMME supported to access finance	Facilitated access to finance for 292 SMME's from the Development Finance Institutions

Sub programme	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
	30 cooperatives established and 20 maintained	Number of cooperatives established and maintained	30 Cooperatives established and 20 maintained	30 Cooperatives established (pre-incorporation training and formal registration with CIPRO and 18 were monitored
	12 Cooperatives Awareness programmes conducted	Number of Cooperatives awareness programme conducted	12 Cooperatives Awareness programmes conducted	12 Co-operatives awareness seminars held in various municipalities
	Implement, monitor and review the cooperative strategy	Develop and implement the cooperative strategy	Implement, monitor and review the cooperative strategy	Five workshops on the cooperatives strategy held with stakeholders
Economic Empowerment	Implement and monitor the BEE strategy initiatives	Number of initiatives implemented in line with the strategy	Implement and monitor the BEE Strategy initiatives.	The Provincial BEE strategy developed and implementation of the Project Kusile Initiatives started
	An analysis report on the procurement spend by government	Percentage value of procurement spend to BBBEE businesses through public procurement opportunities in the province	An analysis report on the procurement spent by government	Report on BEE compliance for all departments for 2008/09 completed
	Establishment of functional Public Sector BBBEE forum		Establishment of functional Public Sector BBBEE forum	Public Sector Forum established
	4 BEE awareness programmes conducted and a conference hosted	Number of awareness programmes on BEE conducted	4 BEE awareness programmes conducted and a conference hosted	5 BEE awareness seminars conducted in Govan Mbeki, Emalahleni, Msukaligwa, Mbombela, and Steve Tshwete Municipalities



Sub programme	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
	Verification of BEE status for companies doing business with Provincial Government and its agencies completed	Number empowered companies evaluated and analysed in the various industry sectors	Verification of BEE status for companies doing business with Provincial Government and its agencies completed	The names of accredited BBBEE Verification Agencies were released in February 2009 hence it was late to enable the achievement of this objective
	A BEE sensitive and informed corporate in Mpumalanga	Number of large corporations sensitised on BEE.	A BEE sensitive and informed corporate in Mpumalanga	7 Companies sensitised on BEE (SASOL, Highveld Steel, Anglo Coal, Delta EDM, SAPPI Ngodwana, TSB and ESKOM)
	Support the activities of the Provincial BEE Advisory Council established	A fully fledged Provincial BEE Advisory Committee	Support the activities of the Provincial BEE Advisory Committee	The Provincial BEE Advisory Committee and Forum established and the Committee launched
	2 BEE firms established	Number of BEE firms established	2 BEE firms established	7 BEE firms established through business linkages with SASOL & ESKOM
Local Economic Development	LED framework reviewed, updated and implemented	LED framework developed and implemented	LED framework reviewed, updated and implemented	LED framework document sourced and analyzed
	21 local municipalities aligned to the departmental plans and PGDS	Number of municipal Plans aligned to departmental plans and PGDS	21 local municipalities aligned to the departmental plans and PGDS	Departmental projects aligned with IDPs of District Municipalities
	8 capacity building interventions conducted	Number of capacity building interventions conducted	Reports for presentation to the 3 district municipalities complied	A report on the status of LED plans in Municipalities compiled

Sub programme	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
	4 projects within municipalities along the corridors supported	Number of projects supported	8 capacity building interventions conducted	4 capacity building interventions conducted
	1 LED projects per District supported		4 projects within municipalities along the corridor supported	Facilitated the appointment of a 'special purpose vehicle' for the implementation of Gert Sibande District Municipal LED plan in partnership with GTZ and DBSA Draft reports of the Investment plan received and reviewed
	1 LED project per District supported		1 LED project per District supported	Project for the investment plan of Gert Sibande Municipality advertised



PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT

Purpose of the programme

The purpose of the programme is to facilitate the development of trade and industry sectors in the Province

Sub programmes

The programme consists of the following sub programmes:

- Trade and Investment Promotion
- Sector Development
- Industry Development
- Tourism Development

Key Measurable Objectives and Service Delivery Achievements

Key Measurable Objectives

- To establish export based development programmes
- To expose exporters to new markets to obtain deals
- To monitor and evaluate achievements of MEGA and establish bankable foreign and domestic projects
- To enhance development of opportunities for higher value added matrices in growth sectors
- To form and support manufacturing incubation centres in key prioritised sectors
- To ensure the implementation of capacity building programmes at various technological training centers
- To implement logistics projects (industrial infrastructure)
- To form industrial clusters in key prioritised sectors
- To implement NIPF(National Industrial Policy Framework) and (AMTS) Advanced Manufacturing Technology projects
- To monitor, evaluate, analyse and make recommendations to stakeholders in terms of the Tourism Act, White Paper, policies and regulations.

Service Delivery Achievements

During the period under review the chief directorate accomplished the following:

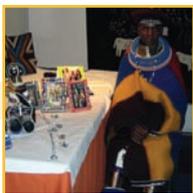
- Steered the implementation of the Memorandum of Understanding signed between the Province and Ismailia.
- Implemented four export related programmes through conducting of the Export awareness campaigns in five municipalities; presented Ticket to Export” training programme in 4 venues; 2 pre-exhibition training for the Eskom Small Business Expo and for the India Engineering Trade Faire, and 1 post – exhibition training for the SA Handmade Collection.
- Implemented export development programmes through six capacity building sessions which benefited 113 potential exporters in Umjindi, Nkomazi, Mbombela, Thembisile, and 2 in Albert Luthuli municipalities. Conducted training on Trends and Design in Elukwatini, Secunda and Malelane benefitting 25 members of the Export Resource Network.
- Facilitated participation of 21 companies at the SAHC/OOAK show in Johannesburg from 28 July - 3 August 2008, 10 small exporters in Eskom Small Business EXPO from 12-14 September 2008 in Johannesburg and 10 companies at the Free State ASIA+Expo held in Bloemfontein from 17-21 October 2008.
- Undertook seven trade and investment missions to South Korea, Russia, China, India, Tanzania and Mozambique including one DEDP-led business delegation to Egypt.
- Assessed the state of readiness of the 5 incubatees in Stainless steel Initiative to exit the programme.
- Assisted one of the two successful incubatees to secure bigger premises and to apply for funding for extra machinery.
- Facilitated training of the incubatees. 50 Students have successfully completed the training.
- Developed a draft Bio-Fuel Provincial Strategy
- Drafted the Terms of Reference for the feasibility study for the Witbank/ Middleburg Industrial Park
- Facilitated the establishment and launch of the Tourism Forum.
- Held three consultative workshops in Gert Sibande, Nkangala and Ehlanzeni District to assist municipalities to align their plans with Mpumalanga Tourism Growth Strategy and also facilitated the development of Tourism Safety Strategy and Tourism SMME Support Strategy.
- Conducted training on responsible tourism and 88 people (15 Councillors, 27 private sector officials, 35 LED managers and 11 tourism officials) graduated.
- Facilitated and conducted 1 workshop in Bushbuckridge on the offerings of the Department of Minerals and Energy. Drafted a Memorandum of Agreement with Mintek to project manage the development of the Mining and Energy Supplier Park. Conducted 3 workshops with Mintek on the introduction to small scale mining in Witbank.



Service delivery objectives, indicators and achievements

Sub programme	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Trade and Industry Promotion	4 export related programmes implemented:	Number of export related programmes	4 export related programmes to be implemented	4 export related programmes implemented:
	<ul style="list-style-type: none"> Awareness campaign conducted 		Host the Exporter of the Year Award and conduct road show	5 awareness campaigns (road shows) conducted. Commenced with preparations for Exporter of the Year awards
	<ul style="list-style-type: none"> Ticket to export development programme established 		Ticket to export development programme established	Ticket to Export Development Programme established
	<ul style="list-style-type: none"> Pre-post exhibition training conducted 		Pre-post exhibition training conducted	2 pre and post exhibition training conducted for the Eskom Small Business Expo and South African Handmade Collection
	<ul style="list-style-type: none"> Small exporters development programme implemented 		Small exporters development programme implemented	Small exporter development programme implemented
	4 trade shows conducted and 40 exporters participated in trade shows	Number of exporters exposed to new markets	4 trade shows conducted and 40 exporters participated in trade shows	trade shows namely: Eskom Small Business Expo, SA Handmade Collection, Facim Trade Show, Asia Expo, Chicago Trade Mission, India Engineering Technology Faire, and the Gauteng Nepad Summit Exhibition were conducted and 57 exhibitors participated

Sub programme	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
	6 prospective export deals entered into as a result of the trade shows	Number of trade missions deals facilitated	7 prospective export deals entered into as a result of the trade shows	1 exporter confirmed actual successful deal
	6 trade and investment missions facilitated	Number of export deals facilitated	6 trade and investment missions facilitated	8 trade and investment missions undertaken
	Promote Foreign Direct Investment to the value of R120 million and create 200 direct jobs from new investments	Amount of investment drawn to the province	Promote Foreign Direct Investment to the value of R120 million and create 200 direct jobs from new investments	R137 million in Foreign Direct Investment was drawn to the province and 261 jobs created
	Attract 1,2 billion from the private sector	Attract 1,2 billion from the private sector	Attract 1,2 billion from the private sector	Fund Manager appointed
	Increase BEE participants from the province and promote new entrepreneurs	Increase BEE participants from the province and promote new entrepreneurs	Increase BEE participants from the province and promote new entrepreneurs	BBE participants identified and will be assisted once the Growth Fund is operational
	4 BPO centers established	Number of BPO centers established	4 BPO centers established	Evaluated tender bids on the BPO technical and business development skills
Sector Development	Two MSI incubates successfully exiting incubation in Middleburg	Number of manufacturing incubation centers established, supported and monitored	Two MSI incubatees successfully exiting incubation in Middleburg	Two Mpumalanga Stainless Steel Initiative incubates exited incubation
	Four mining projects and one supplier development centre established		Four mining projects and one supplier development centre established	Workshops held and / projects identified
	One provincial tooling and skills centre established in Witbank		One provincial tooling and skills centre established in Witbank	The Mpumalanga Tooling Initiative forum established



Sub programme	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Industry Development	Two Furntech incubates successfully exiting incubation in White River		Two Furntech incubates successfully exiting incubation in White River	Three incubates successfully exited the incubator
	One food technology centre established and supported in Ehlanzeni		One food technology centre established and supported in Ehlanzeni	Feasibility study completed Stakeholders consulted and discussions with land owners to set up the Food Technology centre
	Own wool processing centre established in Gert Sibande		One wool processing centre established in Gert Sibande	Initiated a feasibility study on wool processing centre
	One jewellery manufacturing centre established and supported in Ehlanzeni		One jewellery manufacturing centre established and supported in Ehlanzeni	Marketing support provided to the Mpumalanga Jewellery centre
	One bio fuel project established and supported in Ehlanzeni		One bio fuel project established and supported in Ehlanzeni	Stakeholder consultation conducted and information gathering processes for bio-fuel production plant completed
	Logistical projects implemented:		Number of logistics projects implemented	Logistical projects implemented:
	KMIA Industrial park	KMIA Industrial park		Feasibility study finalised
	Cargo Terminal	Cargo Terminal		Feasibility study of the Cargo Terminal commissioned
	Witbank/ Middleburg Industrial park	Witbank/ Middleburg Industrial park		Land identified for the establishment of the Industrial Park.

Sub programme	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
	Facilitate the implementation of the International Convention Centre (ICC) through MEGA		Facilitate the implementation of the International Convention Centre (ICC) through MEGA	The Implementing Agent for the ICC appointed
	3 industrial clusters initiated and supported: Agro processing (food), Wood and wool established	Number of industrial clusters formed and supported	3 industrial clusters initiated and supported: Agro processing (food), Wood and wool established	Wood Cluster stakeholders identified and engaged Stainless Steel Cluster established and registered as a Section 21 Company and seed funding transferred
	1 AMTS project implemented • Programme for Industrial Manufacturing Excellence (PRIME) • Flagship projects of automobiles & aerospace	Number of AMTS projects implemented	1 AMTS project implemented • Programme for Industrial Manufacturing Excellence (PRIME) • Flagship projects of automobiles & aerospace	A service provider appointed to design a database of engineering students as part of the AMTS implementation.
	4 IPAP project implemented & supported: • Forestry industry • Pulp and Paper • Furniture • Mining and mineral beneficiation	Number of sector or industries implemented and supported	4 IPAP project implemented & supported:	Engaged DTI and identified future industries in mining/mineral beneficiation Engaged with DWAF and identified quick win forestry projects



Sub programme	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Tourism Development	Finalised and implemented the Mpumalanga Tourism Growth Strategy (MTGS)	A developed tourism strategy	Finalised and implemented the Mpumalanga Tourism Growth Strategy (MTGS)	Draft Tourism Growth Strategy submitted to Provincial EXCO for approval
	Monitor the implementation of the Tourism Flagship Projects		Monitor the implementation of the Tourism Flagship Projects	Consultative workshop held to review & prioritize the Tourism Flagship Projects
	Training based on Responsible Tourism Planning (RTP) conducted in all District Municipalities		Training based on Responsible Tourism Planning (RTP) conducted in all District Municipalities	88 people trained and graduated on RTP
	4 quarterly meetings held for the Tourism Forum		4 quarterly meetings held for the Tourism Forum	Secretariat services provided to 4 Tourism Forum meetings and reports submitted to the office of the MEC

PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

Purpose of the programme

The purpose of the programme is to facilitate a transparent, predictable, and a stable business environment and fair trade.

