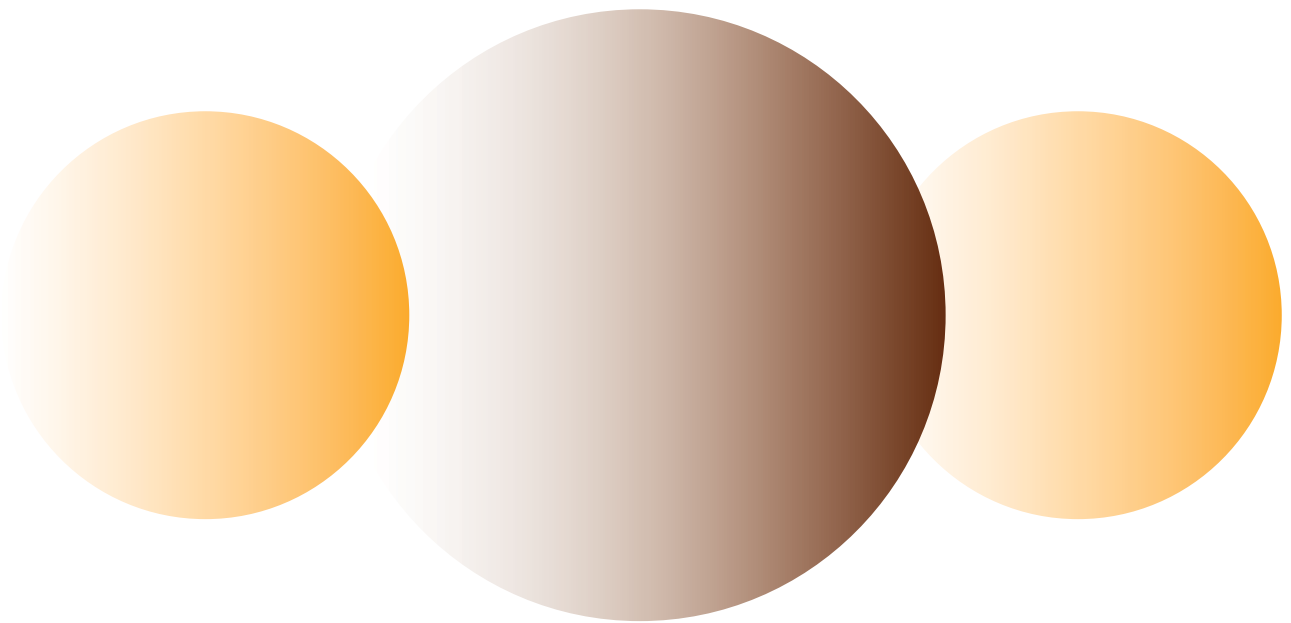




OVERVIEW BY THE EXECUTING AUTHORITY



OVERVIEW BY THE EXECUTING AUTHORITY



When the Honourable Premier delivered the State of the Province Address 19 February 2010, he amongst others mandated our Department to focus on *“(1) measures that must be undertaken to mitigate the impact of the economic recession; (2) cushioning job losses; and (3) placing the provincial economy on a shared and sustainable growth trajectory.”*

He further went on to simply the instruction by mandating us to, amongst others, continue to:

- Provide comprehensive support to SMMEs and co-operatives;
- Grow sectors of the economy with special attention given to Broad Based Economic Empowerment;
- Ensure that Youth, women and people with disabilities benefit from economic activities;
- Promote trade and investment;
- Promote transformation of the tourism industry; and
- Ensure the development of strategic massive socio-economic infrastructure, such as the coal haulage network; establishment of a university, a tertiary hospital, and an International Convention Centre.

These were the marching orders that guided our work in this financial year.

What was critical therefore, was the need come up with a strategy which will assist us to implement all these imperatives. This led to the national government coming up with the *New Growth Path* for the country, which gave us a green light as a province to develop our own. The development of the proposed *Mpumalanga Economic Growth and Development Path (MEGDP)* is therefore a response to the ruling party's call for government to focus on identifying areas where employment creation is possible on a large scale, in order to mitigate the impact of the recent global economic meltdown. Our challenge over the next ten (10) years, is to reduce unemployment, poverty and inequality, hence our province needs to facilitate the creation of at least 719 000 new jobs by 2020. Our target is to reduce the current unemployment rate which is just over 30 percent to at least 15 percent by 2020.

Our Department has thus been charged with this mammoth task of leading economic recovery of the province, which will be done through the implementation of the *MEGDP*.

In fulfilling our mandate as per our strategic plan and annual performance plan submitted to the Mpumalanga Provincial Legislature, I am proud to announce that through the leadership of the Accounting Officer of the Department, we continued to, amongst others:

- Empower and grow SMMEs and co-operatives;
- Regulate businesses in terms of the applicable laws and prescripts;
- Regulate the gambling and betting industry;
- Protect consumers from unscrupulous business practices;
- Regulate the tourism industry and bio-diversity management;

- Promote sustainable environmental management;
- Promote trade and investment opportunities in the province;

This annual report is therefore intended to give progress to the Honourable Members of the Mpumalanga Provincial Legislature, on our work during the financial year under review, in terms of the approved strategic plan and annual performance plan, as mandated by Chapter 7(65) of the Public Finance Management Act, (Act 1 of 1999 as amended).

As the Executing Authority of the Department, it is thus my pleasure to submit the Annual Report on the work of the Department for the financial year ended 31 March 2011, in terms of section 65(1)(a) of the Public Finance Management Act as stated above, to the Speaker of the Mpumalanga Provincial Legislature, Honourable Member S.W Lubisi.



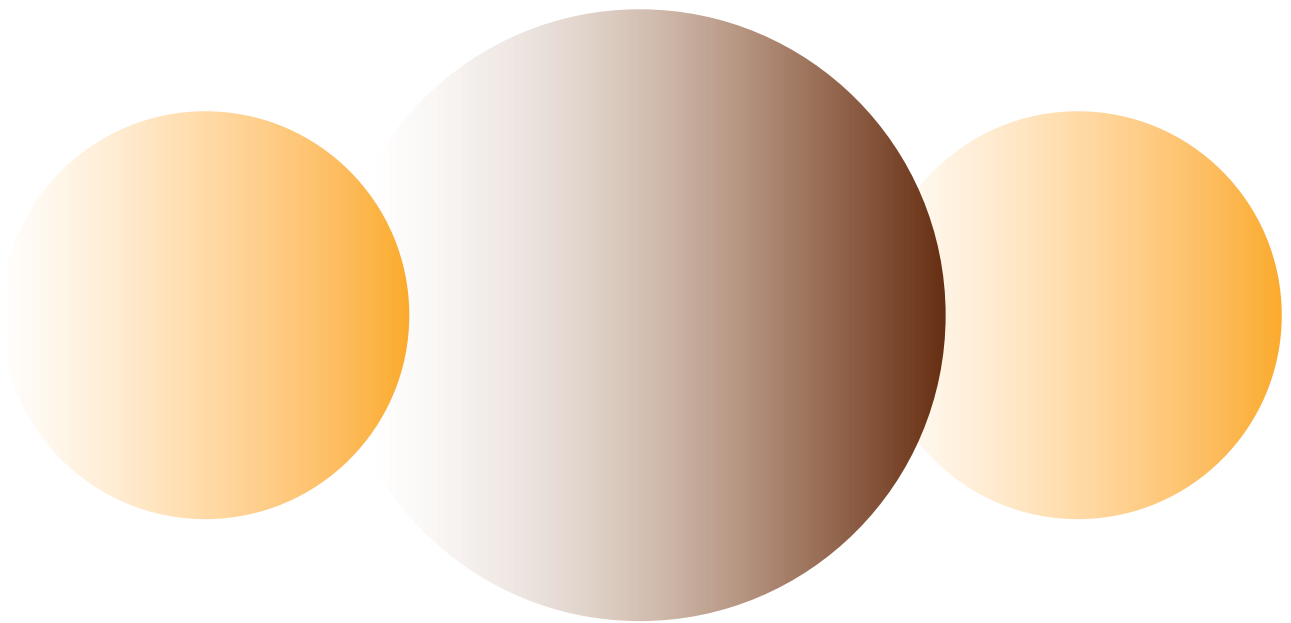
M.N MOKOENA, MPL

MEC/ Executing Authority:

Department of Economic Development, Environment and Tourism



SUBMISSION OF THE ANNUAL REPORT BY THE
ACCOUNTING OFFICER TO THE EXECUTING
AUTHORITY



SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTING AUTHORITY



Dear Mr M.N Mokoena, MPL

Executing Authority: Department of Economic Development, Environment and Tourism

I, Vusanani Dlamini, the Accounting Officer and Head of the Department of Economic Development, Environment and Tourism, have the honour of submitting the 2010/2011 Annual Report on the work of the Department, in terms of section 40(1)(d) of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999) to the Executing Authority of the Department.



Dr V. DLAMINI

Accounting Officer

Date: 31 August 2011

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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
COP	Congress of Parties
DEDET	Department of Economic Development, Environment and Tourism
EHWP	Employee Health and Wellness Programme
EIC	Enterprise Information Centre
EMC	Executive Management Committee
HOD	Head of Department
HDI	Historically Disadvantaged Individuals
GIS	Geographical Information System
ICC	International Convention Centre
IDP	Integrated Development Plan
KMIA	Kruger Mpumalanga International Airport
LED	Local Economic Development
MADC	Mpumalanga Agricultural Development Corporation
MEC	Member of the Executive Council
MGB	Mpumalanga Gambling Board
MEGA	Mpumalanga Economic Growth Agency
MHFCO	Mpumalanga Housing Finance
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
SDIP	Service Delivery Improvement Plan
SONA	State of the Nation Address
SOPA	State of the Province Address
SMME	Small, Medium and Micro Enterprise
SMS	Senior Management Service



PART: 1



GENERAL INFORMATION

1. GENERAL INFORMATION

1.1. INTRODUCTION BY THE HEAD OF DEPARTMENT



This annual report provides an account of the performance of the Department during the financial year ending March 2011.

On enterprise development, 592 SMMEs and co-operatives were supported and developed in partnership with SEDA. Our support to small businesses continued in the form of the *Business Launch Pad* competition, which gives funding opportunities to all those aspiring entrepreneurs, with limited and tedious access from commercial banks.

Sixty-four (64) emerging exporters received training on exporting, and at least 69 others were assisted to participate at national expos and exhibitions. In our quest to ease the cost of doing business, we have assisted 150 SMMEs with the complex processes of business registrations and tax compliance in partnership with *Seda*. We are also proud to report that we facilitated financing for SMMEs to the tune of R107, 2 million from development finance institutions through MEGA and *Seda*. Furthermore, we continued to host what is called BBBEE awareness workshops with the aim of increasing compliance in the forestry, manufacturing, mining, transport, agricultural sectors. Twelve (12) companies/corporations were consulted in this regard to ensure compliance with regards to BBBEE regulations.

Sufficient support was given to Provincial municipalities through the Local Economic Development initiative, resulting in the development and review of LED Plans. The result was that 21 IDPs of municipalities were aligned to departmental strategy and PGDS as targeted.

Our economic empowerment efforts, through the construction of the *Kusile Power Station*, saw a large number of Mpumalanga-based companies benefiting from procurement of goods and services during the construction *power station*. We assisted such people by conducting capacitation workshops to assist them to cost for bids, and this resulted in 177 of companies from the province benefiting from such available opportunities.

In regulating business operations and advocating for the protection of consumer rights, we continued to consider applications for liquor licenses and ensured that the licensees comply with the applicable liquor license laws and regulations. Through the Mpumalanga Consumer Court, 1696 cases were resolved on behalf of consumers, resulting in R3, 215 340 being put back in the hands of the aggrieved consumers. Under our guidance, the Mpumalanga Gambling Board continued to regulate the gambling and betting industry in our province.

We continued to monitor the implementation of the Tourism Strategy through our public entity, the MTPA, and monitored trade and investment promotion initiatives by another entity, MEGA. Efforts on trade and investment promotion saw more than 130 SMMEs being assisted on export related programmes, including manufacturing, agriculture and crafts. As a result, an SMME such as the Majayimile Trading in the Gert Sibande District continues to receive dedicated training on export orientation methodology training through *Seda*.

Significant achievements were recorded in the facilitation of sustainable development through environmental planning and co-ordination, greener governance, environmental awareness and capacity building, integrated pollution, waste management and promotion of biodiversity management.

Sufficient applications for EIA (Environmental Impact Assessment), mining and section 24G were handled appropriately as part of Environmental Impact Management. To this end, we managed to approve 216 development applications under the National Environment Management Act 107 of 1998. We have developed a draft *Air Quality Management Plan* for the Highveld Pollutant Priority Area, and also commissioned the eMalahleni Air Quality Monitoring Station at Greendale High School.

Our environmental awareness and education initiative did well in planting 13 780 trees. We hosted the *Decade of Education for Sustainable Development Indaba* which was successful, in addition to numerous community awareness programmes, outreach visits to municipalities, waste clean-up campaigns, and Wetlands programme. We pride ourselves with one of our environmental awareness programmes, *the Pre-School Water Programme*, which achieved national and international accolades, and won us an award in the national category for Innovative Partnerships in Service Delivery in the Centre for Public Service Innovation Public Sector Awards.

In closing, let me express my appreciation to my predecessor, former Head of Department, Mr R.S Tshukudu, under whose leadership the Department was able to receive an unqualified audit opinion for the third year in a row. The Chief Financial Officer, management and all staff members have been significant and must be commended once more, for a job well done. We also owe our achievements to the co-operation we received from the Boards and CEOs of our three (3) Public Entities, namely, MEGA, MTPA and the MGB.

I am further grateful to the MEC, Mr M.N Mokoena for his leadership and guidance since I joined *the dedet* family in May 2011.



Dr. V. DLAMINI

Head of Department

1.2. ENTITIES REPORTING TO THE MEC

MEGA

The first year of the merger was characterised by the consolidation of processes, systems and activities. Although the organogram and placement of staff have not been completed, the core functions and activities of the new entity continued.

Sixty nine new SMME's to the value of R 43.2 million were funded during the year.

R228m new foreign and local Investment was facilitated for the province. These projects are still in the evaluation phase for implementation during the new financial year.

Investment/trade promotion missions to France, Spain and Portugal were conducted and follow up actions are taking place.