Sub programmes

The programme consists of the following sub programmes

- Consumer Protection Service
- Business Regulation

Key Measurable Objectives and Service Delivery Achievements

Key Measurable Objectives

- To render consumer advisory services and facilitate the prohibition of unfair business practices
- To implement programs that promote consumer rights
- To formulate and implement policy
- To ensure effective and efficient compliance to liquor Legislation
- To provide advisory services to various policy making bodies national and provincial
- To ensure effective and efficient compliance to business legislation
- To ensure effective and efficient compliance to Gambling and Betting Legislation



Service Delivery Achievements

During the period under review the chief directorate accomplished the following:

- Undertook public activities as part of the celebration of the Consumer Rights month, including an event to celebrate International Consumer Rights Day which was held at Nelspruit Plaza on 13 March 2009.
- Finalised the Mpumalanga Gambling Amendment Bill incorporating Horse Racing and Betting. The Bill is awaiting consideration by the Provincial Legislature and facilitated the approval of the Mpumalanga Liquor Regulations.
- The Mpumalanga Liquor Board considered 1144 new applications. 655 applications were approved, 132 disapproved, 355 were considered but deferred pending response to queries raised by the Board and 2 applications were withdrawn by the applicants.
- The Board conducted 9 misconduct hearing, 2 charges against owners of 2 premises were withdrawn by the prosecutor, while some were suspended for six months to a year, and new conditions were attached to other licences.
- Conducted 32 liquor workshops throughout the province including one each in Kabokweni, Nkomazi, Belfast, Middleburg, Kwaggafontein, and Kanyamazane.
- Carried out 35 inspections in various municipalities to verify progress made on implementation of the Mpumalanga Business Act.

Service delivery objectives, indicators and achievements

Sub programme	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Consumer Protection Services	1200 cases investigated and 1000 resolved.	Number of cases received, referred and resolved	1200 cases investigated and 1000 resolved	2436 cases investigated and 2238 resolved
	1200 Inspections conducted		1200 inspections conducted	1200 inspections conducted on business and outlets and 662 complied with license conditions
	36 workshops, 80 radio slots and 10 road shows conducted.	Number of education and awareness programmes disseminated.	36 workshops, 100 radio slots and 8 Road shows to be conducted.	138 workshops, 84 radio slots and 29 road shows conducted
	Consumer Month Celebrations	Policies reviewed and legislation implemented	Consumer Month Celebrations	Media campaign (print media advert, features and interviews on radio and TV and 110 radio adverts) conducted
				3 Consumer Month celebration road shows held
	Developed and implemented policies and legislations	Policies reviewed and legislation implemented	Mpumalanga Consumer Affairs Act harmonized with the Consumer Protection Bill and implemented	Draft Regulations of the Mpumalanga Consumer Affairs Act finalised, await certification
	Consumer complaints redressed through the Consumer Court		Consumer complaints redressed through the Consumer Court	Members of the Consumer Court appointed
Business Regulation	Operationalise the Mpumalanga Liquor Legislation	Compliance with legislation	Operationalise the Mpumalanga Liquor Legislation	An approval authorizing the operationalisation of the Liquor Legislation granted
				1144 new applications for liquor licenses considered



Sub programme	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
				New liquor outlets inspected, 489 complied and 53 did not comply with conditions
				145 ad-hoc inspections conducted, 63 complied, 82 did not comply with regulations
				513 trade inspections conducted, 110 traders were found to be compliant with applicable regulations
	5 municipalities capacitated in drafting of street trading by-laws	Municipalities capacitated in street trading by-law	5 municipalities capacitated in drafting of street trading by-laws	5 business licensing workshops conducted in three districts, 12 draft street trading by-laws submitted and 35 inspections conducted
	Compliance with legislation	Maintain an effective and socially responsible gambling and betting industry	Compliance with legislation	Mpumalanga Gambling Amendment Bill 2008 incorporating Horse Racing and Betting approved and forwarded to Legislature
	Evaluate the effectiveness of programmes put in place to deal with responsible gambling	To sensitise the public on the negative effects of gambling through ongoing educational programmes	Evaluate the effectiveness of programmes put in place to deal with responsible gambling	Materials on responsible gambling distributed at various Government izimbizo

PROGRAMME 5: ECONOMIC PLANNING

Purpose

The purpose of Economic Planning Programme is to manage economic planning in the province.

Sub programmes

The programme consists of the following sub programmes:

- Policy and Planning
- Research and Development
- Knowledge Management
- Monitoring and Evaluation

Key Measurable Objectives, Service Delivery Achievements and Challenges

Key Measurable Objectives

- To develop provincial economic policies
- To develop provincial economic strategies and plans
- To generate macro and micro economic research
- To provide reliable systems for economic performance indicators
- To provide economic information services to stakeholders for use to achieve objective related to priority economic sectors
- To monitor and evaluate the impact of provincial economic projects, policies and strategies.



Service Delivery Achievements

- The process of acquiring the Kruger Mpumalanga International Airport (KMIA) by the Mpumalanga Provincial Government (MPG) progressed to the stage of an initial principle agreement and the drafting of a share sale agreement.
- Developed two strategy documents, one on Bio-fuels and the other on ICT. The documents will be presented to EIE cluster in the first quarter of the 2009-10 financial years.
- Completed the final draft of the economic development strategy and presented to the PMC.
- Produced economic policy analysis reports based on the State of the Nation and State of the Province addresses as well as the National and Provincial budget speeches
- Completed the economic scoping study for the Moloto Rail Development Corridor (MRDC) and a final presentation made to the steering committee in March 2009.
- Completed three research projects in the areas of ICT, finance and business services and alternative energy using solid bio-mass. Prioritized the feasibility study on affordable renewable energy pilot project for the impoverished Bushbuckridge over the study on retail and wholesale due to significant change on the energy supply and economic environment impacting negatively on people living in rural areas. A fourth study in the construction sector is almost completed.
- Upgraded the GIS and geographically referenced information was made available through internet and intranet.
- Provided an elementary GIS at the two regional offices of the department in Ehlanzeni, Witbank and Kwa-Mhlanga.
- Designed and updated a database with information on Construction, MDC, MRDC, Greening Heritage and Tourism
- Provided information resource services at the Head Office and an on-line version of the resource centre is available on the intranet. Information was also provided in the form of CDs to department's office in Ferreira street.
- Produced an impact review report on the provincial economic developments from 2004-2009 focusing on impact of government's interventions, large industry investment and SMMEs.

Challenges

- The programme has undergone a building process in terms of overall human and material resource capacity to deliver on its deliverables for the year. Although progress was slow in the first half of the year, progress made in the second half is encouraging for the coming financial year. The programme has been without the chief director for the whole year and significant numbers of posts were vacant for greater part of the financial year. This has had impact on other deliverables during the first half of the year, which includes delays in completion of research and sector plans.
- Challenges were also experienced in terms of project management and the capacity of the service provider to deliver satisfactorily on research project on the construction industry as a result only two out of the four phases have been completed.

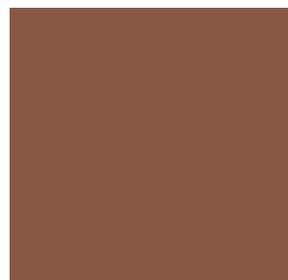
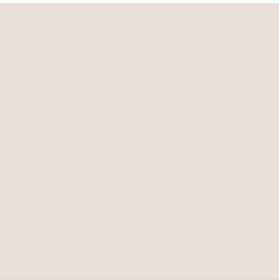
- The significant challenge on energy supply and economic environment has had negative impact on rural people. In order to be responsive to these dynamics, the programme prioritized the feasibility study on affordable renewable energy pilot project for the impoverished Bushbuckridge over the study on retail and wholesale.
- The lack of office accommodation has had an indirect negative impact on the resource centre space, which is crucial in order to act as a nerve centre to other offices in the Province.



Service delivery objectives, indicators and achievements

Sub programme	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Policy and Planning	3 economic policies developed	Number of policies developed	3 economic policies developed	4 reports on economic policies analysed
	4 provincial integrated sector plans developed	Number of sector plans developed and approved	4 provincial integrated sector plans developed	2 sector integrated sector plans developed (ICT & Bio-fuel)
	Mpumalanga Economic Development Strategy developed	A finalised Provincial and economic development plan	Mpumalanga Economic Strategy developed	Final draft Provincial Economic Development strategy developed, consultation with different stakeholders undertaken and awaits EXCO's approval
Research and Development	Research works on Moloto Rail development Corridor completed and communicated.	Number of economic baseline studies conducted	Research works on Moloto Rail Development Corridor completed and communicated	Final research report on Moloto Rail Development Corridor presented to Steering Committee
	4 sector studies conducted.		4 sector studies conducted	3 sector studies completed and 1 halfway to completion
	Develop research project management policy	Quality of research reports produced	Develop research project management policy	Information gathered
	2 meetings per districts and 1 conference held	Percentage of people invited attending meetings/ workshops	2 meetings per districts and 1 conference held	2 Meetings held to discuss research agenda with LED managers

Sub programme	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Knowledge Management	Review and update GIS	A shared GIS and database on economic information indicators	Review and update GIS	Reviewed, upgraded and updated GIS
	Reviewed and updated data sets for web access		Reviewed and updated data sets for web access	Reviewed and updated data sets for web access
	Expansion of resource services to 3 regional offices	Number of access points to information on Mpumalanga economy	Expansion of resource services to 3 regional offices	Resource services available in two regional offices (Ehlanzeni & Nkangala)
	100% of queries processed	Number of information queries processes	100% of queries processed	259 information requests received and 254 successfully processed (98%) Service standards manual approved
	2 Economic profile produced	Number of information products produced on Mpumalanga's economy	2 Economic profile produced	2 Economic profile publications (vol.3 and Vol.4) produced
Monitoring and Evaluation	Impact analysis in 3 priority areas i.e. SMME development, sector/industry development & tourism development	Number of projects monitored and evaluated	Impact analysis in 3 priority areas i.e. SMME development, sector/industry development & tourism development	Produced economic review report on provincial economic development from 2004 -2009 focusing on the impact of government sector interventions, large industry investment and SMME



Part Three

Report of the Audit Committee





REPORT OF THE AUDIT COMMITTEE

REPORT OF THE AUDIT COMMITTEE ON THE DEPARTMENT OF ECONOMIC DEVELOPMENT AND PLANNING FOR THE FINANCIAL YEAR ENDING 31 MARCH 2009

We are pleased to present our report for the above-mentioned financial year.

Audit Committee Members and Attendance:

The Audit Committee members, attended meetings during the financial year under review, in terms of their adopted Audit Charter, as indicated below:

Name	Position	Appointment date	Number of meetings attended
K Chisale	Member	02/12/2008	2
NA Dzuguda	Chairperson	02/12/2008	2
NH Jaxa	Member	02/12/2008	2
S Simelane	Member	02/12/2008	1

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1) (a) of the PFMA and Treasury Regulation 3.1.13 and 27(1) (10). The Audit Committee also reports that the Audit Charter it adopted, has regulated its affairs and has discharged its responsibilities as contained therein

Effectiveness of Internal Control

Internal Audit

The Audit Committee notes that during the year under review, full amount of internal audit work was performed in the department. Internal audit plans for 2008/2009 were carried out by an in-house internal audit function. The internal audit function has obtained a general compliance with the Standards for the Professional Practice of Internal Audit (SPPIA) in an external quality assurance review on the work of internal audit conducted by the Institute of Internal Audit (IIA) thus granting the directorate full compliance with the PFMA. The Audit Committee appreciates all meeting attendance by the Auditor General the Audit Committee believes that there now better communication and exchange of information between the Internal Audit; and the Office of the Auditor-General.

Internal Audit Findings

During the financial year the Audit Committee met with management periodically to track their progress in resolving outstanding internal control issues previously raised by the Auditor-General and Internal Audit. Internal Audit has reported that management has taken adequate corrective action to address weaknesses previously reported this is with reference to, significant matters pertaining to supply chain management, management accounting and asset management that were identified in the 2007/08 audit.

Risk management

The Department has not yet fully implemented a system of risk management. The Audit Committee notes with concern that though during the year under review the Department had appointed a Chief Risk Officer not much was done in risk management. The Committee recommends that more focus be given to strengthening the risk management function. As much as the internal control systems of the Department are based on an assessment of key risks within the Department the monitoring and management of those risks cannot therefore be regarded as effective.

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed with the Auditor-General and the Accounting Officer the audited annual financial statements to be included in the annual report;
- Reviewed the Auditor-General's management letters and the responses thereto;
- Reviewed significant adjustments resulting from the audit.
- Reviewed the Auditor-General's report.

The Audit Committee concurs and accepts the Auditor-General's conclusion 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.

In Year Management Reporting

The Audit Committee has reviewed the In Year Management Reports and discussed these with Department officials. Sufficient progress is being made in the development and quality of these reports.

Appreciation

The Audit Committee wishes to express its appreciation to, officials of the Department, the Auditor-General and internal audit for the information they have provided for us to compile this report.

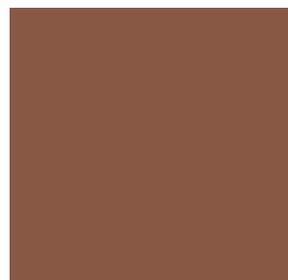
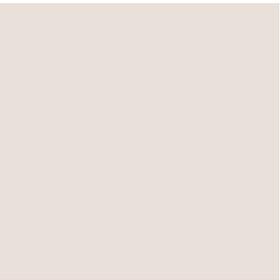


NA DZUGUDA

CHAIRPERSON: AUDIT COMMITTEE

DEPARTMENT OF ECONOMIC DEVELOPMENT AND PLANNING

30 AUGUST 2009



Part Four

Annual Financial Statements



**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009**

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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2009**

**REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA LEGISLATURE ON
THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO.
6: DEPARTMENT OF ECONOMIC DEVELOPMENT AND PLANNING FOR THE YEAR
ENDED 31 MARCH 2009**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Economic Development and Planning which comprise the statement of financial position as at 31 March 2009, the appropriation statement, the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 75 to 128.