The Trade Promotion Subdivision of MEGA managed to directly facilitate R21.46m worth of exports in the SMME sector. Four local and foreign exhibitions were undertaken and 48 exporters were exposed to new foreign markets

MEGA concluded a funding agreement with DBSA for the funding of government priority infrastructure projects. These projects will be identified on an ongoing basis and will be facilitated by MEGA.

The MEGA Finance Division successfully carried out the following merger related activities:

- Appointment of the Agency's banker and opening of the primary bank account as required by PFMA and MEGA Act.
- ICT Network Infrastructure. Service provider appointed.
- Integrated Accounting System. Service provider appointed.
- Integrated Asset Register: Service provider appointed and the exercise due for completion by end May 2011.

The Division managed to put in place the following financial management system that is compliant with PFMA and MEGA Act:

- approved financial policies and procedures,
- systems of internal controls currently under review,
- delegations of authority approved.
- anti-corruption measures approved

On the Human Resource front the year started with a total of 278 employees with 245 employees at the end of the financial year. The vacancies created were not replaced due to the embargo placed on the appointment of new employees before the conclusion of the placement of all employees from the three erstwhile entities.

All the Human Resource Policies were revised and approved during the year.

The Annual Performance Plans and the organogram have been approved and all processes are now in place to finalise the merger and to start delivering on its mandate.

MGB

Expansion of the gambling industry to enhance economic growth

With regard to industry expansion, the 40-Machine Site Operator licence issued to Thaba-Gare Lydenburg, was officially launched in December 2010, bringing an entertainment centre to Mashishing, which comprises a restaurant, coffee shop, kiddies games arcade, sports lounge, kiosk, as well as a gambling area. This is the first operational site of this kind in South Africa. The facility has brought about an investment worth R11 million rands and 54 sustainable jobs for the Mashishing community.

Request for Applications in respect of Totalisator Operator Licences

A Request for applications in respect Totalisator Operator licences was issued in early 2011. This is the first call for such applications in the Province.

Improved revenue collection

With regard to the gambling levies and taxes, the MGB has reached the targeted R50 million mark in respect of revenue collection, during the year under review. The revenue growth increased by 23% when compared to the previous financial year. Although this milestone is appreciated, the MGB was poised in ensuring that the positive balance between the social costs and benefits of the gambling industry is not overlooked.

Intensified awareness campaigns on problem gambling

The MGB has made great strides in raising the level of awareness and educating our communities about the gambling industry in general, as well as the social ills associated with this form of entertainment, specifically problem gambling and illegal gambling. Our public awareness campaigns in the year under review, reached 15,270 learners from High Schools in Province; and 35,385 beneficiaries of old-age pension and social grants throughout the Province.

Going forward, the MGB will put more efforts and resources towards strengthening the public awareness and education campaigns to reach a much wider audience through various media, within the Province.

1.3. INFORMATION ON THE OFFICE OF THE MEC

1.3.1. Mandate of the MEC

The mandate of the MEC for Economic Development, Environment and Tourism is to provide political guidance and leadership in pursuance of outcome 4 and 10 underpinned by the Mpumalanga Economic Growth and development Path (MEGDP). The emphasis is on striking a balance between economic development and growth and protecting our complex globally important environmental heritage.

The challenge, however, over the next ten years is to significantly reduce unemployment, poverty and inequality.

It is thus critical that we invest in the development of the integration of the first and second economies. MEC must ensure that this mandate is fulfilled by ensuring that resources are deployed in appropriate economic, social and human resource infrastructure, skills development, research and development and social capital development.

1.3.2. Institutions reporting to the Executing Authority (MEC)

During the period under review, the following three (3) institutions (public entities) reported to the Executing Authority:

- Mpumalanga Economic Growth Agency (MEGA);
- Mpumalanga Tourism and Parks Agency (MTPA);
- Mpumalanga Gambling Board (MGB).

1.3.3. Bills submitted to the Mpumalanga Provincial Legislature during the financial year under review

Mpumalanga Economic Growth Agency Act, 2010

Mpumalanga Gambling Amendment Act, 2010

1.3.4. Visits abroad undertaken by the MEC during the financial year under review

The following official trips abroad were undertaken by the MEC:

1.3.5. Outbound trade and investment promotion mission to France, Spain and Portugal (02-13 October 2010)

1.4. MISSION STATEMENT OF THE DEPARTMENT

The Department's **mission** is to position Mpumalanga Province to be a leader in the creation of equitable economic growth, quality jobs and a sustainable environment, and to be the ultimate tourism destination.

The **vision** of the Department is to be a catalyst for a globally competitive economy and sustainable environment for all.

1.5. LEGISLATIVE MANDATE

The Department derives its mandate from the following legislations: The Constitution of the Republic of South Africa, 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 of. 7 of 1999)
- Mpumalanga Liquor Act (Act No. 27 of 1989)
- National Gambling Act (Act 59 of 2003)
- Mpumalanga Consumer Act (Act No. 6 of 1998)
- Mpumalanga Trading Hours (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)
- Mpumalanga Economic Growth Agency Act (Act No. 4 of 2005)
- Mpumalanga Tourism and Parks Agency 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)

To drive all economic and tourism development, environmental management as well as planning initiatives in the Province.



Vision

Being a catalyst for a globally competitive economy and sustainable environment for all.

Mission

Positioning Mpumalanga Province to be a leader in the creation of equitable economic growth, quality jobs and a sustainable environment, and to be the ultimate tourism destination

Values

“The Department is guided by the following core values:

Integrity: Officials must be dedicated to the adherence of a strict moral and ethical code of conduct in the execution of their duties and responsibilities.

Fairness: Officials must conform to the rules and standards set out by the Department. All decisions should be made free of bias and must always be considerate and just.

Accountability: Officials are, at all times, to be responsible for the performance and results of their agreed upon duties and responsibilities. This refers to the pyramid responsibility that begins with the individuals and builds up to top management.

Transparency: Officials will recognise the right to access of information excluding information that is specifically protected by law.

Professionalism: Officials will behave and execute their duties in a manner that enhances the reputation of the Department, adhering to the highest ethical standards.



PART: 2



INFORMATION ON PREDETERMINED OBJECTIVES

2. INFORMATION ON PREDETERMINED OBJECTIVES

2.1. OVERALL PERFORMANCE

The purpose of this report is to provide balanced and reliable information regarding the performance of the Department of Economic Development, Tourism and Environment against the planned objectives is contained in the annual performance plan and implementation plan for 2010/11 financial year.

2.2. Voted Funds

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
R'000	R'000	R'000	R'000	R'000
643,000	643,000	711,713	716,546	(4,833)
Responsible Minister	Mr MN Mokoena			
Administering Dept	Department of Economic Development, Tourism and Environment			
Accounting Officer	Dr V Dlamini			

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.

2.3.6. Summary Of Programmes

During the reporting period the high-level structure of the department consisted of the following six programmes:

Programme 1: Administration

The programme is intended to provide integrated support services to the department.

Programme 2: Integrated Economic Development Services

- The programme is responsible for the development of SMME's and cooperatives in the Province,
- Empowerment of historically disadvantaged individuals in the Province and
- Facilitating the implementation of local economic development strategies and programmes in the province

Programme 3: Trade and Investment Development

The programme focuses on facilitation of trade and industry development of the priority sectors in the Province.

Programme 4: Governance and Business Regulation

The programme is responsible for facilitating 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.

Programme 6: Environmental Services

The programme is responsible to facilitate sustainable development through environmental planning and co-ordination, greener governance, environmental awareness and capacity building, integrated pollution and waste management and to promote biodiversity management.

2.3.7. Key Strategic Objectives Achievements

During the year under review the department has developed a 3 year risk based Internal Audit Plan and Internal Audit operational Plan. All departmental financial policies and procedures were implemented. The department managed to collect revenue amounting to R54,8 million. This represents 117% of the total budgeted revenue of R47 million, an over collection by 17%.

In line with ensuring that the department performs optimally to fulfill its mandate, 17 posts were filled and as a result, 16 induction sessions were conducted during the year under review. In ensuring that the department implement both the Employment Equity Act and the Skills Development Act, an Employment Equity report and WSP & ATR was developed and submitted to the DoL and PSETA.

As pronounced by the Premier, in his State of the Province Address that the three entities are going to be merged to form one super MEGA, MEGA was operationalised on 1 April 2010. With regard to security matters the department has vetted 24 employees and 5 companies were screened. In an effort of ensuring that our employees are well taken care of, 334 employees reached during the implementation of health and wellness programmes and 106 employees were supported to deal with personal and workplace problems.

The department has provided development support to 592 SMME's and cooperatives through SEDA, 16 through MEGA DTI, Department of Social Development and NBF. During the year under review, the department has successfully advised 896 SMMEs on general business advice, CC's registration, annual returns submissions and training on hospitality industry.

The Department continued with its effort of ensuring that our communities are capacitated in as far as cooperatives and SMME development is concerned in that 3 Entrepreneurship information dissemination sessions and 12 seminars on co-operatives awareness programmes were conducted, which resulted in establishment of 15 primary cooperatives and 3 secondary cooperative.

To increase compliance on BBBEE, the department engaged 12 big Corporations such as Kangra Coal Mine, Sasol, Early Bird, Sonae Novobord, World Wide Coal, Rainbow Chickens, McCain, PepsiCo (Simba), BHP Billiton, Highveld Steel, TSB and Sappi. Furthermore, 5 BBBEE awareness workshops were conducted for increased compliance in Forestry, Manufacturing, Mining, Transport and Agri Sectors BBBEE

The department will always continue to support the municipalities in terms of ensuring that economic opportunities within the identified municipalities are explored. In 2010/11 financial year, the department identified two economic opportunities namely: Hydroponics farming project in Lekwa and Sihlosile Farming Project in Pixley Ka Seme.

The department established and supported one Industrial development hubs for Mpumalanga Tooling Initiative Centre. A business plan for the Arts, Craft and cultural hub was developed and this is in line with ensuring that creative industry is explored in the Province. Mpumalanga Film and Video Office has been accessed and preparation to open the office are at advanced stages

In terms of supporting Agro-Processing (Non-food) and (food) Centers, we managed to refurbished the Bushbuckridge Agro-processing Centre and a business plan for the Pixley kaSeme Agro-processing Centre was developed.

In a quest to ensure that consumer are protected against the unscrupulous businesses, the department investigated 2103 cases and resolved 1696 of consumer cases. In line with ensuring that our consumers are capacitated concerning their business rights, 101 workshops, 147 radio slots and 49 road shows were conducted. To promote entrepreneurship and the creation of jobs within our communities, 863 new applications liquor outlets were received and 538 were approved. To curb the outlets which operates unlawfully, 407 liquor inspections were conducted at liquor outlets.

To ensure that our economies are integrated, the department has developed one Provincial Integrated Sector strategy which is the Provincial Economic Development Strategy and the Draft Mpumalanga Economic Growth Development Path. The department has developed two integrated sector plans namely: Mineral Development Plan and Forestry Plan which are in a form of a draft.

The department has produced one Research Study reports on Labour and Skills demand and a working draft document produced on renewable energy based on literature review. One Economic Profile was produced.

In terms of Environmental Impact management, we have finalised & authorised 236 EIA, commented on 178 mine applications, Monitored 216 authorisations, attended to 161 complaints and authorised 12 section 24G applications.

In order to ensure that the Pollution and Waste Management is in order, the department has evaluated 13 Municipal Integrated Waste Management Plans. 34 Waste Licenses Applications processed and 8 licenses issued and a draft AQMP for Highveld Priority Area developed.

In terms of capacitating the province with regards to issues of environment, we have conducted 8 Awareness programmes which include Biodiversity day programme, 241 outreach visits to municipalities, 279 Waste Clean-up campaigns and 42 community groups participated in Adopt a spot and Wetlands programme.

Youth bases awareness programmes were conducted as follows: Climate Change & Water Programme was implemented where 985 outreach visits to schools were conducted. 90 schools participated in Adopt a schoolyard programme and 20 schools registered for water. Other programmes conducted were 24 360 residential person days, 108 radio slots, 83 newspaper articles, 2 634 outreach visits to schools, 1 534 outreach visits to communities and 241 outreach visits to municipalities.

The Environmental Management Framework for Pixley Ka Seme, Mkhondo, Govan Mbeki, Dipaliseng, Lekwa, Msukaligwa, Albert Luthuli, Umjindi Local Municipalities were developed and Gazetted

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

2.3.8. Overview of service delivery environment for 2010/11

The department was able to achieve some of its planned activities even though there was a budget cut in some areas. The transfer amount to SEDA was reduced from five (5) million rand to R2,5 million and that meant the reduction of outputs in as far as SMME development is concerned.

2.3.9. Overview of the organizational environment for 2010/11

The department has not finalized the organizational structure which is still in a form of a draft. However, the department engaged in a process of re-engineering the whole organizational structure in that functions or activities which have similarities were grouped together.

2.3.10. Key policy developments and legislative changes

The mandate of the department is to lead all all economic development initiatives and environmental services in the province

2.3.11. Departmental revenue, expenditure and other specific topics

In 2010/11 financial year, the department submitted its Annual Performance Plan to Legislature

2.3.12. Departmental revenue, expenditure and other specific topics

Collection of departmental revenue

The department's main source of revenue is tax revenue collected through the Mpumalanga Gambling Board and regulated by various applicable legislation.

Total revenue collected for the year under review amounted to R 54 844 million against a budget of R47 000 million which represents an over collection of 17%. This shows a significant improvement compared with the decline figure of 15% which was experienced in the previous financial year. This means that people received more disposal income which had a direct increase in the number of people visiting our casinos.

The table below indicates a breakdown of various sources of revenue as well as actual against target in revenue collection for the current and previous financial years.

Revenue	2007/08	2008/09	2009/10	2010/11	2010/11	%
	Actual	Actual	Actual	Target	Actual	Deviation from target
	R'000	R'000	R'000	R'000	R'000	
Tax revenue	38,517	40,686	44,570	43,892	50,584	115%
-Casino taxes	33,170	35,702	36,826	36,139	43,961	122%
-Horse racing	3,483	4,371	4,128	4,914	4,261	87%
-Liquor licence	1,864	613	3,616	2,839	2,362	83%
Non-tax revenue	2,993	2,496	873	2,983	4,101	137%
-Trading licenc	43	31	24	25	23	92%
-Tourist guide	94	-	-	-	-	-
-Service rend	675	38	45	1,620	1,886	116%
-Rentals:resid	440	4	12	116	128	110%
-Fines, Penalties	-	-	6	477	1,182	248%
-Interest:PMG	1,681	2,423	786	745	882	118%
Sales of capital assets	-	144	79	96	58	60%
-GG vehicles	-	144	79	96	58	60%
Financial transactions (Recovery of loans and advances)	235	95	42	29	141	486%
-Rev:fa:dept debt	216	44	4	5	120	2400%
- Rev:fa:prev year exp	19	51	38	24	21	87%
TOTAL DEPARTMENTAL RECEIPTS	41,685	43,421	45,564	47,000	54,884	117%

2.3.13. Departmental expenditure

The department was originally allocated a budget of R 643 000 million which was revised during the budget adjustment period. The Department received additional funding to the value of R68 713 million during adjustment to alleviate the budget pressures. The budget baseline was increased from R 643 000 million to R 711 713 million.

The following were additional allocations for transfers to Public Entities of the Department during budget adjustment:

- Mpumalanga Tourism and Parks Agency (MTPA) R 40 million
- Mpumalanga Economic Growth Agency (MEGA) R 1.328 million
- Mpumalanga Gambling board (MGB) R 2.312 million

The total expenditure amounted to R 716 534 million which represents a budget deficit of (4.833) or over spending by 1% .

Table 1.1 below illustrates the expenditure patterns incurred during the year under review

PER PROGRAMME	BUDGET	EXPENDITURE	AVAILABLE	%SPEND
	R,000	R,000	R,000	%
Administration	106,953	101,991	4,962	95
Intergrated Econ.Dev. Services	168,813	167,101	1,712	99
Trade and Industry Development	298,395	310,497	-12,102	104
Business Regulations and Governance	58,722	58,421	301	99
Economic Planning	11,674	9,851	1,823	84
Environmental services	67,156	68,685	-1,529	102
TOTAL PER PROGRAMME	711,713	716,546	-4,833	101

2.3.14. Transfer payments

The department had oversight functions over three Public Entities during the year under review.

2.4. Mpumalanga Tourism and Parks Agency

The purpose of MTPA is:

- To provide for the sustainable management and promotion of Tourism and Nature Conservation in the Province and to ensure the sustainable utilization of natural resources.
- Broaden the participation of historically disadvantage individuals (HDI) in the tourism industry.

The entity received an unqualified audit opinion in the 2009/10 financial year.

2.5. Mpumalanga Economic Growth Agency

The purpose of MEGA is:

- To provide for the establishment of the Mpumalanga Economic Growth Agency and for the management thereof by a board

- Promote trade and investment in Mpumalanga.
- To provide funding in respect of approved enterprise and agricultural development focusing primarily on the previously disadvantaged individuals in Mpumalanga.
- To develop property including the granting of housing loans in Mpumalanga
- To deliver massive infrastructure in Mpumalanga

2.6. Mpumalanga Gambling Board

The purpose of MGB is:

- To perform functions in terms of Mpumalanga Gambling Act, including:
 - Ensuring that gambling activities regulate by the MGB are conducted fairly.
 - To ensure that the regulation of gambling is effective and efficient
 - To render support and advice to the responsible member on gambling issues and ensure that Government's policy on gambling is implemented.

Public Entities to whom transfer payments have been made

Name of Public Entity	2010/11 R'000
Mpumalanga Economic Growth Agency (MEGA)	143,265
Mpumalanga Tourism and Parks Agency (MTPA)	240,861
Mpumalanga Gambling Board (MGB)	38,960
Zithabiseni Holiday Resort	18,700
Total	441,786

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.

Monitoring systems

The accounting officer has signed condition of transfer with public entities and the Mec signs a shareholders compact with the chairperson of the boards. 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.

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

2.6.1. Asset Management

- The Departmental Assets has increased, given the fact that we received assets from the Department of Agriculture, Rural Development and Land Administration which are allocated to all 20 Environmental Center offices. It was discovered that most of them are already depreciated; hence they are in a state of disposal process.
- The Asset Register is updated and reconciled against the trial balance monthly.
- The Department meets all the minimum asset management requirements, hence the assets reflects the following conditions:

GOOD	FAIR	BAD
60%	30%	10%

- No facilities were downgraded during the period under review.
- All departmental projects are implemented in phases; they will be carried forward to the forthcoming fiscal year.
- The Department has appointed a service provider in the field of Engineering Services to advice in the upgrading of all environmental centers infrastructures and other major projects in the Department, e.g. the bill of quantity, and tendering process

2.7. PROGRAMME PERFORMANCE

Summary of Programmes

The activities of the Department of Economic Development, Environment and Tourism are organized in the following six programmes:

- **Programme 1: Administration**
- **Programme 2: Integrated Economic Development Services**
- **Programme 3: Trade and Investment Development**
- **Programme 4: Governance and Business Regulation.**
- **Programme 5: Economic Planning**
- **Programme 6: Environmental Services**

PROGRAMME 1: ADMINISTRATION

Purpose: The programme is intended to provide integrated support services to the department.

Service Delivery Achievements

During the year under review the department has developed a 3 year risk based Internal Audit Plan and Internal Audit operational Plan. All departmental financial policies and procedures were implemented. The department managed to collect revenue amounting to R54,8 million. This represents 117% of the total budgeted revenue of R47 million, an over collection by 17%.

The department and filled 17 vacant funded posts, 16 induction sessions was conducted during the year under review.

The department produced and distributed three (3) quarterly external newsletters and Hosted 2 media briefing successfully.

In terms of reviewing the acts, the department has enacted MEGA Act, 2010, reviewed the Consumer Protection Bill. 25 agreements was Attended to, 13 Litigation matters and prepared 29 written opinions

With regard to security matters the department has vetted 24 employees and 5 companies were screened. The department further conducted 4 security awareness workshops and 87 site inspections were conducted.

Sub-Programme: Office of the MEC				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To ensure effective political and administrative oversight of the department	To execute statutory obligation	Set political and strategic directives for effective functioning of the department	Scheduled meeting for the MEC on time, including the logistics arrangements for MINMEC's meeting	None
		Cabinet outreach programmes attended	Feedback reports on issues raised at Cabinet outreach produced	None
		Attendance of ECC and coordinate MUNIMEC	ECC meetings were attended and MUNIMEC meetings were not coordinated.	None
Reasons for major Variances: MUNIMEC members were not available.				

Sub-Programme: Office of the HOD				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To provide guidance and effective and efficient utilization of resources in the department	Number of approved plans developed	3 plans approved and implemented	Final Annual Performance and Implementation Plan operational (annual reporting) produced	None
	Number of Shareholders compact signed.	2 shareholders compact signed	2 shareholders compact signed with MTPA and MEGA	None
	Number of resolutions implemented within stipulated time frames	2 resolutions from SCOPA and Portfolio Committee implemented	2 resolutions from SCOPA, Portfolio Committee and other committees were responded to and implemented	None
	Number of requests received	Requests and correspondence are responded to within 7 working days	Requests and correspondence have been responded to within 7 working days.	None
Reasons for major Variances: None				

Sub-Programme: Internal Audit				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
A system of Internal Audit Activity (IAA) in accordance with prescribed legislative framework	Number of risk based Internal audit strategic plan developed	A one 3 year risk based strategic Internal Audit Plan	A one 3 year risk based Internal Audit Plan approved.	None
	Number of Internal Audit Operational Plan developed	A 1 year Internal Audit Operational Plan	An Internal Audit operational Plan developed and approved	None
	Number of Audit Charters reviewed and approved	1 Internal Audit Charter and Audit Committee Charter	The Internal Audit and Audit committee's charters reviewed and approved	None
A system of Internal Audit Activity (IAA) in accordance with prescribed legislative framework	Number of Internal Audit reports produced.	7 Internal Audit reports on the department's control, risk management and governance processes.	9 Internal audit reports: <ul style="list-style-type: none"> • Review of Annual financial Statements for 2009/2010 • Data mining follow up report. • Interim Financial Statement for 30 sept.2010 • Performance Information review – environmental services • Asset management • Supply Chain management • Performance Information review – tourism management • Performance Information review –Enterprise development • Follow-up Audit AG & IA report 	None
Reasons for major Variances: None				

Sub-Programme: Financial Management				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
Provide efficient and effective financial management	Number of Financial policies implemented	Implement the financial policies	Departmental financial policies and procedures were implemented.	None
	Number of reports produced on risk management and fraud prevention plan	9 risk management and 7 fraud prevention reports produced	<ul style="list-style-type: none"> • 6 Risk Management Reports produced (1-2011/2012 Strategic Assessment, 3 Progress reports to the Risk Management Committee, 2 reports on risk action plans) • 3 Fraud Prevention reports produced(2 progress reports to the Fraud Prevention Committee, 1- Fraud Risk Identification Report) • 7 Risk and Fraud Prevention/ Anti-corruption workshops conducted 	Late submission of responses.
	Number of financial statements submitted to Auditor General and Treasury	1 set of annual financial statements	Annual financial statements were submitted to Auditor General and Treasury	None
	Budget prepared in compliance with PFMA and Treasury Regulations	Timeously and Properly costed budget prepared in terms of Treasury guidelines	Budget was timeously prepared and properly costed in line with Treasury guidelines	None

Sub-Programme: Financial Management				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
Provide efficient and effective financial management	%Increase of revenue collection	Increase revenue collection by 40%	Revenue collection amounting to R54,8 million has been achieved. This represents 117% of the total budgeted revenue of R47 million, an over collection by 17%	None
	Number of Monthly expenditure reports submitted to Treasury	Submit monthly monitoring expenditure report by 15 th of every month to Treasury	12 monthly expenditure reports were submitted to Treasury	None
	Number of asset registers updated	3 Asset registers updated	<ul style="list-style-type: none"> Cellphone register updated Office furniture updated Vehicle and other machinery register updated. 	None
	Compliance with the National Archives Act 43 of 1996 as amended	Maintain and update record management system	Records management system was not maintained and updated	The Records management system was not maintained and updated due to the fact that the file plan was approved prior the 10 th February 2011
Reasons for major Variances:				
<ul style="list-style-type: none"> Late/ no submission of risk responses from management. Shortage of staff in the Risk Management unit. Staff shortage in revenue section hinders monitoring of revenue collection in Environmental Centers. The Records management system was not maintained and updated due to the fact that the file plan was approved prior the 10th February 2011 				

Sub-Programme: Planning & Coordination				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To provide business management, coordination and planning services to the department	Number of plans developed	3 Integrated consolidated plans produced	3 Plans produced: <ul style="list-style-type: none"> Final 2011-12 APP Revised Strategic Plan Project Plan produced 	None
		Facilitate & coordinate the strategic Planning session for the department	<ul style="list-style-type: none"> Strategic planning session was facilitated & Coordinated Participated in Outcome 4 and 6 Implementation Forum Session. 	None
	Number of reports produced	16 reports produced	19 reports produced and submitted to the office Premier, Legislature and Treasury.	None
	Annual report printed and publicised	Final Annual report printed and publicised	Annual report printed and publicized.	None
	Number of SDIP report produced	4 reports produced on SDIP	3 SDIP Quarterly reports generated for submission Facilitated the provision of Departmental reports on Service Standards for the EIE Cluster	A draft SDIP was produced but due to unavailability of financial information, the report was not submitted to OTP.

Sub-Programme: Planning & Coordination				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
Reasons for major Variances:				
<ul style="list-style-type: none"> Provision/availability of financial information on SDIP implementation 				

Sub-Programme: Office of the Chief Director: Corporate Services				
Sub-Programme: Human Resource				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To provide integrated corporate support services	Provision of: <ul style="list-style-type: none"> Human Resources , Communication, Transversal, Legal Services Security Management Regional services 	Functional integrated corporate support services	Monitor the implementation of corporate support services plans	None
To provide integrated Human Resources Services	Number of HR Plans reviewed and implemented	Reviewed and implemented HR Plan	Draft plan developed	The development of the strategic plan document and organogram not finalized and this is the base on which the HR Plan would be based.
	% Reduction rate of vacancy in the department	Reduce the vacancy rate by filling 140 of the 185 vacant funded posts	Advertised 52 posts and filled 17 vacant funded posts	Moratorium placed on the filling of vacant funded posts.
		To provide accurate service conditions in line with prescripts	All Service conditions provided	None
		Implementation of PMDS facilitated and coordinated.	<ul style="list-style-type: none"> Performance for the 2009/10 performance cycle conducted and pay progression effected accordingly in July 2010. Facilitated the signing of 300 performance agreements for the 2010/11 performance cycle. 	None
	Number of Employment Equity (EE) plans and reports produced	2 Equity Plan and Employment Equity reports produced	2 Employment Equity report submitted to the DoL	None
	Number of Workplace Skills Plan and reports produced	1 Workplace Skills Plan developed and 3 reports produced	WSP & ATR developed and submitted to the PSETA	None
	Number of induction programme held	12 induction sessions per year	16 induction sessions conducted	None
Number of grievances received.	Manage all grievances lodged	One grievance handled	None	
	Develop a pool of trained employees to handle disciplinary cases	Not Achieved	Financial and budgetary constrains	

Sub-Programme: Office of the Chief Director: Corporate Services				
Sub-Programme: Human Resource				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
Reasons for major Variances:				
<ul style="list-style-type: none"> • Moratorium placed on the filling of vacant funded posts. • The plan completed as on the last day of the year and awaiting approval for submission to the PSEAT. 				