The 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 basis of accounting determined by the National Treasury, as set out in accounting policy note 1 and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act, 2008 (Act No. 2 of 2008) (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.

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. 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.
5. 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

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2009**

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.

Opinion

6. In my opinion the financial statements present fairly, in all material respects, the financial position of the Department of Economic Development and Planning as at 31 March 2009 and its financial performance and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1 and in the manner required by the PFMA and DoRA.

Emphasis of matters

Without qualifying my opinion, I draw attention to the following matters:

Basis of accounting

7. The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.

Material underspending of the budget

8. As disclosed in the appropriation statement, the department materially underspent the budget on programme 5: economic planning to the amount of R2 094 000 (15,6% of the appropriation amount). As a consequence, the department did not achieve its objectives of developing provincial economic policies, strategies and plans.

Other matter

Without qualifying my opinion, I draw attention to the following matter that relates to my responsibilities in the audit of the financial statements:

Governance framework

9. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the key governance responsibilities addressed below:

Key governance responsibilities

10. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2009**

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	Y	
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.		N
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	Y	
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines (section 40 of the PFMA).	Y	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	Y	
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	• The department had an audit committee in operation throughout the financial year.	Y	
	• The audit committee operates in accordance with approved, written terms of reference.	Y	
	• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.	Y	
7.	Internal audit		
	• The department had an internal audit function in operation throughout the financial year.	Y	
	• The internal audit function operates in terms of an approved internal audit plan.	Y	
	• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2.	Y	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	Y	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	Y	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	Y	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 3.2.		N
12.	Powers and duties have been assigned, as set out in section 44 of the PFMA.	Y	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.	Y	
14.	SCOPA resolutions have been substantially implemented.	Y	
Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.		N
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	Y	

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2009**

No.	Matter	Y	N
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the department against its mandate, predetermined objectives, outputs, indicators and targets (Treasury Regulations 5.1, 5.2 and 6.1).	Y	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	Y	

11. An approved fraud prevention plan was not implemented due to the fact that the entity's risk management process had not been completely developed and implemented.
12. The deficiencies relating to performance information appear to be as result of management not undertaking continuous monitoring and supervision to enable them to determine whether internal control over performance reporting is present and functioning.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

13. I have reviewed the performance information as set out on pages 13 to 55.

The accounting officer's responsibility for the performance information

14. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

The Auditor-General's responsibility

15. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*.
16. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
17. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the findings reported below.

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2009**

Findings on performance information

Reported performance information not reliable

Source information not accurate and complete

18. The source information or evidence provided to support the reported performance information with regard to programme 2: integrated economic development services and programme 4: business regulation and governance did not adequately support the accuracy and completeness of the facts. The following serve as examples:

- Integrated economic development and services (enterprise development)
The actual performance as listed in the performance report indicated that three seminars per district were held for targeted groups, while in fact only three seminars were held in total for the three districts. Furthermore, the actual result stated in the annual report was that seven SEDA branches were supported and monitored, while in fact there were only five SEDA branches.
- Business regulation and governance (business regulation)
The actual performance as listed in the performance report for business regulation was that five business licensing workshops were conducted in three districts, while the evidence indicated that only four workshops were conducted in total.
- Local economic development (LED)
The actual performance as listed in the performance report was that a project for the investment plan of Gert Sibande Municipality was advertised. The advertisement could not be located.
Furthermore, the actual performance as listed in the performance report was that a LED framework document was sourced and analysed. The LED strategy was actually not reviewed, updated and implemented for the year ended 31 March 2009.
There was also no appointment of a “special purpose vehicle” for the implementation of the Gert Sibande District Municipal LED plan in partnership with the GTZ and the DBSA, as stated in the performance report.
- Business regulation and governance
Only nine municipalities’ draft street trading by-laws were submitted, and not 12 as reported in the performance report.
- Consumer protection
The performance report indicated that members of the Consumer Court were appointed. However, the appointment letters obtained from the consumer protections department related to the 2009-10 financial year.

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2009**

APPRECIATION

19. The assistance rendered by the staff of the Department of Economic Development and Planning during the audit is sincerely appreciated.

Auditor - General

Nelspruit

24 August 2009



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2009**

1. General review of the state of financial affairs

- During the year under review, the department faced a difficult challenge as the previous year financial statements were qualified by the Auditor-General. The main issue that resulted to the qualification is assets that were transferred from Limpopo as a result of cross boundary municipalities. The department did not overspend its budget on all five programmes although there has been an under spending in programme 5 (Economic Planning). The under spending is due to high vacancy rate in that programme which also affected goods and services. We managed to spend 97 percent of our total budget amounting to R441,654 million which resulted to an under spending of R11,536 million. No additional funding was allocated to the department during adjustment appropriation, however it was reduced by R1 million.
- On the positive side our revenue collection amounts to R43,421 million against a budget of R34,680 million which is 25% increase.

2. Service rendered by the department

The department renders services for which tariffs can be charged.

2.1 Tariff policy

2.2.1. Tourist guide levy

The tourist guide levy is regulated by the National Tourism Second Amendment Act, of 2000. The registration fee of R240.00 is payable every 2 years. This function has been transferred to MTPA as from 01 April 2008 under the Registrar.

2.1.1 Own revenue

Revenue	2008/09 Actual	2008/09 Budget	2007/08 Actual	2007/08 Budget
	R'000	R'000	R'000	R'000
Gambling	35,702	27,988	33,170	25,951
Interest: PMG Account	2,423	832	1,680	758
Horse Racing Taxation	4,371	4,000	3,483	4,000
Liquor Licences	613	1,556	1,695	1,356
Other Revenue	312	304	1,657	729
Total	43,421	34,680	41,685	32,794

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2009**

2.2 Free Services

The department renders free services to the public through the consumer service.

2.3 Inventories

The costing method used is the average costing. The total value of inventory on hand as at 31 March 2009 amounts to R280 thousand rands and is divided into the following:

Description	2008/09 R'000	2007/08 R'000
Stationery items	232	313
Cleaning materials	42	18
Electrical material	6	1
Total	280	332

3. Capacity constraints

The following factors contributed in capacity constraints.

The department had a high vacancy rate in the previous financial year which affected service delivery. The department has managed to address capacity constraints due to high vacancy rate through implementation of a new structure with effect from 1 April 2008 and the filling of vacant funded posts.

The shortage of GG vehicles affected service delivery. However the department had purchased five new vehicles to alleviate the situation. More vehicles still need to be purchased in the next financial year as more staff has been appointed in the organizational structure.

4. Utilisation of donor funds

None

5. Trading entities and public entities

The department had oversight functions over three public entities during the year under review.

REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2009

5.1 Mpumalanga Tourism and Parks Agency

The purpose of MTPA is:

- To promote tourism growth by increasing the number of both domestic and international tourists.
- To broaden the participation of historically disadvantaged individuals (HDIs) in the tourism industry.
- To ensure sustainable delisting and the management of the environment.

The Auditor General qualified the entity in the 2007/08 financial year because they were unable to determine the effect of adjustments made to the opening balances that were necessary for corresponding figures in financial statements. Furthermore the delay by National Treasury in delisting MTA, MPB and MTPA as schedule 2C resulted in the Auditor-General reporting the matter as material non – compliance with applicable legislation.

5.2 Mpumalanga Gambling Board

The purpose of the MGB is:

- To perform functions in terms of Mpumalanga Gambling Act, including:
 - Ensuring the sustainability of all persons wishing to participate in the gaming industry within Mpumalanga; and
 - Ensuring that gaming activities regulated by the MGB are conducted fairly, honestly and free of criminal influence and exploitation.
- To ensure that the regulation of gaming is effective and efficient
- To render support and advice to the Responsible Member of the Executive Council on gambling issues and ensure that the Government's policy on gambling is implemented.

The Mpumalanga Gambling Board performed outstanding by having a clean audit report and they also increased revenue collection by more than 25% of the budget for the year under review.

5.3 Mpumalanga Economic Growth Agency

The purpose of MEGA is:

- To promote trade and investment to support enterprise development.
- To provide funding in respect of approved enterprise development focusing on HDIs within the province; and
- To focus on project management, development and management of immovable property.

The MEGA also received a qualified report for 2007/08 financial year as a result of transfer of certain land and building into MEGA which had not been affected at balance sheet date. The delay by National Treasury to delist and list MEGA as Schedule 3D public entity to comply with Value Added Tax resulted in the Auditor-General reporting the matter as material non-compliance with applicable legislation.

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2009**

Accountability arrangement.

The public entities report to the Accounting Officer (Head of department). The accounting officer has signed condition of transfer with public entities accounting officer. The conditions are extracted from the PFMA and Treasury Regulations. The following are amongst the conditions, which must be complied with before funds are transferred.

1. Strategic plan must be submitted at least six months before the start of the financial year.
2. Corporate plan must cover a period of three years.
3. Shareholder compact must be annually signed with the Member of Executive Council (MEC).
4. Monthly reports including cash flow projections for expenditure, revenue and written certification from the CEO assuring that funds were used for the intended purpose.

6. Organisations to whom transfer payments have been made

Name of Public Entity	2008/09 R'000	2007/08 R'000
Mpumalanga Economic Growth Agency (MEGA)	63,950	60,905
Mpumalanga Tourism and Parks Agency (MTPA)	192,916	147,606
Mpumalanga Gambling Board (MGB)	25,506	26,853
Zithabiseni Holiday Resort	16,095	8,600
Total	298,467	243,964

The reasons for the transfers to the entities have been explained above in section 5 where more details are provided on the purpose for these public entities. The transfers to Zithabiseni are for payment of salaries for staff at the resort.

7. Corporate governance arrangements

7.1 Risk Management approach

The management of risk within the department was done in terms of the risk assessment that was done during the financial year under review. The internal audit plans had identified areas where control had to be enhanced. From the risk assessment process a Risk Management Strategy document was developed. By performing the above the department is striving to maintain effective, efficient and transparent system of financial and risk management and internal control as indicated in section 38 (a)(i) of the PFMA. The department has also established a Risk Management Committee.

7.1.1 Conflict of interest

The department has implemented a system to manage the conflict of interest of employees by ensuring that Senior Managers sign declaration of their interest annually.

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2009**

7.2 Fraud Prevention Plan

The fraud prevention plan was developed from risk assessment process and the department is in the process of implementing the plan.

7.3 Internal Audit and Audit Committee

Both the internal audit unit mandate and the audit committee arise from internal audit charter and section 38(a)(ii) of the PFMA which states that the department should maintain a system of Internal Audit under the control and direction of an audit committee complying with and operating in accordance with regulation and instruction prescribed in terms of section 76 and 77. Both the one year operational and a three-year strategic plan were developed during the risk assessment process and were approved.

8. *Discontinued activities/activities to be discontinued*

None

9. *New/proposed activities*

The department has created a new Public Entity called Mpumalanga Liquor Authority. This entity was to be operational as from 01 April 2008. However due to legal challenges regarding the registration, listing and transfer of staff to the new entity it was not possible for the entity to resume its operations. The Consumer Court is also expected to start functioning in the new financial year.

10. *Asset management*

The department faced challenges on Asset Management as it received a qualified audit report in 2007/08 financial year as a result of assets transferred from Limpopo. However during the year under review the department set up an action plan to address this matter and it was successfully implemented.

- All Departmental and cross border assets (Limpopo) were captured in the system (Asset Register).
- The Department does comply with the minimum requirements of an Asset Register as required by Treasury.

The department faced serious challenges in the establishment of the Asset Management Unit as per directive from National Treasury on asset management reform. The revised organogram does not provide for such structure and the officials currently performing this function are under Supply Chain Management.

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2009**

11. Events after the reporting date

The country's general elections that took place in April this year meant that a new administration will take over and lead government. This resulted to the appointment of a new Premier in the Province. The Premier in his announcement of a new Cabinet, also changed the mandate of the department by changing it's name to Department of Economic Development, Environment and Tourism.

Performance information

The performance information is stated in our Annual Performance Plan. The department had four planning sessions to outline the annual performance plan. The performance information is then submitted to the Legislature, Treasury and Cabinet for evaluation and approval. The Auditor General independently verify the information. The department compiled and submitted monthly, quarterly, nine months and annual reports to the Cabinet and Treasury for evaluating its performance.

12. SCOPA resolutions

No SCOPA resolutions for the department were tabled and adopted in the Provincial Legislature during the year under review.

13. Other

None

14. Approval

The Annual Financial Statements set out on pages 75 to 128 have been approved by the Accounting Officer.



Mr M MAZIBUKO
HEAD OF DEPARTMENT
Date: 31 May 2009

ACCOUNTING POLICIES for the year ended 31 March 2009

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2006.

1. Presentation of the Financial Statements

1.1 Basis of preparation

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

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

1.5 Comparative figures - Appropriation Statement

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

ACCOUNTING POLICIES
for the year ended 31 March 2009

2. Revenue

2.1 Appropriated funds

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

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

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

2.2 Statutory Appropriation

Statutory appropriations are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the statutory appropriations made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total statutory appropriations are presented in the statement of financial performance.

Unexpended statutory appropriations are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.3 Departmental revenue

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.3.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

**ACCOUNTING POLICIES
for the year ended 31 March 2009**

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

2.3.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the Statement of Financial Performance when the cash is received.

2.3.3 Fines, penalties & forfeits

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

2.3.4 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

2.3.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the Statement of Financial Performance when the cash is received.

2.3.6 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the Statement of Financial Performance on receipt of the funds.

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

Forex gains are recognised on payment of funds.