Sub-Programme: Communications				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To provide strategic communication services	Number of Speech written for the MEC	13 Speeches written for the MEC	Wrote 74 speeches as required by the MEC.	None
	Number of outreach / public participation programmes implemented	Implement four (4) outreach/ public participation programmes	Participated in 6 outreach/public participation programmes	None
	Number of departmental events supported	All departmental events supported	Supported 31 departmental events	None
	Number of external information products produced and distributed	Produce and distribute 4 quarterly external newsletters	Produced and distributed three (3) quarterly external newsletters.	Produced 3 quarterly external newsletters instead of 4 because We consolidated the 3 rd and 4 th edition and printed one 20 page issue.
		4 information products produced and distributed	Produced and distributed 4 required information products	None
	Number of times the website is updated	Update the website 49 times	Updated the website 49 times	None
	Number of internal information products produced and distributed	Produce and distribute 12 internal bulletins	Produced and distributed 12 issues of the internal bulletin	None
	Number of times the intranet is updated	Update the intranet 240 times	Updated the intranet daily	None
	Number of media briefings held	Hold 4 quarterly media briefing sessions	Hosted 2 media briefing successfully.	The planned briefing was postponed due to the FIFA World Cup Tournament.
	Number of media statements/ advisories or alerts prepared and distributed	Prepare and distribute one (1) media statement/ advisory or alert per event	Prepared and distributed 41 media statements/ advisories or alert per event	None
	Number of daily news clippings prepared and distributed	Compile and distribute one news clipping daily	Compiled and distributed 229 news clippings	None
	Number of quarterly media analysis reports prepared	Analyse media reporting and prepare four (4) quarterly reports	Analysed and prepared four (4) quarterly media reports	None

Sub-Programme: Communications				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
Reasons for major Variances:				
<ul style="list-style-type: none"> The planned briefing was postponed due to the FIFA World Cup Tournament. 				

Sub-Programme: Legal Services				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To provide efficient and effective legal support services to the Department	Number of legislative reviews completed	2 legislative reviews completed	<ul style="list-style-type: none"> MEGA Act, 2010 enacted Review of the Consumer Protection Bill in progress 	None
	Number of litigation matters handled and number of opinions prepared.	Attend to 8 litigations matters	Attended to 13 Litigation matters and prepared 29 written opinions	None
	Number of agreements drafted/reviewed	Review and draft 2 shareholders compact	Shareholders' Compact for MEGA and MTPA reviewed and prepared 25 agreements	None
Reasons for major Variances: None				

Sub-Programme: Security Services				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To render comprehensive security services	Number of officials vetted	50 personnel vetted	<ul style="list-style-type: none"> 24 employees have been vetted 5 companies have been screened 	Non-compliance by some employees
	Number of security awareness campaigns conducted	4 security awareness campaigns conducted	4 awareness workshops have been conducted	None
	Number of access card spot checks conducted	4 access card spot checks conducted	4 access spot cards have been conducted	None
	Number of site inspection conducted	228 site inspections conducted	<ul style="list-style-type: none"> 87 site inspections have been conducted A total of R22 400 is to be recouped from security companies who did not comply with the SLA during the site inspections 	It has been discovered that 7 out of the 19 sites are not contracted to the Department. Shortage of transport and human resource as the Unit is currently understaffed.
	Number of monitoring devices installed and applied	3 monitoring devices installed	Not achieved	Still awaiting for Bid Committee report
	Number of public events secured	4 Public events secured	6 Public events have been secured with no incidents reported	None
Reasons for major Variances:				
<ul style="list-style-type: none"> It has been discovered that 7 out of the 19 sites are not contracted to the Department. Shortage of transport and human resource as the Unit is currently understaffed. 				

Sub-Programme: Transversal Services				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To promote Employee Health and Wellness Program (EHWP)	Number of EHWP programmes implemented and employees assisted	4 Employee Health & Wellness Programmes and 30 employees assisted	<ul style="list-style-type: none"> 07 employee Health & Wellness Programmes implemented (334 employees reached) Supported 106 employees on personal and workplace problems and 04 bereaved families. 	None
	Number of reports compiled.	4 compliance reports on special programme compiled	04 quarterly compliance reports on special programs report compiled.	None
Reasons for Major variances: None				

Sub-Programme: Regional Services				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To provide integrated Regional Services	Functional regional services	Functional regional services	Regional managers appointed and Regional offices operationalised.	None
Reasons for Major variances: None				

PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT

Purpose:

- The programme is responsible for the development of SMME's and cooperatives in the Province,
- Empowerment of historically disadvantaged individuals in the Province and
- Facilitating the implementation of local economic development strategies and programmes in the province

Service Delivery Achievements

The department has supported and developed 592 SMME's and cooperatives through SEDA and 16 through MEGA DTI, Department of Social Development and NBF. 896 SMMES were advised on general business advice, CC's registration, annual returns submissions and training on hospitality industry. The Mpumalanga Provincial Business Launch Pad competition was successfully held, wherein 18 SMME's were awarded with prizes during the award ceremony which were held in November 2010 at Ngwenyama Lodge

In terms of capacitating the communities, the department has conducted 3 Entrepreneurship information Dissemination Sessions and 12 seminars on co-operatives awareness programmes that resulted in establishment of 15 primary cooperatives and 3 secondary cooperative. 21 cooperatives capacitated to comply with legislation and regulations

To increase compliance on BBBEE, the department engaged 12 big Corporations such as Kangra Coal Mine, Sasol, Early Bird, Sonae Novobord, World Wide Coal, Rainbow Chickens, McCain, PepsiCo (Simba), BHP Billiton, Highveld Steel, TSB and Sappi. Further more 5 BBBEE awareness workshops were conducted for increased compliance in Forestry, Manufacturing, Mining, Transport and Agri Sectors BBBEE

The department has assisted several municipalities in terms of developing their LED Strategies and two economic opportunities were identified namely: Hydroponics farming project in Lekwa and Sihlosile Farming Project in Pixley Ka Seme.

Sub-Programme: Office of the Chief Director				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To provide the strategic leadership, direction and guidance to integrated economic development services	Provision of support to enterprise Development, empowerment and Local economic Development	Fully functional integrated support services realised by the 3 components	Co-ordination at a management level is coming to its functional.	None

Sub-Programme: Enterprise Development				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To facilitate support and development of business enterprises.	Number existing and new SMME's and cooperative supported and developed through SEDA	60 SMME & Cooperatives supported and developed through SEDA as per the Service Level Agreement	592 SMME's and cooperatives supported and developed through SEDA	None
	Number potential entrepreneurs advised and supported to establish businesses	1250 potential entrepreneurs advised and supported to establish businesses	896 SMMEs were advised on general business advice, CC's registration, annual returns submissions and training on hospitality industry.	Slow progress on operationalisation of the Gert Sibande regional offices
	Number entrepreneurship programmes for targeted groups conducted.	3 entrepreneurship programmes for targeted groups conducted.	3 Entrepreneurship programmes was conducted as follows: <ul style="list-style-type: none"> Mpumalanga Youth Entrepreneurship programme was held. Three Youth entrepreneurs were awarded with prizes in the form of materials and equipment and was held in November 2010. Women Empowerment Dialogue Seminar was held at Cork in Busbuckridge Municipality Entrepreneurship workshop for People with disabilities was held in November 2010 at Mid Way Inn (Steve Tshwete Municipality) 	None
	Number of entrepreneurship information dissemination sessions held	3 Entrepreneurship information dissemination sessions held to increase business start ups and their sustainability	3 Entrepreneurship information Dissemination Sessions were held. (Delmas; Victor Khanye Local Municipality) (Chochocho trust; Mbombela Local Municipality) and (Bethal; Govan Mbeki Municipality).	None
		Two programmes emanating from the SMME strategy implemented	2 programmes emanating from the SMME strategy implemented: <ul style="list-style-type: none"> 1 Provincial SMME Development forum was supported through participation in the Entrepreneur's Day and SEDA's Performance Briefing session and Advocated for SMME's and Cooperatives to access procurement opportunities within the provincial government departments 	None
	Number of Mpumalanga Local Economic Fund reports produced	4 Quarterly status reports indicating the number of business accessing funding from MLEF	No Quarterly reports indicating the status of the MLEF produced	The fund is still not operational
	Number of SMMEs and Co-operatives accessing funding MEGA	50 SMMEs including Co-operatives accessing funding from MEGA	16 SMME's and Cooperatives have accessed funding from MEGA DTI, Dep of Social Development and NBF.	The other remaining SMME's was expected to be funded by MEGA.

Sub-Programme: Enterprise Development					
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance	
		Target	Actual		
To facilitate support and development of business enterprises.	Number of reports of the Mpumalanga Provincial Business Launch Pad competition produced	4 Quarterly progress reports on the Mpumalanga Provincial Business Launch Pad competition.	4 Quarterly progress reports on the Mpumalanga Provincial Business Launch Pad competition produced (Annual report)	None	
	Number of cooperatives facilitated to be established	Facilitate the establishment of 12 primary and 4 secondary cooperatives.	15 primary cooperatives and 3 secondary cooperative were established:	There were no primary cooperative prepared to form secondary cooperatives.	
	Number of awareness programme conducted on Cooperatives	12 Cooperatives awareness programmes conducted.	12 seminars on co-operatives awareness programmes held. in Thaba Chweu, Mkhondo, Emakhazeni, Lekwa Bushbuckridge, Dipaliseng, Albert Luthuli, Thembisile, JS Moroka, Pixley Kaseme, Nkomazi & Delmas Municipalities	None	
	Number of programmes & projects emanating Cooperative Strategy and the Baseline study facilitated	Coordinate the activity of the Provincial Co-operatives Co-ordinating Forum, Provincial summit and Participation in the National Activities		<ul style="list-style-type: none"> Hosted Inter-Provincial Co-operatives Committee in November 2010. The Provincial Cooperatives Summit was not held. Participated in the ICA SADC conference 	None
		Capacitate 21 Cooperatives to comply with cooperatives legislation regulations		21 cooperatives capacitated to comply with legislation and regulations	None
		An updated database of cooperatives classified according to the Co-operatives A		Co-operatives database updated with new 15 cooperatives	None
		War on poverty Programme		Profiling of 39 households at Ntunda Village completed for support. Reiteretse Tourism Cooperatives registered at Phake village in Dr J.S Moroka Local Municipality as part of the War on Poverty programme.	None
Reasons for major variances:					
<ul style="list-style-type: none"> The Mpumalanga Local Economic Fund is still not operational. Consultation not completed on the reviewed draft strategy 					

Sub-Programme: Economic Empowerment				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To ensure the participation of HDIs in the mainstream of the economy.	Number of initiatives implemented in line with the strategy	2 initiatives emanating from the BBBEE strategy supported	<p>2 initiatives supported:</p> <p>(i) Kusile Initiative:</p> <ul style="list-style-type: none"> The department shared opportunities from Eskom, Murray and Roberts, Roshcon, Nsikazi, KCW JV, Hitachi, Royal Sechaba and WBHO with the business community in the Province with focus on Nkangala District. Three Tender Costing Workshops were conducted in Delmas, Siyabuswa and Kwaggafontein in an effort to mobilize local people and capacitate them in filling tender documents for Kusile project. A total number of 177 Mpumalanga companies accessed various opportunities from Kusile project. <p>(ii) Linking empowerment groups to large corporations:</p> <ul style="list-style-type: none"> A black local entrepreneur was supported to secure 30% ownership from Securicon Lowveld, a company providing security services to TSB. Conoche Cosmetics was linked to the Edcon group to supply cosmetics. Nkonzwenhle Manufacturing LTD linked to Omnia Nutriology Bushbuckridge CPA's (owning land suitable for Forestry) supported in engagements with Biomass. Maduka linked to BHP Billiton Reaga Mining Resources supported in engagements with Anglo-Coal and Extrata Kabonako Printing and GNM Wheels were supported to apply for funding from National Empowerment Fund. 	The Project lacks behind to achieve its Asgisa Targets especially women participation.
	Number of reports produced on procurement spend by provincial government	An analysis report on the procurement spend by government	Analysis report on procurement spend by Provincial government has been developed.	The departments are not giving complete data on their BBBEE spending which create a challenge when compiling the progress report.

Sub-Programme: Economic Empowerment				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To ensure the participation of HDIs in the mainstream of the economy.	Number of awareness programmes on BBBEE conducted	Four (4) awareness programmes on BBBEE conducted for increased compliance	<p>5 BBBEE awareness workshops were hosted for increased compliance:</p> <ul style="list-style-type: none"> Forestry sector BBBEE awareness Seminar held in Hazyview (Ehlanzeni District) Manufacturing and Mining Sector BBBEE awareness Workshop held in Emalaheni (Nkangala District) Transport Sector BBBEE awareness Seminar held in Secunda (Gert Sibande District) Eyethu Sonke BBBEE awareness Campaign held in Nelspruit (Ehlanzeni District) Agri-BEE awareness workshop held in Ermelo (Gert Sibande District) 	None
	Number of empowered companies evaluated and analyzed in the various industry sectors	Develop and maintain a database of empowered companies in Mpumalanga & link the database to the national BBBEE IT portal	<ul style="list-style-type: none"> A database of all empowered companies was not developed. The project has commenced but not completed. 	Delay in the appointment of the Verification Agency.
	Number of big corporations facilitated to ensure an increase in compliance to BBBEE.	10 Corporations monitored on BBBEE to increase compliance	<p>The following 12 Corporations were engaged on BBBEE to increase compliance</p> <p>Kangra Coal Mine, Sasol, Early Bird, Sonae Novobord, World Wide Coal, Rainbow Chickens, McCain, PepsiCo (Simba), BHP Billiton, Highveld Steel, TSB and Sappi.</p>	None
	Number of meetings coordinated for Provincial BBBEE Advisory Committee and Forum	4 quarterly meetings coordinated.	The B-BBEE Advisory Committee held 3 quarterly meetings.	The workshop and subsequent meetings were postponed due to changes in the political leadership.
<p>Reasons for major variances:</p> <ul style="list-style-type: none"> Delay in the appointment of the BBBEE Verification Agency to assist with the development of a database for empowered companies in Mpumalanga resulted in the non achievement of the target. A service provider was appointed and the project has commenced but not completed. 				

Sub-Programme: Local Economic Development				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To provide strategic economic development support to municipalities	Number of municipal LED plans developed and reviewed	4 municipal LED strategies developed and 17 reviewed and supported	2 LED Strategies developed, 17 reviewed and supported.	The two municipalities under administration did not have capacity
	Number of municipal plans aligned	21 municipal IDP plans aligned to the departmental strategic plan and PGDS	21 Municipal IDP plans aligned to departmental strategy and PGDS	None
	Number of economic opportunities identified	2 economic opportunities identified per district and implementation facilitated.	2 projects under implementation (Hydroponics farming project in Lekwa and Sihlosile Farming Project in Pixley Ka Seme). 2 projects identified but not yet implemented (Job centre in Dr JS Moroka Injaka dam tourism opportunities in Bushbuckridge)	Unavailability of funds for project implementation.
	Number of investment incentives strategies (3 strategies) By-laws in place (3 districts)	1 investment Incentive strategy (IIS) developed per district.	1 Concept document for the development of IIS in districts in place.	None
		Development of 3 by-laws for business regulation in districts supported	Analysis of 4 existing by laws from municipalities conducted for review	Co-ordination of municipalities to review and develop By-laws has been delayed
<p>Reasons for major variances:</p> <ul style="list-style-type: none"> • Two municipalities under administration did not have capacity to develop strategies. • Unavailability of funds for project implementation. • Co-ordination of municipalities to review and develop By-laws has been delayed due to financial constraints. 				

PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

Purpose: The programme focuses on facilitation of trade and industry development of the priority sectors in the Province.

Service Delivery Achievements

The department assisted 133 SMME in the implementation of the three export related programmes such as Manufacturing, Agriculture and Craft, through training and exhibitions. The Provincial Investment Strategy is in process

The department managed to support infrastructure projects, in such a way that the pre feasibility engagement with the Technology Innovation Agency has been conducted for the implementation of Technology Hub in Petro-chemicals and Mining. Furthermore we solicited Investors for a green and energy saving project (Hydro- electric power plant) and proposed site for the establishment of the Water Bottling plant has been surveyed and demarcated.

The department established and supported one Industrial development hubs for Mpumalanga Tooling Initiative Centre. A business plan for the Arts, Craft and cultural hub was developed. Mpumalanga Film and Video Office has been accessed and preparation to open the office are at advanced stages With regard to

In terms of supporting Agro-Processing (Non-food) and (food) Centers, we managed to refurbished the Bushbuckridge Agro-processing Centre and a business plan for the Pixley kaSeme Agro-processing Centre was developed.

With regard to facilitating the establishment of Business Process Outsourcing Centres in the four local municipalities, the Feasibility Study on BPO call centres sites was conducted in all 4 Municipalities identified.

In terms of supporting the mining and energy ventures, the department has successfully completed the Acquisition of investors for the establishment of a Theme Park in Pilgrims Rest. A Mining Supplier Park business case was developed and 4 capacity building workshops for small Scale Mines was conducted.

Sub-Programme: Office of the Chief Director				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To provide leadership, direction and guidance to facilitate economic growth through trade and industry development	Number of policies developed and strategic programmes implemented as per the mandate of the Chief Directorate	Monitor the Implementation of provincial growth and Development strategy, tourism strategy by MTPA and monitor investment promotion in the Province by MEGA.	<ul style="list-style-type: none"> Provincial Growth and Development Strategy implemented by the Programme through various projects located within the economic sectors of the province. Implementation of Tourism Strategy by MTPA monitored. Quarterly Reports on tourism activities were received by the department from MTPA . Investment promotion by MEGA monitored. Reports submitted on a quarterly basis. 	
	Facilitate the development of policies and implementation of strategic programmes.	Monitor trade and investment promotion and implementation of strategic initiatives	Trade and Investment Promotion monitored Reports were submitted by MEGA on a quarterly basis.	
Reasons for major variances: None				

Detailed information on the 3 export related programmes facilitated

- Manufacturing : 4 Exhibitions were attended by 21 SMMEs from the manufacturing sector.
- Agriculture : 1 SMME attended one exhibition from the agricultural sector
- Craft : 3 Exhibitions were attended by 26 SMMEs from the craft sector
21 SMMEs were pre selected for the 2011 SAHC EXHIBITION

Training sessions in export related skilling were offered to 64 SMMEs from the abovementioned sectors and the breakdown is as follows:

- 19 SMMEs attended pre exhibition training for the Southern African International Trade Exhibition (SAITEX) and Innibos show.
- 15 Post exhibition training for the Southern International African Trade Exhibition, Innibos show, Nepad Summit Limpopo and South African Handmade Collection show.
- 30 SMMEs attended Trends and Design training from the manufacturing and craft sectors.

Sub-Programme: Trade & Investment Promotion				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To ensure growth in exports and direct investment into the province	Number of Export related programmes facilitated in priority sectors	3 export related programmes facilitated (one each of Manufacturing sector, Agricultural sector, and Craft sector:	133 SMME were assisted in the implementation of the export related programmes through training and exhibitions.	None
	Number of strategies developed and reviewed	Review of the Provincial Export Strategy	Provincial Export Strategy was not reviewed due to delay in the vetting of tender documents by NIA.	Delay in the vetting of tender documents by NIA.
	Number of Strategies developed	Development of Provincial Investment Strategy	Provincial Investment Strategy is in the process of being finalized.	None
	Number of reports on provincial trade and investment performance by MEGA	1 Mid-term and 1 Annual analysis report on provincial trade and investment performance by MEGA submitted.	Both Mid-term and Annual report on provincial trade and investment performance by MEGA has been received by the Department.	None
	Number of businesses assisted with exports	8 SMMEs supported and ready to export	8 SMMEs were supported and not ready to export	Exporters were found not to be ready to export because of their products
Reasons for major variances:				
<ul style="list-style-type: none"> • Appointment of a service provider for export route map study came to a halt due to the expiry of a tender validity resulting from delay in the vetting of tender documents by the NIA. 				

Sub-Programme: Strategic Initiatives				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To ensure development of strategic industrial infrastructure projects in the province	Number of infrastructure projects supported	Food Technology Centre (FTC) established	Food Technology Center has not been established. Revised infrastructure plan has been developed which favors the renovation of an existing building in the Lowveld Agricultural College.	Lack of funds and investors to establish the FTC
		Establishment of the Middelburg Industrial Park facilitated.	Middelburg Industrial Park has not been established yet and is still being facilitated.	Lack of funds to establish the Middelburg Industrial park.
To ensure implementation of Special Economic Zones/Industrial Development Zones	Number of SEZ/IDZ initiated and facilitated	Special Economic Zones/Industrial Development Facilitated in Govan Mbeki(Secunda)	An application for the IDZ has been submitted for consideration and approval by the DTI DTI has recommended the establishment of a Logistics and Industrial Park due to the challenges experienced in the existing IDZ in the country	MOU not signed
To ensure implementation of A Technology Hubs	Number of Technology Hubs implemented	1 Technology Hub implemented in Petrochemicals and Mining	Pre feasibility engagement with the Technology Innovation Agency has been conducted.	The establishment of a technology hub proves to be not feasible at this point.
Ensure the implementation of the Industrial Policy Action Plan Two(IPAP2)	Number of green- and energy saving and forestry industries implemented.	1 green- and energy saving project and forestry industries implemented.	Investors for a green and energy saving project (Hydro- electric power plant) are being solicited. Further engagement with the service provider (MBB Consulting) for the implementation of the Mbombela Hydro electric plant are in progress	MOU not signed Confidentiality agreement not signed Shareholding equity agreement not signed
		Facilitate the establishment of a Water Bottling Plant at Donkerhoek (Mkhondo Municipality)	The proposed site for the establishment of the Water Bottling plant has been surveyed and demarcated. Application for water use licence was done and approval was received. Department of Public Works has been engaged to discuss the construction of Water Bottling plant at Mkhondo Municipality.	Lack of funds to commence with construction of the plant during the 2010/11 financial year.
Reasons for major variances:				
<ul style="list-style-type: none"> Lack of funds and investors to establish the FTC and Middelburg Industrial park. MOU not signed for Special Economic Zones/Industrial Development. The establishment of a technology hub proves to be not feasible at this point. Lack of funds to commence with construction of the Water Bottling plant during the 2010/11 financial year. 				

Sub-Programme: Sector Development				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To ensure the development of competitive growth sectors	Number of Industrial development hubs established and supported	4 Industrial development hubs established and supported	<ul style="list-style-type: none"> 1 Industrial Hub (Mpumalanga Tooling Initiative) Centre was established A business plan for the ICT hub was not developed A business plan for the Arts, Craft and cultural hub was developed A Mpumalanga Film and Video Office has been accessed and preparation to open the office are at advanced stages 	<ul style="list-style-type: none"> Lack of capacity and stakeholder mobilization Lack of capacity and stakeholder mobilization
To ensure the development of competitive growth sectors	Number of Agro-Processing (Non-food) and (food) Centers supported	Skills development conducted and increased access to markets	Skills development programme on wood and access to market for SMME campaign conducted	None
		Business plan for the Bushbuckridge processing centre	The Bushbuckridge Agro-processing Centre was refurbished and plans are underway for the official opening	None
		Business plan developed for Pixley Ka Seme processing centre	A business plan was developed for the Pixley kaSeme Agro-processing Centre	None
	Number of Mpumalanga BPO centre established	A BPO call centre established for 4 municipalities in the province	Feasibility Study on BPO call centres sites was developed for the Call Centers. Premises were identified in all 4 Municipalities.	Investors are reluctant to get into the sector
	Number of mining and energy ventures supported	Acquisition of investors for the establishment of a theme park in Pilgrims Rest	Acquisition of investors for the establishment of a Theme Park in Pilgrims Rest was successfully completed	None
		A project model for a Mining Supplier Park developed	A Mining Supplier Park business case was developed	None
		4 capacity building workshops for small scale miners conducted	4 capacity building workshops for small Scale Mines conducted	None
Number of business model for bio-fuel production plant developed	A business model for a bio-fuel production plant developed	A business model for a bio-fuel production plant not developed	A submission requesting approval to conduct a business model for a bio-fuel production plant was developed but not approved	
Reasons for major variances: <ul style="list-style-type: none"> Lack of capacity and stakeholder mobilization Investors are reluctant to get into the sector Lack of funds 				

Sub-Programme: Tourism Development				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To ensure Tourism Sector Policy Development, Monitoring and Evaluation	Number of tourism related policies / strategies/legislation developed	Provincial Tourism signage policy developed	Tourism Signage policy and plan not developed.	Inter-departmental co-ordination is a challenge
	Number of reports on the implementation of MTPA's Strategic Plan monitored and evaluated	4 reports produced on MTPA strategic plan produced	4 Quarterly reports were submitted by MTPA	None
	Number of reports on Tourism registration and compliance	Tourism Regulations implemented	Registration of tourism entities by MTPA is very slow.	The Tourism Industry raised concerns around the registration process
	Number of incidences of crime against tourists reported	4 reports produced on incidences reported	4 reports produced on incidences of crime against the tourists. Tourism Safety Awareness Campaigns were conducted in partnership with the Department of Safety and Security Tourism Safety Awareness Campaigns were conducted in partnership with the Department of Safety and Security	None
	Number of local municipalities supported to develop tourism plans, strategies and programmes	Tourism Sector Plan developed for Mkhondo Local Municipality (Gert Sibande Region)	Tourism Sector Plan not developed	The development of the Tourism Sector Plan was moved to MTPA.
	Number of community based programme conducted to encourage community participation in the tourism sector	9 community based programmes conducted	Tourism Month was celebrated in the province through various programme, namely: -Tourism awareness and heritage celebration - Partnered with the Second Annual 60s event -Participated in the Nkomazi tourism awareness school programme -Hosted the SMME Tourism Day in conjunction with MTPA and TEP	None

Sub-Programme: Tourism Development				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To ensure Tourism Sector Policy Development, Monitoring and Evaluation	Number of key tourism infrastructure developed	Facilitate the improvement of one Tourism Infrastructure project	<ul style="list-style-type: none"> 22 Tourism Infrastructure needs identified. 15 Hawkers Stalls were constructed in Pilgrims Rest. The National Department of Tourism approved R 2M for construction of Hawkers stalls and 2 car wash bays in Pilgrim rest , this project will be Finalized in the next financial year. 	None
	Number of IGR reports produced	4 IGR reports produced	4 IGR reports on infrastructure needs and local government support were submitted	None
Reasons for major variances: <ul style="list-style-type: none"> Inter-departmental co-ordination is a challenge The Tourism Industry raised concerns around the registration process The development of the Tourism Sector Plan was moved to MTPA. 				

PROGRAMME 4: BUSINESS REGULATIONS & GOVERNANCE

Purpose: The programme is responsible for facilitating a transparent, predictable, and a stable business environment and fair trade

Service Delivery Achievements

The department investigated 2103 cases and resolved 1696 of liquor licenses. In terms of capacitating consumers, we conducted 101 workshops, 147 radio slots and 49 road shows. 863 new applications were received and 538 were approved and 407 liquor inspections were conducted at liquor premises.

Sub-Programme: Office of the Chief Director				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To provide leadership, direction and guidance to ensure compliance with business regulatory legislation and implementation of consumer protection programmes	Number of Board and national meetings attended and reports produced	8 Board and 8 national meetings attended	5 Board and 1 national meetings attended	Other meetings not attended due to other commitments
	Number of business regulatory and consumer protection reports received and analysed .	12 Monthly and 4 quarterly reports received and analysed	12 Monthly and 4 quarterly reports were received and analyzed	None
	Number of financial performance reports compiled and submitted	12 financial performance reports compiled and submitted	12 financial performance reports were compiled and submitted	None
	Number of new legislation implemented	2 new legislation implemented	No new legislation implemented	Budgetary constraints delayed the implementation of the new Liquor Act
Reasons for major variances:				
Budgetary constraints delayed the implementation of the new Liquor Act				

Sub-Programme: Consumer Protection				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To implement consumer protection and awareness programmes that creates environment conducive to fair trade	Number of cases received, referred and resolved	1800 cases investigated and 1600 resolved.	2103 cases investigated and 1696 resolved	None

Sub-Programme: Consumer Protection				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To implement consumer protection and awareness programmes that creates environment conducive to fair trade	Number of consumer education programmes conducted	80 workshops, 140 radio slots and 24 road shows conducted.	101 workshops, 147 radio slots and 49 road shows conducted	None
		Consumer Month Celebrations	Consumer month celebrated with outreach Programmes to the 3 Districts of the Province and the media the theme was Financial Wellness and the Consumer Protection Act	None
	Number of Consumer Court hearings processed and finalized	20 Consumer court hearings processed and finalized	22 Consumer court hearings processed and finalized	None
	Number of inspections liquor and trade conducted	800 liquor inspections conducted	407 inspections conducted at liquor premises. A National Inspection Blitz was conducted on licensed premises in partnership with the SAPS in the Bushbuckridge area. Out of 35 premises visited 8 were found to be compliant, 22 spot fines issued amounting to R52 000.00, liquor confiscated from 3 premises for trading without a valid liquor licence. The local inspectors closed 10 premises for trading with a deceased person's licence	No inspections conducted in the 1 st quarter due to budgetary constraints. During the 2 nd quarter only world cup related inspections were conducted.
Reasons for major variances:				
<ul style="list-style-type: none"> No inspections conducted in the 1st quarter due to budgetary constraints. During the 2nd quarter only world cup related inspections were conducted. 				