ACCOUNTING POLICIES
for the year ended 31 March 2009

2.3.7 Transfers received (including gifts, donations and sponsorships)

All cash gifts, donations and sponsorships are paid into the Provincial Revenue Fund and recorded as revenue in the Statement of Financial Performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

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

2.4 Direct Exchequer receipts

All direct exchequer fund receipts are recognised in the Statement of Financial Performance when the cash is received.

2.5 Local and foreign aid assistance

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the department directly receives the cash from the donor(s).

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

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

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

2.6 CARA Fund assistance

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as current or capital expenditure in the statement of financial performance.

Any unspent CARA funds are transferred to Retained Funds as these funds do not need to be surrendered to the National Revenue Fund.

ACCOUNTING POLICIES
for the year ended 31 March 2009

3. Expenditure

3.1 Compensation of employees

3.1.1 Short-term employee benefits

Salaries and wages comprise payments to employees (including leave entitlements, thirteenth cheques and performance bonuses). Salaries and wages are recognised as an expense in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the Statement of Financial Performance.

All other payments are classified as current expense.

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

3.1.2 Post retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions.

Employer contributions (i.e. social contributions) to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

ACCOUNTING POLICIES **for the year ended 31 March 2009**

3.1.3 Termination benefits

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

3.1.4 Other long-term employee benefits

Other long-term employee benefits (such as capped leave) are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or Position.

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project or an asset of R5000 or more is purchased. All assets costing less than R5000 will also be reflected under goods and services.

3.3 Interest and rent on land

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

3.4 Financial transactions in assets and liabilities

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

ACCOUNTING POLICIES for the year ended 31 March 2009

Forex losses are recognised on payment of funds.

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

3.5 Unauthorised expenditure

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

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

3.6 Fruitless and wasteful expenditure

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

3.7 Irregular expenditure

Irregular expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

3.8 Transfers and subsidies

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

3.9 Expenditure for capital assets

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

ACCOUNTING POLICIES **for the year ended 31 March 2009**

4. Assets

4.1 Cash and cash equivalents

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

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

4.2 Other financial assets

Other financial assets are carried in the Statement of Financial Position at cost.

4.3 Prepayments and advances

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

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

4.4 Receivables

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

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest.

4.5 Investments

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

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

ACCOUNTING POLICIES for the year ended 31 March 2009

4.6 Loans

Loans are recognised in the statement of financial position at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary. Amounts that are potentially irrecoverable are included in the disclosure notes.

Loans that are outstanding at year-end are carried in the statement of financial position at cost.

4.7 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

4.8 Capital assets

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

Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised as assets on completion of the project and at the total cost incurred over the duration of the project.

Disclosure Notes 25 and 26 reflect the total movement in the asset register for the current financial year.

5. Liabilities

5.1 Voted funds to be surrendered to the Revenue Fund

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

5.2 Departmental revenue to be surrendered to the Revenue Fund

Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position at cost.

ACCOUNTING POLICIES for the year ended 31 March 2009

5.3 Payables

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

5.4 Contingent liabilities

Contingent liabilities are included in the disclosure notes.

5.5 Commitments

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

5.6 Accruals

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

5.7 Employee benefits

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

5.8 Lease commitments

Finance leases

Finance leases are not recognised as assets and liabilities in the statement of financial position.

Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and the interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

ACCOUNTING POLICIES
for the year ended 31 March 2009

Operating leases

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

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. Net Assets

7.1 Capitalisation reserve

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

7.2 Recoverable revenue

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

8. Related party transactions

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

9. Key management personnel

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

10. Public private partnerships

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2009**

APPROPRIATION PER PROGRAMME									
	2008/09					2007/08			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	61,509	-	-	61,509	62,941	(1,432)	102.3%	48,633	42,925
Transfers and subsidies	-	-	-	-	20	(20)		-	81
Payment for capital assets	3,725	-	-	3,725	2,015	1,710	54.1%	2,500	1,756
2. Intergrated Economic Development									
Current payment	24,942			24,942	20,042	4,900	80.4%	16,565	15,571
Transfers and subsidies	63,950			63,950	63,950	-	100.0%	243,964	243,964
Payment for capital assets	500	-	-	500	401	99	80.2%	-	106
3. Trade and Industry Development									
Current payment	18,322			18,322	16,424	1,898	89.6%	22,153	22,532
Transfers and subsidies	210,916			210,916	209,244	1,672	99.2%	-	-
Payment for capital assets	300			300	293	7	97.7%	-	2
4. Business Regulation									
Current payment	17,323			17,323	16,714	609	96.5%	15,097	10,906
Transfers and subsidies	25,506			25,506	25,506	-	100.0%	-	-
Payment for capital assets	300			300	221	79	73.7%	-	185
5. Economic Planning									
Current payment	13,116			13,116	11,038	2,078	84.2%	21,626	11,683
Payment for capital assets	300	-	-	300	284	16	94.7%	-	137
SubTotal	440,709	-	-	440,709	429,093	11,616	97.4%	370,538	349,848

**APPROPRIATION STATEMENT
for the year ended 31 March 2009**

APPROPRIATION PER PROGRAMME									
2008/09					2007/08				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Statutory Appropriation									
Current payment	945	-	-	945	1,025	(80)	108.5%	810	810
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	441,654			441,654		11,536	97.4%	371,348	350,658
Reconciliation with Statement of Financial Performance									
Add:									
Prior year unauthorised expenditure approved with funding									
Departmental revenue				43,421	-			41,685	
Direct exchequer receipts									
CARA Fund assistance									
Local and foreign aid assistance received									
Actual amounts per Statements of Financial Performance (Total revenue)				485,075				413,033	
Add:									
Local and foreign aid assistance									
Direct exchequer payments									
CARA Fund assistance									
Prior year unauthorised expenditure approved									
Prior year fruitless and wasteful expenditure approved									
Actual amounts per Statements of Financial Performance (Total expenditure)				430,118				413,033	350,658

APPROPRIATION STATEMENT
for the year ended 31 March 2009

APPROPRIATION PER ECONOMIC CLASSIFICATION									
	2008/09					2007/08			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	68,424	-	-	68,424	61,313	7,111	89.7%	43,938	57,417
Goods and services	66,788	-	-	66,788	65,845	943	98.6%	80,136	46,200
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Transfers and subsidies									
Public corporations and private enterprises	63,950	-	-	63,950	63,950	-	100.0%	60,905	60,905
Non-profit institutions	236,422	-	-	236,422	234,517	1,905	99.2%	183,059	183,059
Households	-	-	-	-	252	(252)	-	-	81
Payments for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	5,125	3,215	1,910	62.7%	2,500	1,996
Biological or cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	190
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total	440,709	-	-	440,709	429,093	11,616	97.4%	370,538	349,848

APPROPRIATION STATEMENT
for the year ended 31 March 2009

STATUTORY APPROPRIATION									
2008/09							2007/08		
Details of direct charges against the National/ Provincial Revenue Fund	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Member of Executive Council	945	-	-	945	1,025	(80)	108.5%	810	810
Total	945	-	-	945	1,025	(80)	108.5%	810	810

APPROPRIATION STATEMENT
for the year ended 31 March 2009

PROGRAMME 1 - ADMINISTRATION

Per sub programme	STATUTORY APPROPRIATION PER ECONOMIC CLASSIFICATION						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2008/09									
1.1 Office of the MEC									
Current payment	3,591	-	-	3,591	2,753	838	76.7%	751	557
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	2,500	1,756
1.2 Management Services									
Current payment	6,298	-	-	6,298	4,827	1,471	76.6%	8,763	4,457
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	5	(5)	-	-	-
1.3 Financial Management									
Current payment	28,224	-	-	28,224	33,226	(5,002)	117.7%	23,454	20,549
Transfers and subsidies	-	-	-	-	20	(20)	-	-	-
Payment for capital assets	3,725	-	-	3,725	2,010	1,715	54.0%	-	-
1.4 Corporate Services									
Current payment	23,396	-	-	23,396	22,135	1,261	94.6%	15,665	17,362
Transfers and subsidies	-	-	-	-	-	-	-	-	81
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	65,234	-	-	65,234	64,976	258	99.6%	51,133	44,762

APPROPRIATION STATEMENT
for the year ended 31 March 2009

PROGRAMME 1 - ADMINISTRATION

Economic Classification	STATUTORY APPROPRIATION PER ECONOMIC CLASSIFICATION						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	28,897	-	-	28,897	28,548	349	98.8%	27,045	21,059
Goods and services	32,612	-	-	32,612	34,393	(1,781)	105.5%	21,588	21,866
Transfers and subsidies to:									
Households	-	-	-	-	20	(20)	-	-	81
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3,725	-	-	3,725	2,015	1,710	54.1%	2,500	1,566
Software and other intangible assets	-	-	-	-	-	-	-	-	190
Total	65,234	-	-	65,234	64,976	258	99.6%	51,133	44,762

APPROPRIATION STATEMENT
for the year ended 31 March 2009

PROGRAMME 2 – INTEGRATED ECONOMIC DEVELOPMENT

Per sub programme	2008/09						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 CD: Office Support									
Current payment	2,010	-	-	2,010	1,129	881	56.2%	1,073	593
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	500	-	-	500	392	108	78.4%	-	-
2.2 Enterprise Development									
Current payment	14,119	-	-	14,119	11,606	2,513	82.2%	11,384	12,224
Transfers and subsidies	63,950	-	-	63,950	63,950	-	100.0%	243,964	243,964
Payment for capital assets	-	-	-	-	9	(9)	-	-	-
2.3 Local Econ. Development									
Current payment	3,627	-	-	3,627	2,496	1,131	68.8%	1,202	701
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	106
2.3 Economic Empowerment									
Current payment	5,186	-	-	5,186	4,811	375	92.8%	2,906	2,053
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	89,392	-	-	89,392	84,393	4,999	94.4%	260,529	259,641

APPROPRIATION STATEMENT
for the year ended 31 March 2009

PROGRAMME 2 – INTEGRATED ECONOMIC DEVELOPMENT

Economic Classification	2008/09						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	13,805	-	-	13,805	9,623	4,182	69.7%	6,975	6,871
Goods and services	11,137	-	-	11,137	10,419	718	93.6%	9,590	8,700
Transfers and subsidies to:									
Public corporations and private enterprises	63,950	-	-	63,950	63,950	-	100.0%	60,905	60,905
Non-profit institutions	-	-	-	-	-	-	-	183,059	183,059
Households	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Machinery and equipment	500	-	-	500	401	99	80.2%	-	106
Total	89,392	-	-	89,392	84,393	4,999	94.4%	260,529	259,641

APPROPRIATION STATEMENT
for the year ended 31 March 2009

PROGRAMME 3 – TRADE AND INDUSTRY DEVELOPMENT

Per sub programme	STATUTORY APPROPRIATION PER ECONOMIC CLASSIFICATION							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 CD: Office Support									
Current payment	1,385	-	-	1,385	2,043	(658)	147.5%	1,348	1,169
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	300	-	-	300	194	106	64.7%	-	-
1.6 Trade and Investment Promotion									
Current payment	5,509	-	-	5,509	4,387	1,122	79.6%	5,547	4,538
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	99	(99)	-	-	-
3.7 Sector Development									
Current payment	4,546	-	-	4,546	3,248	1,298	71.4%	11,899	14,565
Transfers and subsidies	-	-	-	-	197	(197)	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
3.8 Industry Development									
Current payment	2,632	-	-	2,632	2,641	(9)	100.3%	3,359	2,260
Transfers and subsidies	-	-	-	-	36	(36)	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	2
3.9 Tourism									
Current payment	4,250	-	-	4,250	4,105	145	96.6%	-	-
Transfers and subsidies	210,916	-	-	210,916	209,011	1,905	99.1%	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	229,538	-	-	229,538	225,961	3,577	98.4%	22,153	22,534

APPROPRIATION STATEMENT
for the year ended 31 March 2009

PROGRAMME 3 – TRADE AND INDUSTRY DEVELOPMENT

Economic Classification	STATUTORY APPROPRIATION PER ECONOMIC CLASSIFICATION						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	8,620	-	-	8,620	6,993	1,627	81.1%	6,372	17,294
Goods and services	9,702	-	-	9,702	9,431	271	97.2%	15,781	5,238
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Non-profit institutions	210,916	-	-	210,916	209,011	1,905	99.1%	-	-
Households	-	-	-	-	232	(232)	-	-	-
Payment for capital assets									
Machinery and equipment	300	-	-	300	294	6	98.0%	-	2
Total	229,538	-	-	229,538	225,961	3,577	98.4%	22,153	22,534

APPROPRIATION STATEMENT
for the year ended 31 March 2009

PROGRAMME 4 – BUSINESS REGULATION

Programme 4 per subprogramme	STATUTORY APPROPRIATION PER ECONOMIC CLASSIFICATION							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 CD: Office Support									
Current payment	-	-	-	-	-	-	-	1,338	140
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
4.2 Corporate Governance									
Current payment	1,385	-	-	1,385	1,127	258	81,4%	-	-
Transfers and subsidies	25,506	-	-	25,506	25,506	-	100,0%	-	-
Payment for capital assets	300	-	-	300	195	105	65,0%	-	-
4.3 Consumer Services									
Current payment	11,277	-	-	11,277	11,331	(54)	100,5%	5,686	3,640
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	19	(19)	-	-	-
4.4 Business Regulation Services									
Current payment	4,661	-	-	4,661	4,256	405	91,3%	5,546	4,932
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	7	(7)	-	-	-
4.4 Gambling and Betting									
Current payment	-	-	-	-	-	-	-	2,527	2,194
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	185
Total	43,129	-	-	43,129	42,441	688	98,4%	15,097	11,091

APPROPRIATION STATEMENT
for the year ended 31 March 2009

PROGRAMME 4 – BUSINESS REGULATION

Economic Classification	2008/09						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	11,461	-	-	11,461	11,729	(268)	102,3%	2,618	8,398
Goods and services	5,862	-	-	5,862	4,984	878	85,0%	12,479	2,508
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:									
Non-profit institutions	25,506	-	-	25,506	25,506	-	100,0%	-	-
Payment for capital assets									
-Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	300	-	-	300	222	78	74,0%	-	185
Total	43,129	-	-	43,129	42,441	688	98,4%	15,097	11,091

APPROPRIATION STATEMENT
for the year ended 31 March 2009

PROGRAMME 5 – ECONOMIC PLANNING

Per sub programme	STATUTORY APPROPRIATION PER ECONOMIC CLASSIFICATION						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 CD: Office Support									
Current payment	745	-	-	745	289	456	38.8%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	300	-	-	300	252	48	84.0%	-	-
1.2 Economic Policy and Planning									
Current payment	1,295	-	-	1,295	1,421	(126)	109,7%	1,313	335
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	32	(32)	-	-	-
5.3 Research and Development									
Current payment	3,122	-	-	3,122	3,934	(812)	126.0%	13,932	7,874
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	137
5.4 Knowledge Management									
Current payment	4,002	-	-	4,002	3,983	19	99.5%	4,748	2,920
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
5.4 Monitoring and Evaluation									
Current payment	3,952	-	-	3,952	1,411	2,541	35.7%	1,633	554
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	13,416	-	-	13,416	11,322	2,094	84.4%	21,626	11,820

APPROPRIATION STATEMENT
for the year ended 31 March 2009

PROGRAMME 5 – ECONOMIC PLANNING

	2008/09						2007/08	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payment								
Compensation of employees	5,641	-	-	4,420	1,221	928	3,795	
Goods and services	7,475	-	-	6,619	856	20,698	7,888	
Payment for capital assets								
Machinery and equipment	300	-	-	283	17	-	137	
Total	13,416	-	-	11,322	2,094	21,626	11,820	
								84.4%

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2009**

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

Detail of these transactions can be viewed in note 6 (Transfers and subsidies) and Annexure 1- 3 to the Annual Financial Statements.

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

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

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 3.3 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

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

4.1 Per Programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
1. Administration	65,234	64,976	258	0.4%
2. Integrated Economic Development	89,392	84,393	4,999	5.6%
3. Trade and Industry Development	229,538	225,961	3,577	1.6%
4. Business Regulation	43,129	42,441	688	1.6%
5. Economic Planning	13,416	11,322	2,094	15.6%

Programme 1: The under spending on Capital Assets is as a result of budgeted workstation office plan which was not fully implemented due to delay in establishment of Regional Offices for transfer of some staff members to regions.

Programme 2: The under spending on Compensation of Employees is due to over budgeting on compensation of employees. The funds were supposed to be budgeted under goods and services.

Programme 3: The under spending on Compensation of Employees is due to budgeted vacant posts which were filled late during the year. (1x Director, 2x Secretary). The under spending on Transfers is as a result of non-transfer of R1,9 million to Zithabiseni Resort meant for water purification which was withheld due to management challenges in the resort. A request will be made for rollover of these funds.

Programme 5: The under spending on Compensation of Employees is as a result of high vacancy in the sub-programme Monitoring and Evaluation and this also had an impact on goods and services. The vacant posts are, 1x Chief Director (Economic Planning), 1x Director (Monitoring & Evaluation), 2x Deputy Directors, 2x Assistant Directors, 1x Secretary (Monitoring & Evaluation)

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2009**

4.2 Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current payment:				
Compensation of employees	69,369	62,338	7,031	10.1%
Goods and services	66,788	65,845	943	1.4%
Interest and rent on land	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-
Transfers and subsidies:				
Provinces and municipalities	-	-	-	-
Departmental agencies and accounts	-	-	-	-
Universities and Technikons	-	-	-	-
Public corporations and private enterprises	63,950	63,950	-	0%
Foreign governments and international organisations	-	-	-	-
Non-profit institutions	236,422	234,517	1,905	0.8%
Households				-
Payments for capital assets:				
Buildings and other fixed structures	-	-	-	-
Machinery and equipment	5,125	3,215	1,910	37.2%
Heritage assets	-	-	-	-
Biological or cultivated assets	-	-	-	-
Software and other intangible assets	-	-	-	-
Land and subsoil assets	-	-	-	-

STATEMENT OF THE FINANCIAL PERFORMANCE
for the year ended 31 March 2009

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
REVENUE			
Annual appropriation	1	440,709	370,538
Statutory appropriation	2	945	810
Appropriation for unauthorised expenditure approved		-	-
Departmental revenue	3	43,421	41,685
Total revenue		485,075	413,033
EXPENDITURE			
Current expenditure			
Compensation of employees	4	62,338	58,227
Goods and services	5	65,845	46,200
Total current expenditure		128,183	104,427
Transfers and subsidies	6	298,720	244,045
Expenditure for capital assets			
Machinery and equipment	7	3,215	1,996
Computer software		-	190
Total expenditure for capital assets		3,215	2,186
TOTAL EXPENDITURE		430,118	350,658
SURPLUS/(DEFICIT)		54,957	62,375
SURPLUS/(DEFICIT) FOR THE YEAR		54,957	62,375
Reconciliation of Surplus/(Deficit) for the year			
Voted Funds		11,536	20,690
Departmental Revenue	12	43,421	41,685
SURPLUS/(DEFICIT) FOR THE YEAR		54,957	62,375

STATEMENT OF THE FINANCIAL POSITION
for the year ended 31 March 2009

	Note	2008/09	2007/08
		R'000	R'000
ASSETS			
Current assets		15,715	22,760
Fruitless and wasteful expenditure	8	448	448
Cash and cash equivalents	9	15,049	22,121
Receivables	10	218	191
TOTAL ASSETS		15,715	22,760
LIABILITIES			
Current liabilities		15,154	22,217
Voted funds to be surrendered to the Revenue Fund	11	11,587	20,741
Departmental revenue to be surrendered to the Revenue Fund	12	3,532	1,409
Payables	13	35	67
TOTAL LIABILITIES		15,154	22,217
NET ASSETS		561	543
Represented by:			
Recoverable revenue (Staff and other debts recovered)		561	543
TOTAL		561	543

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2009

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Recoverable revenue			
Opening balance		543	133
Transfers		18	410
Irrecoverable amounts written off			
Debts revised			
Debts recovered (included in departmental revenue)		(379)	-
Debts raised		397	410
Closing balance		561	543
Total		561	543

CASH FLOW STATEMENT
for the year ended 31 March 2009

	Note	2008/09	2007/08
		R'000	R'000
Cash flows from operating activities			
Receipts		484,931	413,033
Annual appropriated funds received	1.1	440,709	370,538
Statutory appropriated funds received		945	810
Departmental revenue received		43,277	41,685
Net (increase)/decrease in working capital		(59)	(357)
Surrendered to Revenue Fund		(61,988)	(46,659)
Current payments		(128,183)	(104,376)
Transfers and subsidies paid		(298,720)	(244,045)
Net cash flow available from operating activities	14	(4,019)	17,596
Cash flows from investing activities			
Payments for capital assets		(3,215)	(2,186)
Proceeds from sale capital assets		144	
Net cash flows from investing activities		(3,071)	(2,186)
Cash flows from financing activities			
Increase/(decrease) in net assets		18	410
Net cash flows from financing activities		18	410
Net increase/(decrease) in cash and cash equivalents		(7,072)	15,820
Cash and cash equivalents at the beginning of the period		22,121	6,301
Cash and cash equivalents at end of period	15	15,049	22,121

**NOTES ON THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009**

1. Annual Appropriation

1.1 Annual Appropriation

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

	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received 2007/08
	R'000	R'000	R'000	R'000
Administration	65,234	65,234	-	51,133
Integrated Economic Development	89,392	89,392	-	260,529
Trade and Industry Development	229,538	229,538	-	22,153
Business Regulation	43,129	43,129	-	15,097
Economic Planning	13,416	13,416	-	21,626
Total	440,709	440,709	-	370,538

2. Statutory Appropriation

	2008/09	2007/08
	R'000	R'000
Member of Executive council	945	810
Total	945	810
Actual Statutory Appropriation received	945	810

3. Departmental revenue to be surrendered to revenue fund

Description	Note	2008/09	2007/08
		R'000	R'000
Tax revenue		40,686	38,517
Sales of goods and services other than capital assets	3.1	73	1,252
Interest, dividends and rent on land	3.2	2,423	1,681
Sales of capital assets		144	-
Financial transactions in assets and liabilities	3.3	95	235
Transfer received		-	-
Total revenue collected		43,421	41,685
Departmental revenue collected		43,421	41,685

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

3.1 Sales of goods and services other than capital assets

	2008/09	2007/08
	R'000	R'000
Sales of goods and services produced by the department	73	1,252
Administrative fees	31	1,252
Other sales	42	-
Sales of scrap, waste and other used current goods		
Total	73	1,252

3.2 Interest, dividends and rent on land

	2008/09	2007/08
	R'000	R'000
Interest : PMG account	2,423	1,681
Total	2,423	1,681

3.3 Financial transactions in assets and liabilities

Nature of recovery

	2008/09	2007/08
	R'000	R'000
Other receipts including recoverable revenue	95	235
Total	95	235

4. Compensation of employees

4.1 Salaries and Wages

	2008/09	2007/08
	R'000	R'000
Basic salary	41,230	37,651
Performance award	1,385	1,338
Service Based	98	3,090
Compensative/circumstantial	1,588	2,661
Periodic payments	315	726
Other non-pensionable allowances	9,676	5,515
Total	54,292	50,981

NOTES ON THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

4.2 Social contributions

	2008/09	2007/08
	R'000	R'000
4.2.1 Employer contributions		
Pension	5,316	4,862
Medical	2,721	2,374
Bargaining council	9	10
Total	8,046	7,246
Total compensation of employees	62,338	58,227
Average number of employees	293	366

5. Goods and services

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Administrative fees		22	17
Advertising		1,677	2,606
Assets less than R5,000	5.1	1,115	705
Bursaries (employees)		403	126
Catering		1,680	1,130
Communication		4,809	3,751
Computer services	5.2	418	82
Consultants, contractors and agency/outsourced services	5.3	24,498	18,788
Audit cost - external	5.4	1,040	992
Government motor transport		1,413	1,098
Inventory	5.5	1,950	1,587
plants, flowers and other decor		22	97
Operating leases		468	2,417
Owned and leasehold property expenditure	5.6	9,392	1,865
Travel and subsistence	5.7	13,391	8,463
Venues and facilities		889	613
Training & staff development		2,245	1,415
Other operating expenditure	5.8	413	448
Total		65,845	46,200

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

5.1 Assets less than R5, 000**Tangible assets**

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
	5	1,115	705
Machinery and equipment		1,115	705
Total		1,115	705

5.2 Computer services

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
SITA computer services	5	144	82
External computer service providers		274	-
Total		418	82

5.3 Consultants, contractors and agency/outsourced services

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Business and advisory services	5	200	-
Contractors		752	-
Agency and support/outsourced services		23,546	18,787
Total		24,498	18,787

5.4 Audit cost – external

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Regularity audits	5	1,040	914
Performance audits		-	78
Total		1,040	992

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

5.5 Inventory

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
	5		
Food and food supplies		287	230
Other consumable materials		174	172
Maintenance material		-	191
Stationery and printing		1,489	994
Total		<u>1,950</u>	<u>1,587</u>

5.6 Owned and leasehold property expenditure

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
	5		
Municipal services		-	779
Other		9,392	1,086
Total		<u>9,392</u>	<u>1,865</u>

5.7 Travel and subsistence

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
	5		
Local		13,391	8,463
Total		<u>13,391</u>	<u>8,463</u>

5.8 Other operating expenditure

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
	5		
Learnerships		-	71
Professional bodies, membership and subscription fees		-	201
Resettlement costs		413	116
Other		-	60
Total		<u>413</u>	<u>448</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

6. Transfers and subsidies

		2008/09	2007/08
		R'000	R'000
	<i>Note</i>		
Public corporations and private enterprises	<i>Annex 1</i>	63,950	60,905
Non-profit institutions	<i>Annex 2</i>	234,517	183,059
Households	<i>Annex 3</i>	253	81
Total		298,720	244,045

7. Expenditure for capital assets

		2008/09	2007/08
		R'000	R'000
Machinery and equipment	25	3,215	1,996
Software and other intangible assets			190
Computer software		<input type="text"/>	<input type="text" value="190"/>
Total		3,215	2,186

7.1 Analysis of funds utilised to acquire capital assets-2008/09

	Voted funds	TOTAL
	R'000	R'000
Tangible assets	3,215	3,215
Machinery and Equipment	<input type="text" value="3,215"/>	<input type="text" value="3,215"/>
Total	3,215	3,215

7.2 Analysis of funds utilised to acquire capital assets-2007/08

	Voted funds	TOTAL
	R'000	R'000
Total assets acquired	2,186	2,186

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

8. Fruitless and wasteful expenditure**a. Reconciliation of fruitless and wasteful expenditure**

	2008/09	2007/08
	R'000	R'000
Opening balance	448	-
Fruitless and wasteful expenditure – current year	-	448
Current expenditure	□	51
Transfers and subsidies	□	□
Expenditure for capital assets	□	□
Amounts condoned		
Current expenditure	□	□
Transfers and subsidies	□	□
Expenditure for capital assets	□	□
Transfer to receivables for recovery (not condoned)		397
Fruitless and wasteful expenditure awaiting condonement	<u>448</u>	<u>448</u>

b. Analysis of awaiting condonement per economic classification

	2008/09	2007/08
	R'000	R'000
Current	448	448
Total	<u>448</u>	<u>448</u>

9. Cash and cash equivalents

	2008/09	2007/08
	R'000	R'000
Consolidated Paymaster General Account	15,049	22,121
Disbursements	-	-
Total	<u>15,049</u>	<u>22,121</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