Sub-Programme: Business Regulation				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To develop and implement business regulatory policies and facilitate awareness and education to applicable legislation	Mpumalanga Liquor legislation operationalised	Mpumalanga Liquor Authority established	<ul style="list-style-type: none"> Section 33 of the Act not operationalised The Liquor Act not yet implemented 	Lack of funding
	Number of applications received and approved by the Liquor Board	1000 liquor application received and 500 approved	863 new applications received and 538 were approved . The Liquor Board held 14 misconduct hearings, 2 licenses were revoked, 7 suspended pending relocation to suitable areas and 5 were postponed for further investigation	Demand driven. There is already overtrading in other areas.
	Mpumalanga Gambling Legislation implemented	Implemented the Mpumalanga Gambling Amendment Act	Legislation reviewed	None

Sub-Programme: Business Regulation				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To develop and implement business regulatory policies and facilitate awareness and education to applicable legislation	Number of street trading by-laws approved	5 municipalities to be capacitated to submit street trading by-laws	<p>4 Municipalities submitted street trading by laws. (Nkomazi, Msukwalgwa, Emakhazeni and Pixley Ka Semme)</p> <p>17 Local Municipalities were capacitated (Steve Tshwete, Emalahleni, Thembisile Hani, Umjindi, Victor Khanye, Thaba Chweu, Nkomazi, Emakhazeni, Bushbuckridge, JS Moroka, Govan Mbeki, Albert Luthuli, Msukwalgwa, Bushbuckridge, Lekwa, & Mkhondo Municipalities.</p>	<ul style="list-style-type: none"> Minimal commitment within municipalities with regard to the drafting of the by-laws. Non existence of the Departmental Committee to consider the by-laws.
	Number of MGB performance reports compiled	3 MGB performance reports analysed	2 Section 14 quarterly reports were evaluated and submitted to the office of the HOD. MGB performance is in accordance with strategic plan.	MGB quarterly reports arrives a month late for the Boards approval
<p>Reasons for major variances:</p> <ul style="list-style-type: none"> Lack of funding. Minimal commitment within municipalities with regard to the drafting of the by-laws. MGB quarterly reports arrives a month late for the Boards approval 				

PROGRAMME 5: ECONOMIC PLANNING

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

Service Delivery Achievements

We have developed one Provincial Integrated Sector strategies which is the Provincial Economic Development Strategy and the Draft Mpumalanga Economic Growth Development Path and furthermore two integrated sector plans were developed such as Draft Mineral Development Plan and Forestry Plan.

The department has produced one Research Study reports on Labour and Skills demand and a working draft document produced on renewable energy based on literature review. One Economic Profile was produced.

The department has an approved projects monitoring plan/tool and one Evaluation report was produced on the Export Development Programme.

Sub-Programme: Office of the Chief Director				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To provide guidance and management to the programme in order that strategies may be developed, research conducted, information and knowledge on the economy be available and monitoring and evaluation be conducted	Level of achievement of sub-programme objectives	Facilitate the development of strategies for economic development	Mpumalanga Economic Growth and Development Path developed	Inadequate base information for detailed plans
		Facilitate research on the economy	Research conducted on labour and skills demand	Delays due to vetting process
		Facilitate the provision of information & knowledge on the economy	Integration of spatial information within the Department and its agencies.	Non compatible software formats
		Facilitate monitoring & evaluation of economic development projects and programmes	Evaluation report on the Export Development Programme.	Staff shortage
Reasons for major variances: <ul style="list-style-type: none"> • Inadequate base information for detailed plans • Delays due to vetting process • Non compatible software formats • Staff shortage 				

Sub-Programme: Policy and Planning				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To provide economic policy direction and strategies	Number of policies analyzed and reviewed	4 reports generated	4 reports produced on: <ul style="list-style-type: none"> • 1 report on policy priorities to fast track industrial development in the province based on IPAP 2 generated. • 1 report on the National Medium Term Budget Policy Statement generated. • 1 report on policy priorities of the province based on SONA, SOPA, budget speech developed. • 1 report on the implementation of provincial economic summit resolutions developed. 	None
To provide economic policy direction and strategies	Number of sector strategies developed and reviewed	2 provincial integrated sector strategies reviewed	<ul style="list-style-type: none"> • Provincial Economic Development Strategy reviewed and the Draft MEGDP developed. • ICT Strategy not updated 	<ul style="list-style-type: none"> • The MEGDP not yet endorsed by EXCO • The work on the development of MEGDP took precedence
			Provincial Export strategy not reviewed.	The study on the Mpumalanga Export Route Map which is to be utilized for the review of the strategy has not been finalized.
	Number of sector plans developed	3 provincial integrated sector plans developed	2 Provincial integrated sector plans developed <ul style="list-style-type: none"> • Draft Mineral Development Plan developed. • Draft Forestry Plan developed 	None
			<ul style="list-style-type: none"> • An Industrial Development Plan for the province not developed 	The work on the development of MEGDP took precedence. The work on the development of MEGDP took precedence.
Reasons for major variances: <ul style="list-style-type: none"> • The work on the development of MEGDP took precedence & Industrial Development Plan as well as ICT strategy review was put on hold pending completion of the MEGDP in 2011-12. • Provincial Export Strategy not reviewed as research on the Mpumalanga Export Route Map, which was to be utilized for the review, was not completed. The Provincial Export Strategy will be reviewed once the research on Mpumalanga Export Route Map is finalized. 				

Sub-Programme: Research & Development				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To conduct/ commission research on the provincial economy to inform economic policy analysis process and strategy development	Number of economic baseline studies conducted	research Study reports produced on: Final report for labour and skills demand	1 Research Study reports produced: • Report produced on Labour and Skills demand	None
		Final report for the study on alternative energy source & environmental rehabilitation	Not achieved - Working draft document produced on renewable energy based on literature review	Scope of work for the study is too vague.
		Final report for the study on Mpumalanga export route map	Not Achieved	Window period for the appointment of service provider has expired due to the delay in the vetting process
Reasons for major variances: <ul style="list-style-type: none"> Delays due to the vetting process resulting in non-appointment of service providers. 				

Sub-Programme: Knowledge Management				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To provide data, information and intelligence on the economy required for effective decision making.	Number of shared GIS and database on economic information and indicators integrated	Integrate GIS data from all departmental and SOE units	GIS data of MEGA integrated with DEDET GIS data on MDC, Environment and MTPA, partially integrated with DEDET	MDC Electronic GIS data files not available MTPA GIS in different system
		Upgraded database for shared access and updated data sets	Database updated with information on MDC and ICT companies Information on construction and economic activities in rural areas collected and awaiting capture to database • Database on Sector skills and MRDC not updated	None
	Number of access points to information on the provincial economy	Economic intelligence system developed	Province specific economic information not compiled	Staff Shortage, no official for information services
	Number of information requests processed	450 information requests processed at 95% success rate	90 requests were received and processed at 100% rate. 189 visits to resource centre for information services. 188 clients accessed information via the Resource Center website.	Staff shortage, no information officer
	Number of Provincial economic intelligence report produced	2 x Economic profiles produced	1 Economic Profile	Staff Shortage, no statistician
Reasons for major variances: <ul style="list-style-type: none"> Electronic GIS data files not available on MDC data and the data of MTPA incompatible with DEDET system Information not available to update database on MRDC and sector skills. Staff Shortage, all posts vacant in the information services unit. 				

Sub-Programme: Monitoring and Evaluation				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To determine the effectiveness and impact of policies, programmes' objectives and strategies	Number of monitoring and evaluation reports produced	3 monitoring reports produced	<ul style="list-style-type: none"> Approved projects monitoring plan/tool. 2 monitoring reports produced 	High funded vacancy rate and late or non submission of information by programme managers for monitoring purposes.
		1 evaluation report produced.	Final evaluation report produced on the Export Development Programme for the following municipalities: Albert Luthuli, Msukaligwa, Mkhondo, Dr JS Moroka, Thembisile, Nkomazi, Umjindi, Bushbuckridge, Mbombela, Govan Mbeki and Lekwa.	The suspension of procurement that led to telephonic interviews of the Mbombela, Govan Mbeki and Lekwa beneficiaries, compromised the quality of the information sharing.
Reasons for major variance:				
<ul style="list-style-type: none"> High vacancy rate for funded posts and late or non submission of information by programme managers for monitoring purposes. 				

PROGRAMME 6: ENVIRONMENTAL SERVICES

Purpose: The programme is responsible to facilitate sustainable development through environmental planning and co-ordination, greener governance, environmental awareness and capacity building, integrated pollution and waste management and to promote biodiversity management.

Service Delivery Achievements

In terms of Environmental Impact management, we have finalised & authorised 236 EIA; commented on 178 mine applications; Monitored 216 authorisations; attended to 161 complaints and authorised 12 section 24G applications.

In order to ensure that the Pollution and Waste Management is in order the department has evaluated 13 Municipal IWMP's. 5 EIA applications processed. 14 APPA Registration Certificates are being processed (Eskom (7); Sappi Ngodwana; Tsb – Malelane; Sasol; Mondri; Jubilee; Rand Carbide and Xstrata). 50 Environmental Authorisation Applications evaluated. 34 Waste Licenses Applications processed and 8 licenses issued. Draft AQMP for Highveld Priority Area developed.

In terms of capacitating the province with regards to issues of environment, we have conducted 8 Awareness programmes which include Biodiversity day programme, 241 outreach visits to municipalities, 279 Waste Clean-up campaigns, 42 community groups participated in Adopt a spot programme and Wetlands programme completed.

Youth bases awareness programmes were conducted as follows: Climate Change & Water Programme was implemented where 985 outreach visits to schools were conducted. 90 schools participated in Adopt a schoolyard programme and 20 schools registered for water. Other programmes conducted were 24 360 residential person days, 108 radio slots, 83 newspaper articles, 2 634 outreach visits to schools, 1 534 outreach visits to communities and 241 outreach visits to municipalities.

The department managed to upgrade the following Environmental Centres: Kwa Mhlanga, Barberton, Graskop and Tonga.

The Environmental Management Framework for Pixley Ka Seme, Mkhondo, Govan Mbeki, Dipaliseng, Lekwa, Msukaligwa, Albert Luthuli, Umjindi Local Municipalities were developed and Gazetted.

Sub-Programme: Office of the Chief Director				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To manage the provision of environmental services.	Draft ES organogram finalized as well as draft document on Provincial Climate Change Response Strategy initiated.	Organogram finalised	Draft ES organogram proposal submitted to Chief Director Co-operate Services. Awaiting the Business Program Re-engineering process.	None
		Discussion Document on Climate Change Response initiated	A draft Public discussion document on Provincial Climate Change Response has been initiated. Stakeholder consultations on going.	None
Reasons for major variance:				
<ul style="list-style-type: none"> None 				

Sub-Programme: Environmental Impact Management				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To prevent negative impacts on the environment	Number of EIA applications received, finalised & authorised within legislated timeframes	300 EIA applications received, finalised & authorised	236 EIA applications received, finalised & authorised	Insufficient staff.
	Number of mine applications commented on	200 mine applications commented on	178 mine applications commented on	Insufficient staff. Not all mine applications are being reviewed and commented on as required.
	Number of authorisations issued	120 authorisations Monitored	216 authorisations Monitored	None
		100 complaints attended	161 complaints attended	None
		50 section 24G applications authorised	12 section 24G applications authorised	Demand driven
	Reasons for major variances:			
<ul style="list-style-type: none"> Insufficient staff. Not all mine applications are being reviewed and commented on as required. 				

Sub-Programme: Pollution & Waste Management					
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance	
		Target	Actual		
To prevent negative impacts on the environment.	Number of application of waste and pollution in the province processed	5 Municipal Integrated Waste Management Plan's evaluated and approved	13 Municipal IWMP's evaluated	None	
		Construction Plans an Waste Licenses compiled for 2 centralised waste management facilities	Conceptual designs finalised	Final designs depend on Waste License applications. The license applications were delayed due to uncertainty concerns by municipalities on the construction budget and ownership of the facilities among the participating organs of state.	
	Number of atmospheric pollution prevention Act permits reviewed	10 Environmental Impact Assessment (EIA) applications processed on Atmospheric Emission Licensing (AEL) Activities	5 EIA applications processed on AEL Activities	None (Applications are processed as and when submitted).	
		50 Atmospheric Pollution Prevention Act Permits reviewed	14 APPA Registration Certificates are being processed (Eskom (7); Sappi Ngodwana; Tsb – Malelane; Sasol; Mondi; Jubilee; Rand Carbide and Xstrata)	None (Applications are processed as and when submitted).	
		Number of Environmental Authorisations Application evaluated	60 Environmental Authorisation Applications evaluated	50 Environmental Authorisation Applications evaluated	None (Applications are processed as and when submitted).
		Number of waste Licenses issued	36 Waste Licenses Applications processed	34 Waste Licenses Applications processed and 8 licenses issued.	None. Applications are processed as and when submitted.

Sub-Programme: Pollution & Waste Management				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To prevent negative impacts on the environment.	Number of reports on integrated pollution control model in municipalities produced	Integrated Pollution Control (IPC) Model piloted in Mbombela municipality	None (Pilot Project designed and scheduled but not implemented)	There were delays in the implementation of the project in Mbombela Municipality (MLM) due to the unavailability of officials to lead the project in the municipality.
	Number of Air Quality management plans developed	Air Quality Management Plan (AQMP) developed for Highveld Priority Area (HPA)	Draft AQMP for Highveld Priority Area developed	None
	Number of applications processed	Air Quality Monitoring Network operated and maintained	EMalahleni Air Quality Monitoring Station commissioned at Greendale High School	None
Reasons for major variances: <ul style="list-style-type: none"> • Applications are processed as and when submitted. • There were delays in the implementation of the project in Mbombela Municipality (MLM) due to the unavailability of officials to lead the project in the municipality. 				

Sub-Programme: Environmental Awareness And Education				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To provide environmental information and capacity building	Number of DESD programme reports produced	3 Provincial DESD sub programmes (Water, Waste & Greening) 1 x DESD Indaba 1 x DESD Annual report 1 x DESD Exhibition	Sub programme implementation: 13 780 trees planted, 117 exhibitions facilitated and 178 workshops conducted DESD Indaba and DESD exhibition completed on 24 Feb. 2011	None
	Number of Community based awareness programmes conducted	8 Awareness programmes implemented (5 x commemorative days & Adopt a Spot, Waste Cleanup & Greenest Municipality Competition)	8 Awareness programmes implemented as follows: <ul style="list-style-type: none"> • Biodiversity day programme has been Completed. • Development of concept document, research for Arbor week toolkit, provincial and district workshops conducted, Provincial event hosted on 17 Sept 2010 @ Volksrust. 	None

Sub-Programme: Environmental Awareness And Education				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To provide environmental information and capacity building			<ul style="list-style-type: none"> • Women and Environment(W&E) conference attended by 30 representatives from MP Provincial exhibition at W&E conference • Presentation made at W&E conference • Provincial event on 12 August 2010 hosted Women and Environment(W&E) conference attended by 30 representatives from MP • 241 outreach visits to municipalities conducted. Prov. Judging completed . Prov. Prize giving on 8/4/2011. • 279 Waste Clean-up campaigns conducted • 42 community groups participated in Adopt a spot programme per district: Bushbuckridge-1, Ehlanzeni-10,Gert Sibande -14, Nkangala -17. Programme completed in November and prize givings completed in December. • Wetlands programme completed. Provincial celebration on 2 Feb 2011 completed. Wetlands booklet printed (4000 copies) 	None
	Number of Youth based awareness programmes conducted	3 Awareness programmes implemented (Adopt-a-schoolyard, Climate Change & Water)	<p>3 Awareness programmes implemented as follows:</p> <ul style="list-style-type: none"> • Climate Change & Water Programme has been implemented. 985 outreach visits to schools. • 90 schools participated in Adopt a schoolyard programme per district: (Bushbuckridge-6, Ehlanzeni-28,Gert Sibande -46, Nkangala -10). Programme completed in November and prize givings completed in December. • 20 schools registered for water programme: (Bushbuckridge-0, Ehlanzeni-0,Gert Sibande 3, Nkangala -17) 79 outreach visits conducted 	None
	Number of Residential centre based awareness programmes conducted	6 000 residential person days	24 360 residential person days	None

Sub-Programme: Environmental Awareness And Education				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To provide environmental information and capacity building	Number of Media outreach programme conducted	72 radio slots 72 news-paper articles	108 radio slots 83 newspaper articles	None
	Number of Environmental Resource Developed	40 resources developed	169 resources developed	None
	Number of Outreach visits conducted	120 outreach visits to schools	2 634 outreach visits to schools	None
		60 outreach visits to communities	1 534 outreach visits to communities	None
		108 outreach visits to municipalities	241 outreach visits to municipalities	None
Number of Environmental Centres upgraded and developed	1 hostel facility developed (Elukwatini) 6x facilities upgraded (Barberton, Delmas, Graskop, Kwa- Mhlanga, Pilgrim's Rest, Tonga)	Completion still in progress at Pilgrim's rest, Delmas and Elukwatini. Kwa Mhlanga completed, Barberton completed, Graskop completed, Tonga completed. 90% of budget spend	None	
Reasons for major variances: <ul style="list-style-type: none"> No allocated budget for tree planting High demand for waste clean ups due to increase in awareness Increase for residential person days in demand due to improved/renovated facilities (environmental centres). High demand for resources due to increase in awareness 				

Sub-Programme: Strategic Environmental Management				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To provide strategic Environmental Management Services	Number of compliance reports against the EIP	EIP Annual Report developed	2009/09 EIP annual report adopted by Subcommittee for EIPs/EMPs; Draft 9 Months report developed; Received information for the EIP report from two Departments	None
	Number of Environmental Management Frameworks (EMFs) developed per province	Pixley Ka Seme Environmental Management Framework developed	Facilitate EMF Gazette	None
		Gazette Gert Sibande EMF(Mkhondo, Govan Mbeki , Dipaliseng and Lekwa)	Draft EMF Reviewed; Facilitating Gazette; Awaiting municipal council approval	None
		Gazette Msukaligwa &Albert Luthuli EMF	EMF Gazetted Officials capacity building conducted	None
	Develop Umjindi Municipality EMF	Tender re-advertised in the bulletin, Compulsory briefing session held. Short listing of tender documents done.	Delays in appointing service providers for Umjindi EMF	

Sub-Programme: Strategic Environmental Management				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To provide strategic Environmental Management Services	Number of State of Environment Report/ Outlook Published	Provincial SOER published	Draft Mpumalanga State of Environment and internet version developed	Service provider was unable to deliver the required services to the required standard and within the required period as per the scope of works.
	Number of IDPs/ SDF Reviewed for Environmental Legislation	Mpumalanga Environmental IDP toolkit developed	Draft Inception report developed and reviewed; Municipal Assessment in process. Draft IDP toolkit developed	None
Reasons for major variances: <ul style="list-style-type: none"> Delays in appointing service providers for Umjindi EMF. Service provider was unable to deliver the required services to the required standard and within the required period as per the scope of works. 				

Sub-Programme: Environmental Litigation				
Strategic Objectives	Measures/ Indicators	Actual performance against target		Reasons for Variance
		Target	Actual	
To ensure compliance with environmental legislation policies and guidelines,	Compliance with Environ legislation	120 Investigation Conducted	65 cases investigated	Shortage of personnel
		80 Directives and Notices issued	85 Notices	Target reached however not able to investigate all complaints received as a result of shortage of personnel
		10 Litigation matters handled	5 cases for Litigation handled	Only five litigation action was instituted against the department and all finalized.
		120 Environmental complaints attended to	111 environmental complaints attended to	Shortage of personnel
		20 Appeals reviewed	12 Appeals reviewed	Shortage of personnel results in not finalizing the appeal within the stipulated time frames in terms of the Regulations
Reasons for major variances: <ul style="list-style-type: none"> Shortage of personnel. Only five litigation action was instituted against the department and all finalized. 				



PART: 3



REPORT OF THE AUDIT COMMITTEE

REPORT OF THE AUDIT COMMITTEE ON THE DEPARTMENT OF ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

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

Audit Committee Members and Attendance:

The Audit Committee consists of members listed hereunder and has met as reflected below, in line with its approved terms of reference in its Charter.

		Audit Committee meetings 2010/2011	
Name	Position	Number of meetings attended	Remarks
NA Dzuguda	Chairperson	2 of 4	Contract expired on 10 December 2010
K Chisale	Member	2 of 4	Contract expired on 10 December 2010
NH Jaxa	Member	2 of 4	Contract expired on 10 December 2010
S Simelane	Member	2 of 4	Contract expired on 10 December 2010
MJR Mpai	Chairperson	2 of 4	Appointment effective 11 January 2011
Z Mathenjwa	Deputy Chairperson	2 of 4	Appointment effective 11 January 2011
MO Morata	Member	2 of 4	Appointment effective 11 January 2011
D Lekoto	Member	2 of 4	Appointment effective 11 January 2011

*New Audit Committee members were inducted on 07 April 2011.

Audit Committee Responsibility

We report that we have adopted appropriate formal terms of reference in our charter in line with the requirements of section 38(1) (a) of the PFMA and Treasury Regulation 3.1. We further report that we have regulated our affairs in compliance with this charter and discharged all of the responsibilities contained therein.

The Effectiveness of Internal Control

The system of internal control was not entirely effective for the financial year under review. Several deficiencies and deviations from the supply chain management processes were reported by internal audit.

In certain instances the matters reported previously have not been fully and satisfactorily addressed.

Internal Audit

We are satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the department in its audits. We are however, concerned that the position of the head of internal audit was not filled during the financial year under review.

Auditor General South Africa

We will meet with the Auditor – General South Africa to discuss issues pertaining to its audits.

Risk management

The department has implemented a system of risk management. During the year under review, the risk management committee was effective. We are however, concerned that the Risk Management Unit operated with only one employee for the major part of the financial year under review.

Evaluation of Financial Statements

We will:

- Review and discuss the audited annual financial statements to be included in the annual report, with the Auditor-General South Africa and the Accounting Officer;
- Review the Auditor - General South Africa's final management report and the responses thereto;
- Review significant adjustments resulting from the audit; and
- Review the Auditor-General South Africa's report.

In Year Management Reporting

We have reviewed the content and the quality of monthly and quarterly reports prepared and issued by the Accounting Officer during the year. Progress is being made in the development and quality of these reports. There is still a concern on the management of performance information as a whole as well as ensuring that the set targets are met timely.

Appreciation

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



MJR MPAI

Chairperson: Audit Committee

Department Of Economic Development, Environment And Tourism

29 July 2011



PART: 4



ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS For The Year Ended 31 March 2011

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REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE ON VOTE NO. 6: DEPARTMENT OF ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Economic Development, Environment and Tourism, which comprise the appropriation statement, the statement of financial position as at 31 March 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 79 to 129.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2010 (Act No. 1 of 2010) (DoRA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act of South Africa, 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 International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. 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 of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Economic Development, Environment and Tourism as at 31 March 2011, and its financial performance and cash flows for the year then ended in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the PFMA and DoRA.

Emphasis of matter

8. I draw attention to the matter below. My opinion is not modified in respect of this matter:

Unauthorised expenditure

9. As disclosed in note 9 to the financial statements, unauthorised expenditure of R4 833 000 was incurred, due to overspending on goods and services under programme 3 (trade and sector development) and programme 6 (environmental development).

Additional matter

10. I draw attention the matter below. My opinion is not modified in respect of this matter:

Financial reporting framework

11. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. Thus, my opinion would have reflected that the financial statements had been properly prepared instead of fairly presented as required by section 20(2)(a) of the PAA, which requires me to express an opinion on the fair presentation of the financial statements of the department.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. In accordance with the PAA and in terms of *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 21 to 60 and material non-compliance with laws and regulations applicable to the department.

Predetermined objectives

13. There are no material findings on the annual performance report.

Compliance with laws and regulations

Procurement and contract management

14. Goods and services with a transaction value between R10 000 and R500 000 were procured without inviting at least three written price quotations from prospective suppliers, as per the requirements of Treasury Regulation (TR) 16A6.1 and National Treasury Practice Note 8 of 2007-08 issued in terms of section 76(4)(c) of the PFMA.
15. Goods and services with a transaction value of over R500 000 were not procured by means of a competitive bidding process, as per the requirements of TR 16A6.1, TR 16A6.4 and National Treasury Practice Notes 6 and 8 of 2007-08 issued in terms of section 76(4)(c) of the PFMA.

Human resource management and compensation

16. All senior managers did not enter into a performance agreement for the current year, as per the requirements of Public Service Regulation (PSR) 4/III/B.1.
17. Employees acted in higher vacant posts for an uninterrupted period exceeding 12 months, contrary to the requirements of PSR 1/VII/B.5.3.

Budgets

18. The accounting officer did not ensure that the expenditure of the department was in accordance with the vote of the department and the main divisions within the vote, as per the requirements of section 39(1)(a) and/or section 39(2)(c) of the PFMA.

INTERNAL CONTROL

19. In accordance with the PAA and in terms of *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

Leadership

20. The department did not exercise oversight responsibility regarding financial and performance reporting, compliance, and related internal controls.
21. The accounting officer did not exercise oversight responsibility over reporting and compliance with laws and regulations as well as internal control.

OTHER REPORTS

Investigations

22. An investigation is being conducted by an independent consulting firm to probe an allegation of negligence, irregularities and non-compliance with applicable legislation in relation to transfer payments, supply chain management and the misappropriation of resources. The investigation was still ongoing at the reporting date.

Auditor-General

Nelspruit

29 July 2011



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND PROVINCIAL LEGISLATURE OF MPUMALANGA FOR THE YEAR ENDED 31 MARCH 2011

1. General review of the state of financial affairs

The year 2010/2011 has seen the global economy recovering from recession which was experienced in the third and four quarter of 2010. There are convincing signs that the recovery in the global economy will be sustained. Economic growth is however uneven and fragile, with emerging markets expected to grow three times faster than the developed economies in 2011. South Africa has been included in the formation of BRICS, which will be critical to lifting up the agenda of African nations in these powerful global markets.

In 2009, during his state of the Province address, the Premier announced the transfer of environmental function into the department. The function was transferred in 2010/11 financial year and programme 6 was then established in the department as Environmental Services. This programme was transferred with two hundred and twenty (220) personnel with a total budget of R 72 212 million of which R 43 461 was allocated to personnel expenditure. The department ensured that OSD is paid to all deserving employees even though it was not budgeted for by the department. This had a negative effect on the budget on compensation of Employees.

The department settled the contractual obligations which were made by the two Flagships namely, Maputo Development Corridor and Tourism an amount of R21million and Heritage and Greening Mpumalanga an amount of R 3.6 million where paid respectively.

Although there are positive signs of the economy recovering the department have ended the year on a budget deficit of 1% which represents a total amount of R4, 833 million. There is no doubt that better control systems must be put in place and that all invoices paid are in line with the approved annual performance plan of the Department. The In-Year Monitoring (IYM) tool which is currently being used from Provincial Treasury by the department must be able to provide early warning signs on possible under or over expenditure.

1.1. Financial Performance

The department was originally allocated a budget of R 643 000 million which was revised during the budget adjustment period. The Department received additional funding to the value of R68 713 million during adjustment to alleviate the budget pressures. The budget baseline was increased from R 643 000 million to R 711 713 million.

The following were additional allocations for transfers to Public Entities of the Department during budget adjustment:

- Mpumalanga Tourism and Parks Agency (MTPA) R 40 million
- Mpumalanga Economic Growth Agency (MEGA) R 1.328 million
- Mpumalanga Gambling board (MGB) R 2.312 million

The total expenditure amounted to R 716 546 million which represents a budget deficit of (4.833) or over spending by 1% .