10. Receivables

					2008/09	2007/08
					R'000	R'000
	Note	Less than one year	One to three years	Older than three years	Total	Total
Households and non profit institutions						
Staff debtors	10.1	22	14	16	52	51
Other debtors	10.2		1	165	166	140
Intergovernmental receivables	Annex 5					
Total		22	15	181	218	191

10.1 Staff Debtors

			2008/09	2007/08
			R'000	R'000
Sal: Tax Debt			42	51
Salary Overpayment			10	-
Total			52	51

10.2 Other debtors

			2008/09	2007/08
			R'000	R'000
Supplier			164	140
Medical Aid Scheme			2	-
Total			166	140

11. Voted funds to be surrendered to the Revenue Fund

			2008/09	2007/08
			R'000	R'000
Opening balance			20,741	3,499
Transfer from Statement of Financial Performance			11,536	20,741
Paid during the year			(20,690)	(3,499)
Closing balance			11,587	20,741

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

12. Departmental revenue to be surrendered to the Revenue Fund

	2008/09	2007/08
	R'000	R'000
Opening balance	1,409	2,884
Transfer from Statement of Financial Performance	43,421	41,685
Departmental revenue budgeted		-
Transfer from local and foreign aid assistance		-
Paid during the year	(41,298)	(43,160)
Closing balance	<u>3,532</u>	<u>1,409</u>

13. Payables – current

Description	Note	2008/09	2007/08
		Total	Total
		R'000	R'000
Amounts owing to other entities	Annex 6	6	-
Other payables	13.1	29	67
Total		<u>35</u>	<u>67</u>

13.1 Other payables

	2008/09	2007/08
	R'000	R'000
Pension fund	1	-
Sal: Income tax	28	67
Total	<u>29</u>	<u>67</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

14. Net cash flow available from operating activities

	2008/09	2007/08
	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	54,957	62,375
Add back non cash/cash movements not deemed operating activities	(58,976)	(44,779)
(Increase)/decrease in receivables – current	(27)	244
(Increase)/decrease in other current assets	-	(448)
Increase/(decrease) in payables – current	(32)	(153)
Proceeds from sale of capital assets	(144)	-
Expenditure on capital assets	3,215	2,186
Surrenders to Revenue Fund	(61,988)	(46,608)
Voted funds not requested/not received	-	-
Other non-cash items	-	-
Net cash flow generated by operating activities	(4,019)	17,596

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

	2008/09	2007/08
	R'000	R'000
Consolidated Paymaster General account	15,049	22,121
Disbursements		
Total	15,049	22,121

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

16. Contingent liabilities

			2008/09	2007/08
			R'000	R'000
Liable to	Nature			
Housing loan guarantees	Employees	<i>Annex 4A</i>	366	783
Claims against the department		<i>Annex 4B</i>	9,920	-
Total			<u><u>10,286</u></u>	<u><u>783</u></u>

17. Commitments

			2008/09	2007/08
			R'000	R'000
Current expenditure				
Approved and contracted			2,220	4,618
Approved but not yet contracted				469
			<u>2,220</u>	<u>5,087</u>
Non-current expenditure				
Approved and contracted			-	6,101
Approved but not yet contracted			-	16
			<u>-</u>	<u>6,117</u>
Total Commitments			<u><u>2,220</u></u>	<u><u>11,204</u></u>

18. Accruals

			2008/09	2007/08
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Compensation of employees				148
Goods and services	2,129		2,129	167
Machinery and equipment	41	-	41	-
Total	<u><u>2,170</u></u>	<u><u>-</u></u>	<u><u>2,170</u></u>	<u><u>315</u></u>
Programme 1: Administration			2,170	160
Programme 2: Integrated Economic Development			-	7
Programme 3: Trade and Industry Development				148
			<u><u>2,170</u></u>	<u><u>315</u></u>

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

19. Employee benefits

	2008/09	2007/08
	R'000	R'000
Leave entitlement	1,291	850
Thirteenth cheque	1,857	1,392
Capped leave commitments	5,121	5,971
Total	8,269	8,213

20. Lease Commitments**20.1 Operating leases**

2008/2009	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
Not later than 1 year	-	2,102	2,168	4,270
Later than 1 year and not later than 5 years	-	8,005	3,017	11,022
Later than five years	-	1,695	-	1,695
Total present value of lease liabilities	-	11,802	5,185	16,987

2007/2008	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
Not later than 1 year	-	1,140	1,475	2,615
Later than 1 year and not later than 5 years	-	-	4,700	4,700
Later than five years	-	-	-	-
Total present value of lease liabilities	-	1,140	6,175	7,315

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

20. Irregular expenditure

21.1 Reconciliation of irregular expenditure

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Opening balance		13,804	205
Add: Irregular expenditure – relating to prior year		-	13,804
Less: Not condoned			205
Current expenditure		-	205
Irregular expenditure awaiting condonement		13,804	13,804
Analysis of awaiting condonement per classification			
Current expenditure			13,804
Transfers and subsidies			
Expenditure for capital assets			
			13,804
Analysis of awaiting condonement per age classification			
Current year			13,804
Prior years		13,804	-
Total		13,804	13,804

21.2 Irregular expenditure

	2008/09	2007/08
	R'000	R'000
Incident	Disciplinary steps taken/criminal proceedings	
Appointment of consultant to conduct feasibility study on Soya bean.	The former Head of Department appointed consultants without following supply chain procedures. Furthermore, she continued to pay despite the state law advisers advice that the amount paid and future payments are irregular payment. No disciplinary/criminal proceedings were taken as the former head of department resigned in September 2007.	325
		325
Overspending- Compensation of employees	Staff transferred from Limpopo not budgeted for in the previous. Awaiting condonement by SCOPA	13,479
Total		13,804

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009**

22. Related party transactions

22.1 Small Enterprise Development Agency

The Department has transferred 4 million to SEDA in line with the Memorandum of Agreement signed with the DTI and as part of compliance with the act that established SEDA. The funds have been utilized to finalize the roll out of the SEDA programme in the Province SEDA operates five branches and 12 enterprises information centres to provide Business Development Support. SEDA submits quarterly reports to the Department on its operations.

22.2 Zithabiseni Holiday Resort

The Zithabiseni Resort has now been registered as Zithabiseni Resort and Conference Centre during the year under review. The Department had budgeted R11 million for Zithabiseni with an additional appropriation of R7 million for infrastructure upgrading in preparation for 2010 FIFA World Cup. The intervention was to ensure that the Resort was ready for FIFA inspection team as Zithabiseni was chosen as 2010 accredited accommodation facility.

The Total amount transferred to Zithabiseni is R16 million during the year under review. A rollover of R2 million has been requested from Treasury for the funds appropriated to address water purification challenges in the resort which have been identified by the Department of Health.

22.3 Export Resource Network (ERN)

The Department of Economic Development and Planning in collaboration with DBSA have entered into a contractual agreement to fund the project up to R588 679 on a 50%: 50% basis in order to conduct workshops on capacity building for the small emerging exporters. The workshops have been conducted in all three districts as part of phase 4 of the training programme through the ERN Programme. 6 capacity building sessions have been conducted in all three district municipalities benefiting 113 potential exporters.

22.4 Food Technology Centre

The Food Technology Centre feasibility study was completed by Kaiser and Associates and the business plan gave direction for the initiation by the Programme Management Unit (PMU) responsible for the implementation of the Maputo Corridor Flagship projects to continue with the establishment of the of this project at Ehlanzeni District in Mpumalanga. A location at the Lowveld Agricultural College has been secured and plans are underway to refurbish the infrastructure that was identified for the FTC. An agreement will be signed with the College to have the FTC as part of the economic development catalysts in the agro- processing industry for the Lowveld region.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

22.5 Mpumalanga Stainless Steel Cluster (MSSC)

The Nkangala District boasts of one big stainless steel company in Columbus Stainless Steel and SMMEs companies in the area benefits as a result of this company. The DEDET has entered into service level agreement with the MSSC Board to support it to assist create linkages with the Columbus Stainless Steel to downstream beneficiate off-cuts from stainless steel thereby creating more along the value chain. It is envisaged that the MSSC will serve as a driver to the creation and manufacturing of more stainless steel products that have potential of supplying the building, food and beverage industries with products such as sinks, catering equipment, etc. Joint marketing of SMMEs in the industry is one important aspect for government intervention in the quest to level the playing fields for disadvantaged enterprises. The department has transferred an amount of R1,3 million to Mpumalanga Stainless Steel Cluster to support this initiative.

22.6 Bushbuckridge Biomass Project

The department entered into a service level agreement with Phambili Energy in order to further create an environment for most depressed and poverty stricken areas of Bushbuckridge to be reached and assisted to access alternative sources of energy as through innovation brought about by this company. The aim of the project is to create biofuel from solid biomass supplied by rural communities at a price that will see families benefiting both financially and in kind.

Bushbuckridge being declared a poverty node by the national government this project will contribute to the fight against poverty and serve as an outreach programme for those households without normal electricity power grid to receive this form of energy for utility at zero rate but with almost the same utility value as normal electricity. An amount of R300 thousand rands has been transferred to Phambili Energy to support this project.

23. Key management personnel

	No. of Individuals	2008/09	2007/08
Member of the Executive Council	1	1,328	773
Deputy Director – General (HOD)	1	637	299
Chief Financial Officer	1	228	548
Chief Directors	4	2,600	1,908
Total		4,793	3,528

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

24. Provisions

	2008/09	2007/08
Potential irrecoverable debts		
Other debtors		140
Total		140

25. Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009					
	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Building and other fixed structures					
Machinery and equipment	9,788	(1,251)	3,317	482	11,372
Transport assets	5,020	(1,249)	-	250	3,521
Computer equipment	2,575	(769)	1,139	46	2,899
Furniture and office equipment	1,899	767	1,954	178	4,442
Other machinery and equipment	294	-	224	8	510
Total movable tangible capital assets	9,788	(1,251)	3,317	482	11,372

25.1

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009					
	Cash	Non-cash	(Capital Work in Progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	Cost R'000	Fair Value/R1 R'000	Cost R'000	Cost R'000	Cost R'000
Machinery and equipment	3,215	93	-	9	3,317
Transport assets	-	-	-	-	-
Computer equipment	1,100	39	-	-	1,139
Furniture and office equipment	1,900	54	-	-	1,954
Other machinery and equipment	215	-	-	9	224
Total additions to movable tangible assets	3,215	93	-	9	3,317

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

25.2

DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	Cost/value price as per AR	Cost/value price as per AR		Cost
	R'000	R'000	R'000	R'000
Machinery and equipment	250	232	482	- 144
Transport assets	250	-	250	- 144
Computer equipment	-	46	46	- -
Furniture and office equipment	-	178	178	- -
Other machinery and equipment	-	8	8	- -
Total disposal of movable tangible capital assets	250	232	482	- 144

25.3

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Machinery and equipment	7,948	1,996	156	9,788
Transport assets	4,468	552	-	5,020
Computer equipment	1,973	729	127	2,575
Furniture and office equipment	1,330	592	23	1,899
Other machinery and equipment	177	123	6	294
Total movable tangible capital assets	7,948	1,996	156	9,788

MINOR ASSETS OF THE DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2009

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Minor assets	-	-	4,388	-	4,388
Total	-	-	4,388	-	4,388

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Number of minor assets	-	-	2700	-	2700
Total	-	-	2700	-	2700

26. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening balance	Current Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Capitalised development costs	-	-	-	-	-
Computer software	190	-	-	-	190
Total intangible assets	190	-	-	-	190

26.1 Movement for 2007/08

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Computer software	190	-	-	190
Total	190	-	-	190

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

ANNEXURE 1

Statement of transfers/subsidies to public corporations and private enterprises

Name of public corporation/ private enterprises	Transfer allocation			Expenditure			2007/08 Final Appropriation Act		
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred		Capital R'000	Current R'000
Public Corporations									
MEGA	63,950	-	-	63,950	63,950	100%	-	-	60,905
SubTotal	63,950	-	-	63,950	63,950		-	-	60,905
Subsidies	-	-	-	-	-	-	-	-	-
Subsidies									
SubTotal	-	-	-	-	-	-	-	-	-
Total	63,950	-	-	63,950	63,950		-	-	60,905

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

ANNEXURE 2

Statement of transfers to non-profit institutions

	Transfer allocation				Expenditure		2007/08 Final Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
Non-profit institutions							
Transfers							
MGB	25,506	-	-	25,506	25,506	100%	26,853
MTPA	192,916	-	-	192,916	192,916	100%	147,606
ZITHABISENI	18,000	-	-	18,000	16,095	89%	8,600
	236,422	-	-	236,422	234,517		183,059
Subsidies	-	-	-	-	-	-	-
Total	236,422	-	-	236,422	234,517	-	183,059

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

ANNEXURE 3

Statement of transfers to households

	Transfer allocation			Expenditure		2007/08 =Final Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	
Households						
Transfers						
Leave Gratuity	-	-	-	-	253	-
					253	81
Subsidies						
	-	-	-	-	-	-
Total	-	-	-	-	253	81

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

ANNEXURE 4A

Statement of financial guarantees issued as at 31 March 2009 – Local

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2008	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ re-leased during the year	Revaluations	Closing balance 31 March 2009	Guaranteed interest for year ended 31 March 2009	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing								
Standard Bank		-	206	-	90	-	116	-	-
Nedbank		-	39	-	-	-	39	-	-
FirstRand Bank		-	122	-	77	-	45	-	-
ABSA		-	188	-	139	-	49	-	-
Peoples Bank		-	67	-	9	-	58	-	-
MPU Housing		-	88	-	80	-	8	-	-
Finance		-	29	26	4	-	51	-	-
Old Mutual		-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-
	Total	-	739	26	399	-	366	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

ANNEXURE 4B

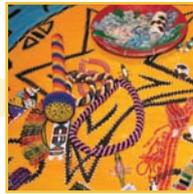
Statement of contingent liabilities as at 31 March 2009

Nature of liability	Opening balance 01 April 2008	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing balance 31 March 2009
		R'000	R'000	R'000	R'000
Claims against the department					
MW Nkosi & 3 Others	-	9,330	-	-	9,330
GESTETNER / MTPA & DEDP	-	590		-	590
Total	-	9,920	-	-	9,920

Part Five

Human Resources Report





Human Resource Oversight - APRIL 2008 to MARCH 2009

TABLE 1.1 - Main Service for Service Delivery Improvement and Standards

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
Development of Business Enterprises	SMMEs & Co-operatives	SMMEs & Cooperatives	Facilitate support & development of business enterprises	16657 SMMEs assisted on business development, 776 aspirant entrepreneurs assisted, 292 SMMEs accessed financial support, & 30 cooperatives established
Facilitate participation of HDIs in the mainstream economy	Youth, Women & People with Disabilities	Business Chambers, SMMEs, BEE consortiums, Government departments, Municipalities	Promote participation of HDIs in the mainstream economy	Refer to outputs of Directorate of Economic Empowerment
Provide strategic support to municipalities	Local Municipalities	LED managers, municipalities	Support & strengthen municipalities on the development & alignment of their IDPs	Refer to outputs of Directorate of Local Economic Development
Ensure development of strategic industrial infrastructure projects, Spatial Industrial Initiatives, & manufacturing technology centres in the Province	SMMEs and Municipalities	Export ready SMMEs, emerging exporters, potential investors	Promote growth in export and direct investment in the Province	Refer to outputs of Trade and Investment Promotion
Facilitate the development of competitive industries in growth sectors	SMMEs	SMMEs and Co-operatives	Ensure development of competitive industries in growth sectors in the Province	Refer to outputs of Sector Development
Create an enabling environment for sustainable tourism growth.	Communities, Tourism establishments, Training Providers, Tour operators & Tourist Guides	Tourist/tourism establishments, Tour operators, communities and Tourist Guides	Facilitate, coordinate and monitor implementation of Tourism policies & strategies, and the flagship projects	Refer to outputs of Tourism Development
Implement consumer protection & awareness programmes	Consumers, Regulatory Bodies, NGOs & Businesses	Community, business owners and officials in customer service points	Implement consumer protection & awareness strategies to create a conjunctive environment to fair trade	Refer to outputs of Consumer Protection Services

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
Facilitate implementation of Liquor & Gambling legislation	Gambling machine producers, License holders & applicants, restaurants & supermarkets owners, Gambling Boards & municipalities	Liquor license holders, casinos, municipalities and limited site license holders, national government (the dti) and Gambling Board	Facilitate the implementation of the Mpumalanga Liquor and Gambling legislation & capacitate the public on Liquor and gambling legislation	Refer to outputs of Business Regulations
Provide economic policy direction and strategies	Provincial Departments & Agencies, municipalities & business sector	Executives, business and public service managers	Analyse and review economic policies to give directives and develop provincial economic strategies and plans	Refer to output of Policy and Planning
Commission research on provincial economy to inform economic analysis processes and strategy development	Provincial Departments & Agencies, municipalities & business sector	Executives, business and public service managers	Conduct and complete quality economic research timorously	Refer to output of Policy and Planning
Provide data, information and intelligence on the economy	Provincial Departments & Agencies, municipalities & business sector	Executives, business and public service managers	Develop and maintain a reliable system for economic information, providing economic information services to stakeholders, and produce economic information products on the Provincial economy	Refer to outputs of Knowledge Management
Determine the impact of economic policies and programmes	Provincial Departments & Agencies, municipalities & business sector	Executives, business and public service managers	To monitor and evaluate the impact of economic policies and programmes in the Province	Refer to outputs of Monitoring and Evaluation

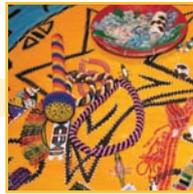


TABLE 1.2 - Consultation Arrangements for Customers

Type of Arrangement	Actual Customer	Potential Customer	Actual Achievements
Izimbizo	Communities	Community structures and other stakeholders	Izimbizo were held in the regions
Workshops and Road Shows	Target groups, e.g. SMMEs	SMMEs	Awareness and empowerment workshops and road shows were conducted
Radio slots & Print media	Communities	Community structures and other stakeholders	Information was disseminated to the public and their comments/inputs considered in the regulations that were published for public comments
Summits	Communities & Target Groups	Community structures and other stakeholders	Summits were facilitated, for instance on BEE issues.

TABLE 1.3 - Service Delivery Access Strategy

Access Strategy	Actual Achievements
Offices in regions & Head Office	Departmental services are accessible in all regional offices
Use of intranet & internet	Customers easily access information and forms from the website
Coordination of economic opportunities fairs	Communities are visited for information sharing and to solicit feedback

TABLE 1.4 - Service Information Tool

Type of Information Tool	Actual Achievements
Intranet & Internet	Relevant information about the Department and Agencies is available on the web site
Pamphlets & Brochures	Departmental and agency information distributed to communities at the public events
Community Outreach	Communities accessing information about services rendered and feedback solicited on their experiences thereto

TABLE 1.5 - Complaint Mechanism

Complaint Mechanism	Actual Achievements
Acknowledge complaints within 5 days upon receipt & provide response in 10 days	Department has established capacity to manage public complaints process effective 1 April 2009

TABLE 2.1 - Personnel costs by Programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Administration	65,234	28,548	1,226	0	45.6	100	127
Integrated Economic Development Services	89,392	9,623	39	0	10.8	33	44
Trade & Industry Development	229,538	6,993	167	0	3.1	24	29
Business Regulation and Governance	43,129	11,729	84	0	27.4	40	50
Economic Planning	13,416	4,420	182	0	34.3	15	21
Total as on Financial Systems (BAS)	440,709	61,313	1,698	0	13.9	211	271



TABLE 2.2 - Personnel costs by Salary band

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
Lower skilled (Levels 1-2)	718	1.2	79,778	1,436	9
Skilled (Levels 3-5)	2,859	4.6	89,344	5,718	32
Highly skilled production (Levels 6-8)	21,408	34.3	184,552	44,069	116
Highly skilled supervision (Levels 9-12)	22,596	36.2	268,956	46,192	90
Senior management (Levels 13-16)	14,036	22.5	609,917	29,072	24
Contract (Levels 1-2) (Interns)	542	0.9	22,583	1,591	24
Periodical Remuneration (Liquor Board Members)	179	0.3	59,667	358	3
Total	62,338	100	216,611	128,436	298

TABLE 2.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Programme (R'000)
Pr1: Administration*	27,194	91.96	284	0.96	609	2.6	1,486	5.3	29,573
Pr2: Integrated Economic Development Services	9,206	95.67	0	0	148	1.54	269	2.8	9,623
Pr3: Trade and Industry Development	6,762	96.7	6	0.7	64	0.96	161	2.4	6,993
Pr4: Business Regulation and Governance	10,914	93.06	23	0.2	235	2.01	557	4.8	11,729
Pr5: Economic Planning	4,181	94.6	0	0	55	1.25	184	4.2	4,420
Total	58,257	91.27	313	0.5	1,111	1.79	2,657	4.3	62,338



TABLE 2.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (R'000)
Lower skilled (Levels 1-2)	1,157	91.8	0	0	50	3.9	53	4.2	1,260
Skilled (Levels 3-5)	2,424	84.8	5	0.2	145	5.1	285	10	2,859
Highly skilled production (Levels 6-8)	19,438	90.8	179	0.8	533	2.5	1,258	5.9	21,408
Highly skilled supervision (Levels 9-12)	21,527	94.8	129	0.5	230	1	889	3.7	22,775
Senior management (Levels 13-16)	13,711	97.6	0	0	153	1.1	172	1.2	14,036
Total	58,257	93.6	313	0.5	1,111	1.7	2,657	4.2	62,338

TABLE 3.1 - Employment and Vacancies by Programme at end of period

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Pr1: Administration*, Permanent	153	127	17	0
Pr2: Integrated Economic Development Services, Permanent	53	44	17	0
Pr3: Trade and Industry Development, Permanent	37	29	21.6	0
Pr4: Business Regulation and Governance, Permanent	66	50	24.2	0
Pr5: Economic Planning, Permanent	31	21	32.3	0
Total	340	271	20.3	0

TABLE 3.2 - Employment and Vacancies by Salary Band at end of period

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	14	9	35.7	0
Skilled (Levels 3-5), Permanent	43	30	30.2	0
Highly skilled production (Levels 6-8), Permanent	129	118	8.5	0
Highly skilled supervision (Levels 9-12), Permanent	124	91	26.6	0
Senior management (Levels 13-16), Permanent	30	23	23.3	0
Total	340	271	20.3	0



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

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administrative related, Permanent	33	28	15.2	0
Cleaners in offices workshops hospitals etc., Permanent	15	12	20	0
Communication and information related, Permanent	18	14	22.2	0
Economists, Permanent	77	67	13	0
Financial and related professionals, Permanent	13	13	0	0
Geologists geophysicists hydrologists & relat prof, Permanent	6	5	16.7	0
Human resources related, Permanent	28	20	28.6	0
Legal related, Permanent	5	5	0	0
Messengers porters and deliverers, Permanent	5	5	0	0
Other administrate & related clerks and organisers, Permanent	6	4	33.3	0
Regulatory inspectors, Permanent	27	24	11.1	0
Secretaries & other keyboard operating clerks, Permanent	32	23	28.1	0
Senior managers, Permanent	30	23	23.3	0
Trade/industry advisers & other related profession, Permanent	45	28	37.8	0
Total	340	271	20.3	0

TABLE 4.1 - Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	14	0	0	0	0	0	0
Skilled (Levels 3-5)	43	5	11.6	5	100	0	0
Highly skilled production (Levels 6-8)	129	96	74.4	67	69.8	0	0
Highly skilled supervision (Levels 9-12)	124	118	95.2	18	15.3	0	0
Senior Management Service Band A	24	10	41.7	0	0	0	0
Senior Management Service Band B	5	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
Total	340	229	67.4	90	39.3	0	0



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

Beneficiaries	African	Asian	Coloured	White	Total
Female	19	0	0	0	19
Male	21	0	1	0	22
Total	40	0	1	0	41
Employees with a Disability	0	0	0	0	0

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

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
Messengers, porters and deliverers	2	4	5	Appointed prior to job being evaluated	5
Secretaries and Other keyboard operating clerks	3	5	6	Appointed prior to job being evaluated	19
Total	5				24
Percentage of total employment	20.8				100

TABLE 4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	3	0	0	0	3
Male	2	0	0	0	2
Total	5	0	0	0	5
Employees with Disabilities	0	0	0	0	0

TABLE 5.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period (April 2008)	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	15	0	2	13.33
Lower skilled (Levels 1-2), Contract	7	28	15	214.28
Skilled (Levels 3-5), Permanent	19	12	8	42.11
Highly skilled production (Levels 6-8), Permanent	99	35	11	11.11
Highly skilled supervision (Levels 9-12), Permanent	66	30	7	10.61
Senior Management Service Band A, Permanent	13	5	0	0
Senior Management Service Band A, Contract	2	1	2	100
Senior Management Service Band B, Permanent	3	1	0	0
Senior Management Service Band C, Permanent	0	1	0	0
Total	217	113	30	13.82

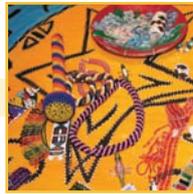


TABLE 5.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period (April 2008)	Appointments	Terminations	Turnover Rate
Administrative related, Permanent	28	14	1	3.6
Administrative related, Contract	7	28	15	214.28
Cleaners in offices workshops hospitals etc., Permanent	15	0	6	40
Communication and information related, Permanent	9	9	2	22.2
Economists, Permanent	50	28	7	14
Farm hands and labourers, Permanent	2	0	2	100
Finance and economics related, Permanent	13	0	1	7.7
Geologists geophysicists hydrologists & relat prof, Permanent	1	1	0	0
Human resources related, Permanent	17	6	2	11.8
Legal related, Permanent	4	0	1	25
Messengers porters and deliverers, Permanent	5	0	1	20
Other administrative policy and related officers	4	9	2	50
Regulatory inspectors, Permanent	20	0	0	0
Secretaries & other keyboard operating clerks, Permanent	17	9	2	11.8
Senior managers, Permanent	16	6	0	0
Senior managers, Contract	2	1	2	100
Statisticians and related professionals, Permanent	1	0	0	0
Trade/industry advisers & other related profession, Permanent	13	2	1	7.7
Total	217	113	30	13.8

TABLE 5.3 - Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	3	10	1.1	3	271
Resignation, Permanent	4	13.33	1.5	4	271
Retirement, Permanent	6	20	2.2	6	271
Other, Permanent (Transferred to other depts.)	17	56.67	6.3	17	271
Total	30	100	11.1	30	271

Resignations as % of Employment
9.5

TABLE 5.4 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2008)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	28	4	14.3	19	67.9
Cleaners in offices workshops hospitals etc.	15	0	0	14	93.3
Communication and information related	9	3	33.3	3	33.3
Economists	50	9	18	29	58
Farm hands and labourers	2	0	0	0	0
Finance and economics related	13	0	0	9	69.2
Geologists geophysicists hydrologists & relat prof	1	1	100	0	0
Human resources related	17	2	11.8	10	58.8
Legal related	4	0	0	1	25
Messengers porters and deliverers	5	3	60	2	40
Other administrative policy and related officers	4	2	50	1	25
Regulatory inspectors	20	16	80	12	60
Secretaries & other keyboard operating clerks	17	5	29.4	8	47.1
Senior managers	18	2	11.1	7	38.9
Statisticians and related professionals	1	1	100	1	100
Trade/industry advisers & other related profession	13	11	84.6	7	53.8
Total	217	59	27.2	123	56.7

TABLE 5.5 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period (April 2008)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2), Permanent	15	0	0	2	13.3
Skilled (Levels 3-5), Permanent	19	4	21.1	24	126.3
Highly skilled production (Levels 6-8), Permanent	99	34	34.3	50	50.5
Highly skilled supervision (Levels 9-12), Permanent	66	19	28.8	40	60.6
Senior management (Levels 13-16), Permanent	18	2	11.1	7	38.9
Total	217	59	27.2	123	56.7



TABLE 6.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category\

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent	14	0	2	16	0	7	0	0	7	0	23
Professionals, Permanent	95	2	0	97	0	108	1	0	109	3	209
Clerks, Permanent	7	0	0	7	0	32	0	0	32	0	39
Total	116	2	2	120	0	147	1	0	148	3	271

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

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	3	0	0	3	0	2	0	0	2	0	5
Senior Management, Permanent	11	0	1	12	0	5	0	0	5	0	17
Professionally qualified and experienced specialists and mid-management, Permanent	52	1	0	53	0	35	1	0	36	2	91
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	43	1	0	44	0	73	0	0	73	1	118
Semi-skilled and discretionary decision making, Permanent	6	0	0	6	0	24	0	0	24	0	30
Unskilled and defined decision making, Permanent	1	0	0	1	0	8	0	0	8	0	9
Total	116	2	1	119	0	147	1	0	148	3	270



TABLE 6.3 - Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	4	0	0	4	0	3	0	0	3	0	7
Professionally qualified and experienced specialists and mid-management, Permanent	9	0	0	9	0	4	0	0	4	0	13
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	12	0	0	12	0	14	0	0	14	0	26
Semi-skilled and discretionary decision making, Permanent	1	0	0	1	0	10	0	0	10	1	12
Contract (Top Management), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Semi-skilled), Permanent	4	0	0	4	0	2	0	0	2	0	6
Contract (Unskilled), Permanent	7	0	0	7	0	19	0	0	19	0	26
Total	38	0	0	38	0	52	0	0	52	1	91

TABLE 6.4 - Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	2	0	0	2	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management, Permanent	7	1	0	8	0	4	0	0	4	1	13
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	12	1	0	13	0	21	0	0	21	0	34
Semi-skilled and discretionary decision making, Permanent	3	0	0	3	0	7	0	0	7	0	10
Unskilled and defined decision making, Permanent	0	0	0	0	0	0	0	0	0	0	0
Total	24	2	0	26	0	32	0	0	32	1	59



TABLE 6.5 - Terminations

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	2	0	0	2	0	1	0	0	1	0	3
Professionally qualified and experienced specialists and mid-management, Permanent	4	0	0	4	0	5	0	0	5	0	9
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1	0	0	1	0	0	0	0	0	0	1
Semi-skilled and discretionary decision making, Permanent	5	0	0	5	0	5	0	0	5	0	10
Unskilled and defined decision making, Permanent	6	0	0	6	0	1	0	0	1	0	7
Total	18	0	0	18	0	12	0	0	12	0	30

TABLE 6.6 - Disciplinary Action

Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Total	0	0	0	0	0	1	0	0	0	0	1

TABLE 6.7 - Skills Development

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior Officials and Managers	3	0	0	0	0	1	0	0	1	0	4
Professionals	0	0	0	0	0	0	0	0	0	0	0
Technicians and Associate Professionals	0	0	0	0	0	0	0	0	0	0	0
Clerks	5	0	0	0	0	5	0	0	5	1	11
Service and Sales Workers	0	0	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary Occupations	0	0	0	0	0	0	0	0	0	0	0
Total	8	0	0	0	0	6	0	0	6	1	15
Employees with disabilities	1	0	0	0	0	0	0	0	0	0	1



TABLE 7.1 – Signing of Performance Agreements by SMS Members as on 31 March 2009

Levels	Total Number of funded SMS posts per level	Total Number of SMS Members per level	Total Number of signed Performance Agreements	Signed Performance Agreements as % of Total Number of SMS Members per level
Director General/Head of Department	1	1	0	0
14	5	4	3	75
13	23	17	16	94
Total	29	22	19	86

TABLE 7.2 – Reasons for not having concluded Performance Agreements for all SMS Members as on 31 March 2009

HOD's performance agreement was submitted to the Office of the Premier for signature.
One member on suspension.
One member's performance agreement not signed by the supervisor.

TABLE 7.3 – Disciplinary steps taken against SMS Members for not having concluded Performance Agreement as on 31 March 2009

No action taken.

**TABLE 8.1 – SMS posts information as on 31 March 2009
(Financial year ended 31 March 2009)**

Levels	Total Number of funded SMS posts per level	Total Number of SMS Members filled per level	% of SMS posts filled per level	Total Number of SMS posts vacant per level	% of SMS posts vacant per level
Director General/Head of Department	1	1	1	100	0
14	5	4	80	1	20
13	23	17	73	6	27
Total	29	22	76	7	24

TABLE 8.2 – Reasons for not having complied with the filling of funded vacant SMS - advertised within 6 months and filled within 12 months after becoming vacant

Reasons for vacancies not advertised within 6 months
Three regional directors posts were not funded
Three other posts were advertised but no suitable candidates found
We waited for the new administration to fill vacancy in the Office of the MEC
Reasons for vacancies not filled within 12 months
SAME AS ABOVE

TABLE 8.3 – Disciplinary steps taken fro not complying with the prescribed timeframes for filling SMS posts within 12 months

None

TABLE 9.1 - Performance Rewards by Race, Gender and Disability

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	70	147	47.62	617	901
African, Male	57	116	49.14	709	1,752
Asian, Female	0	0	0.00	0	0
Asian, Male	0	2	0.00	0	0
Coloured, Female	0	1	0.00	0	0
Coloured, Male	1	2	50.00	7	7,719
Total Blacks, Female	70	148	0.00	617	901
Total Blacks, Male	58	119	48.74	716	9,471
White, Female	1	3	33.33	5	
White, Male	0	0	0.00		
Total	129	271	47.78	1,338	10,372



TABLE 9.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	6	9	66.67	29	4,833
Skilled (Levels 3-5)	9	31	29	50	5,556
Highly skilled production (Levels 6-8)	64	116	55.2	508	7,938
Highly skilled supervision (Levels 9-12)	50	91	54.9	751	15,020
Total	129	247	47.8	1,338	10,372

TABLE 9.3 - Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	19	42	45.2	221	11,632
Cleaners in offices workshops hospitals etc.	7	13	53.8	59	8,429
Communication and information related	5	17	29.4	74	14,800
Economists	29	55	52.7	328	11,310
Finance and economics related	9	21	42.9	113	12,556
Geologists geophysicists hydrologists & relat prof	1	1	100	26	26000
Human resources related	13	17	76.5	69	5,308
Legal related	2	4	50	47	23,500
Messengers porters and deliverers	3	5	60	31	10,333
Other administrate & related clerks and organisers	4	9	44.4	38	9,500
Other administrative policy and related officers	3	4	75	37	12,333
Regulatory inspectors	15	20	75	123	8,200
Secretaries & other keyboard operating clerks	9	26	34.6	56	6,222
Senior managers	0	23	0	0	0
Trade/industry advisers & other related profession	10	13	76.9	116	11,600
Total	129	270	47.8	1,338	10,372

TABLE 9.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	0	18	0	0	0	0	0
Band B	0	4	0	0	0	0	0
Band C	0	1	0	0	0	0	0
Band D	0	0	0	0	0	0	0
Total	0	23	0	0	0	0	0

TABLE 10.1 - Foreign Workers by Salary Band

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Lower skilled (Levels 1-2)	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0

TABLE 10.2 - Foreign Workers by Major Occupation

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0



TABLE 10.1 - Sick Leave for Jan 2008 to Dec 2008

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)	Total number of Employees using Sick Leave	Total number of days with medical certification
Lower skilled (Levels 1-2)	101	53.5	9	7	11	11	129	54
Skilled (Levels 3-5)	118	99.2	14	10.9	8	28	129	117
Highly skilled production (Levels 6-8)	362	91.7	61	47.3	6	170	129	332
Highly skilled supervision (Levels 9-12)	194	87.6	32	24.8	6	157	129	170
Senior management (Levels 13-16)	43	81.4	6	4.7	7	83	129	35
Contract (Levels 1-2)	9	33.3	6	4.7	2	1	129	3
Contract (Levels 3-5)	1	0	1	0.8	1	0	129	0
Total	828	85.9	129	100	6	450	129	711

TABLE 10.2 - Disability Leave (Temporary and Permanent) for Jan 2008 to Dec 2008

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)	Total number of days with medical certification	Total number of Employees using Disability Leave
0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0

TABLE 10.3 - Annual Leave for Jan 2008 to Dec 2008

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	702	16	45
Skilled (Levels 3-5)	829	17	50
Highly skilled production (Levels 6-8)	2,231	19	116
Highly skilled supervision (Levels 9-12)	1,561	18	89
Senior management (Levels 13-16)	384	17	23
Contract (Levels 1-2)	93	4	21
Total	5,800	17	344

TABLE 10.4 - Capped Leave for Jan 2008 to Dec 2008

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2008	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2008	Number of Employees as at 31 December 2008
Lower skilled (Levels 1-2)	1	1	96	1	574	6
Highly skilled production (Levels 6-8)	13	7	71	2	2,836	40
Highly skilled supervision (Levels 9-12)	17	9	64	2	2,576	40
Total	31	6	70	5	5,986	86

TABLE 10.5 - Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Capped leave payouts on termination of service for 2008/09	76	10	7,600
Current leave payout on termination of service for 2008/09	49	3	16,333
Total	125	13	9,615

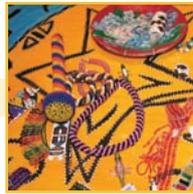


TABLE 11.1 - Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Trade Inspectors	Provision of education and awareness programmes on HIV/Aids
Business Economist	Provision of education and awareness programmes on HIV/Aids
Trade & Industry Advisor	Provision of education and awareness programmes on HIV/Aids

TABLE 11.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide required information]

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Mr. TN Chabeli: Director HRM
2. Does the department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		5 staff members with a budget of R 3 000 000.00
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	X		Counselling and preventative programmes.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		X	
5. Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		HIV & AIDS & Employment Equity Policies
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Implementation of the HIV & AIDS Policy taking into account the National HIV & AIDS Strategy
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		Arranged 3 onsite VCT however employees are not fully utilizing the services. Some employees tested were referred to the DoH for further management.
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/ indicators.		X	

TABLE 12.1 - Collective Agreements

Subject Matter	Date
None	N/A

TABLE 12.2 - Misconduct and Discipline Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total	Total
Total	2	100	2

TABLE 12.3 - Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	Percentage of Total	Total
Fighting at work	2	66.67	2
Wrongfully accessing social grants	1	33.33	1
Total	3	100	3

TABLE 12.4 - Grievances Lodged

Number of grievances addressed	Number	Percentage of Total	Total
Total	7	100	7

TABLE 12.5 - Disputes Lodged

Number of disputes addressed	Number	% of Total
Upheld	0	0
Dismissed	0	0
Total	0	0

TABLE 12.6 - Strike Actions

Strike Actions	Total
Total number of person working days lost	12
Total cost(R'000) of working days lost	5,523
Amount (R'000) recovered as a result of no work no pay	5,523



TABLE 12.7 - Precautionary Suspensions

Precautionary Suspensions	–
Number of people suspended	3
Number of people whose suspension exceeded 30 days	3
Average number of days suspended	77.7
Cost (R'000) of suspensions	454,238

TABLE 13.2 - Training Identified

Occupational Categories	Gender	Employment	Learner-ships	Skills Pro-grammes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	7	3	0	10	0
	Male	15	9	0	20	0
Professionals	Female	113	0	0	0	0
	Male	97	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	32	22	0	0	0
	Male	7	15	23	74	0
Service and sales workers	Female	0	0	6	34	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trade workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	11	0
	Male	0	0	0	1	16
Gender sub total	Female	152	0	6	55	33
	Male	119	0	23	95	33
Total		271	49	29	150	49

TABLE 13.2 - Training Provided

Occupational Categories	Gender	Employment	Learner-ships	Skills Pro-grammes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	13	3	0	3	0
	Male	33	9	0	22	0
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	87	22	0	43	0
	Male	59	15	0	17	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	16	0	0	0	9
	Male	3	0	0	0	9
Gender sub total	Female	116	0	0	46	9
	Male	95	0	0	39	9
Total		211	49	0	85	18

TABLE 14.1 - Injury on Duty

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



TABLE 15.1 - Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Handling Disciplinary Cases	1	3	R 42,873
Recruitment process	3	26	R 592,201
Training (employees)	3	16	R171,683
Training (customers)	1	5	R 200,000
Development of strategies and plans	5	420	R 2,500,843
Design & development student database	1	365	R 950,000
Research	3	360	R 1,820,659
Conduct baseline study for cooperatives	1	90	R 234,812
Asset valuation at Bushbuckridge	1	15	R 777,800
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
19	19	1300	R 5,652,871