Table 1.1 below illustrates the expenditure patterns incurred during the year under review

PER PROGRAMME	BUDGET	EXPENDITURE	AVAILABLE	%SPEND
	R,000	R,000	R,000	%
Administration	106,953	101,991	4,962	95
Intergrated Econ.Dev. Services	168,813	167,101	1,712	99
Trade and Industry Development	298,395	310,497	-12,102	104
Business Regulations and Governance	58,722	58,421	301	99
Economic Planning	11,674	9,851	1,823	84
Environmental services	67,156	68,685	-1,529	102
TOTAL PER PROGRAMME	711,713	716,546	-4,833	101

Total revenue collected for the department amounted to R 54 844 million against a budget of R47 000 million which represents an over collection of 17%. This shows a significant improvement compared with the decline figure of 15% which was experienced in the previous financial year. This means that people received more disposal income which had a direct increase in the number of people visiting our casinos.

1.2. Policy Decisions

The Department of performance, monitoring and evaluation in the Office of the Presidency introduced the outcome based approach with Provincial Governments, that lead to the MEC signing a service level agreement for outcome 10 with the Minister on the 03/11/2010 (Environment assets and natural resources that are well protected and continually enhanced). The MEC is still to sign the service agreement pertaining to outcome 4 with the Minister of Economic development.

The Department appointed a General Manager for Zithabiseni Resort to manage the financial affairs of the resort. The department facilitated the development of strategies for economic development which guided the formation of the Mpumalanga Economic Growth and Development Path. The Department has developed the Economic Growth Path which is still in a form of a draft. The Department will ensure that all the strategies such as the ICT, Mineral, Economic Growth Strategy and others are adopted by Cabinet so that they yield the economic benefits as anticipated.

1.3. Significant major events

The Department through its entity MTPA was able to host the Metro FM awards an initiative which was able to bring close to 14000 visitors to the Province, the local economy was boosted drastically. The Tourism month was celebrate in partnership with the second sixties (60). Liquor inspection were conducted during the World Cup and the consumer court was fully operational to protected consumers from vicious business people. During the consumer month workshops and road show were conducted by the department throughout the Province in preparation for the international consumer day. Three entrepreneurship programmes were conducted for targeted groups which produced three entrepreneurs who were awarded with prizes in a form of materials and equipment as start up business toolkits

Water programme

The Department achieved national and international accolades for Service delivery through its water programme which was introduced in pre-school water. The programme won in the following category :

- In the national category for Innovative Partnerships in Service Delivery in the CPSI Public Sector Awards.
- It was also awarded the national – overall winner of Public Service Innovation Awards in South Africa for 2010 in the CPSI Public Sector Awards

This programme also presented South Africa and Africa in the Common Wealth Public Sector Awards (CAPAM – Commonwealth Association for Public Administration and Management) and received a gold certificate of recognition for innovation in the category: Innovations in Government Services and Programmes. The department was also able to commemorate the following events:

- Biodiversity day
- World Environment week
- Arbor Week - Development of concept document, research for Arbor week toolkit, provincial and district workshops conducted.
- Wetlands Day - Celebration for International Wetlands Day in February- Wetlands programme completed. (Wetlands booklet printed 4000 copies)

The greenest municipality competition was held Provincially were Steve Tshwete municipality won and it will represent the Province nationally.

Projects

The department received donor funding from Dept. Of Trade and Industry (the dti) for the refurbishment of the Bushbuckridge Agro processing plant which is expected to create more jobs and serve as catalyst for the local economic development. A service provider was appointed to verify BBBEE compliance by companies which are doing business with the Provincial Administration. An amount of R 8 092 million was allocated for the renovations of Environmental centres and where one hostel facility was developed(Elukwatini) and six centres upgraded Barberton, Delmas, Graskop, KwaMhlanga, Pilgrim's Rest and Tonga and 13 780 trees were planted across the municipal space.

2. Service rendered by the department

2.1. Integrated Economic Development Services

The Department, in keeping up with the challenge and rising to the occasion, has developed 592 SMME's and Cooperatives and 896 SMME were advised on general business advise ,CC's registration, annual returns submissions and training on hospitality industry.

2.2. Business Regulation and Governance

In a quest to ensure that our consumers are protected against unscrupulous businesses, 2103.cases were investigated and 1696 were resolved as of the end of the financial year, so far 407 liquor inspections have been conducted on new and old licensed premises, 863 new applications were received and 538 were approved.

2.3. Environmental Services

The department will continue to ensure that Environmental issues are taken care of in developing the Province, in that 236 EIA applications have been received and authorised and finalised. Fourteen atmospheric pollution prevention Act permits are being processed.

2.4. Tariff policy

The department has environmental centres across the Province where school's and various groups visit the centres. The centres have different programmes which they conduct on environmental issues. The tariffs increase is approved by Provincial Treasury.

2.5. Own revenue

The department's main source of revenue is tax revenue collected through the Mpumalanga Gambling Board and regulated by various applicable legislation.

The table below indicates a breakdown of various sources of revenue as well as actual against target in revenue collection for the current and previous financial year.

Revenue	2010/11 Budget R'000	2010/11 Actual R'000	2009/10 Budget R'000	2009/10 Actual R'000
Gambling	36,138	43,961	44,586	36,825
Interest: PMG Account	745	882	2,440	786
Horse Racing Taxes	4,914	4,261	4,725	4,128
Liquor Licences	2,839	2,361	1,711	3,616
Other Revenue	2,364	3,419	144	209
Total	47,000	54,884	53,606	45,564

2.6. Free Services

None

3. Capacity constraints

The department is experiencing a shortage of staff. The department does not have an organogram which includes programme six which the department inherited when Environmental Services was transferred from Department of Agriculture. However the process of finalization of the organogram has commenced and an advert has since been issued where the department has called for proposals for the Business Process Re-engineering (BPR).

4. Utilisation of donor funds

An amount of R 22 659 million was received as Donor funding from Department of Trade and Industry for Agro-processing project in Bushbuckridge which commenced in the second quarter of the financial year. An amount of R 11 227 million has already been spend on the project. It is believed that the project will be completed in the next financial year.

5. Trading entities and public entities

The department had oversight functions over three Public Entities during the year under review.

5.1. Mpumalanga Tourism and Parks Agency

- The purpose of MTPA is:
- To provide for the sustainable management and promotion of Tourism and Nature Conservation in the Province and to ensure the sustainable utilization of natural resources.
- Broaden the participation of historically disadvantage individuals (HDI) in the tourism industry.

The entity received an unqualified audit opinion in the 2009/10 financial year.

5.2. Mpumalanga Economic Growth Agency

- The purpose of MEGA
- Mpumalanga Growth Agency Act of 2010
- To provide for the establishment of the Mpumalanga Economic Growth Agency and for the management thereof by a board
- Promote trade and investment in Mpumalanga.
- To provide funding in respect of approved enterprise and agricultural development focusing primarily on the previously disadvantaged individuals in Mpumalanga.
- To develop property including the granting of housing loans in Mpumalanga
- To deliver massive infrastructure in Mpumalanga
- The entity received an unqualified audit opinion in the 2009/10 financial year.

5.3. Mpumalanga Gambling Board

The purpose of 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 regulate by the MGB are conducted fairly.
- To ensure that the regulation of gaming is effective and efficient
- To render support and advice to the responsible member on gaming issues and ensure that Government's policy on gaming is implemented.

The entity received a clean audit report in the 2009/10 financial year with no matters of emphasis.

6. Organisations to whom transfer payments have been made

Name of Public Entity	2010/11 R'000	2009/10 R'000
Mpumalanga Economic Growth Agency (MEGA)	143,265	65,820
Mpumalanga Tourism and Parks Agency (MTPA)	240,861	211,455
Mpumalanga Gambling Board (MGB)	38,960	32,523
Zithabiseni Holiday Resort	18,700	10,969
Total	441,786	320,767

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.

Accountability arrangements

The public entities report to the MEC. The accounting officer has signed condition of transfer with public entities and the Mec signs a shareholders compact with the chairperson of the boards. 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.

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

7. Public private partnerships (PPP)

The Pilgrim's Rest Theme Park was registered on 21 July 2009 as a PPP project in terms of the National Treasury Regulations to the Public Finance Management Act, 1999 (PFMA). The PPP will follow National Treasury's PPP Toolkit for Tourism. To date the Department has secured funding valued R1.5 million through the Project Development Funding Grant from National Treasury.

The department is at an advanced stage to procure a Transaction Advisor to undertake a comprehensive feasibility study of the Pilgrims' Rest Theme Park project and benchmark these operations with South Africa's tourism and leisure industry and if required afterwards provide advisory services for the project.

8. Corporate governance arrangements

8.1. Risk Management Approach

The management of risk within the department is done in terms of Section 38 (a) (i) of the PFMA and Treasury Regulations. A risk assessment was performed for the financial year under review. The Risk Assessment informed the development of the Risk Management Strategy and a risk register which was communicated to all employees of the department. The department recognizes that all aspect of business risk must be managed. A risk management committee has been appointed and was functioning during the year under review. The internal Audit plan is based on the risk assessment and they had identified areas where controls need to be enhanced, by performing the above the department is striving to maintain effective, efficient and transparent system of financial and risk management and internal control as described in section 38(a)(i) of the PFMA.

8.2. Fraud Prevention Plan

The Fraud prevention plan has since been developed and approved in 2008 and it has been reviewed from the Fraud Risk Assessment process. The plan has since been communicated to all employees during the awareness workshops. This plan is aimed at deterring preventing, detecting, reacting to and reducing the impact of fraud where such dishonest activities subsist. This plan also sets out the department position towards fraud as well as reinforcing existing system, policies, procedures, rules and regulations. Furthermore it confirms that the department supports and fosters a culture of zero tolerance to fraud.

8.3. Internal Audit and Audit committee

The Internal Audit Function (IAF) of the department was established in 2002 in terms of the Public Finance Management Act (1 of 1999), as an integral part of the department's system of governance. The IAF provides objective and independent assurance to management and the Audit Committee on the adequacy and effectiveness of internal control, risk management and governance processes within the department. In pursuing this activity the IAF is guided by a fully functional Audit Committee which operates in terms of an approved Audit Charter.

8.4. Responsibilities of the Accounting Officer

During the year under review the accounting officer was able to oversee the financial transactions of the department by ensuring that proper monitoring systems are put in place, the budget was prepared in terms of Treasury guidelines. The supply chain unit was functional cause the three bid committee system was operational in terms of procurement. Revenue collection increase by 17% against a budget of 47 000 million. The accounting officer was able to analyze all fiscal activities, transactions and financial records of the department through the IYM financial tool which has been provided to the entire department from Provincial Treasury as a monitoring tool on expenditure patterns. The KING III report places a greater emphasis on issues of governance which have already being discussed above.

8.5. Environmental issues

The draft Public discussion document on Provincial climate change response has been initiated.

9. Discontinued activities/activities to be discontinued

None

10. New/proposed activities

The Merger of MEGA, MADC and MHFCo

The merger of the three entities has already started but the process have not yet been finalised as yet by the department and the entity.

11. Asset management

The department is severely under staffed in the asset management unit, there is only two permanent employees which puts much pressure to do assets management and quarterly verification. The revised organizational structure does not provide for such unit in the Office of the CFO and the officials currently performing this function are under Supply Chain Management.

The transfer of Environmental Services to the department has further pose capacity challenges as additional assets including immovable assets and movable have been add into the assets register. Some assets(minor) which have been transferred to the department from Agriculture where stolen in the transfer process and investigations are underway to establish what happened,

12. Inventory

All inventory opening and closing balances, together with movements for the year is reflected in Annexure 8.

13. Events after the reporting date

None

14. Information on predetermined objectives

The department has approved a monitoring and evaluation framework which articulates what the department has put in place, which assists the department to monitor performance information The department produces monthly and quarterly reports which are signed off by programme managers to authenticate or validate the information.

15. SCOPA resolutions

No new SCOPA resolutions were issued during the year under review.

16. Prior modifications to audit reports

None

17. Exemptions and deviations received from the National Treasury

None

18. Other

None

19. Approval

The Annual Financial Statements set out on pages 79 to 129 have been approved by the Accounting Officer.



Dr V DLAMINI
HEAD OF DEPARTMENT

31 May 2011

APPROPRIATION STATEMENT for the year ended 31 March 2011

Appropriation per programme

Appropriation per programme									
	2010/11							2009/10	
	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	99,175	-	-	99,175	95,802	3,373	96.6%	66,346	75,844
Transfers and subsidies	1,090	-	-	1,090	756	334	69.4%	-	745
Payment for capital assets	5,028	-	-	5,028	3,980	1,048	79.2%	2,800	2,858
Payment for financial assets	-	-	-	-	41	(41)	-	-	-
2. Integrated Economic Development									
Current payment	25,548	-	-	25,548	23,833	1,715	93.3%	24,183	24,148
Transfers and subsidies	143,265	-	-	143,265	143,265	-	100%	67,148	65,820
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	3	(3)	-	-	-
3. Trade and Sector Development									
Current payment	38,834	-	-	38,834	50,743	(11,909)	130.7%	60,466	67,215
Transfers and subsidies	259,561	-	-	259,561	259,646	(85)	100%	235,606	222,424
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	108	(108)	-	-	-
4. Business Regulation									
Current payment	19,762	-	-	19,762	19,455	307	98.4%	17,094	18,069
Transfers and subsidies	38,960	-	-	38,960	38,964	(4)	100%	34,835	32,523
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	2	(2)	-	-	-
5. Economic Planning									
Current payment	11,674	-	-	11,674	9,851	1,823	84.4%	11,793	11,885
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
6. Environmental Development									
Current payment	59,064	-	-	59,064	61,360	(2,296)	103.9%	-	-
Transfer and subsidies	-	-	-	-	32	(32)	-	-	-
Payment for capital assets	8,092	-	-	8,092	7,293	799	90.1%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Subtotal	710,053	-	-	710,053	715,134	(5,081)	100.7%	520,271	521,531
Statutory Appropriation									
Current payment	1,660	-	-	1,660	1,412	248	85.1%	1,506	1,405
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	711,713	-	-	711,713	716,546	(4,833)	100.7%	521,777	522,936
Reconciliation with Statement of Financial Performance									
Add:									
Prior year unauthorised expenditure approved with funding				54,884	-	-	-	45,564	-
Departmental revenue				-	-	-	-	-	-
Direct exchequer receipts				-	-	-	-	-	-
CARA Fund assistance				-	-	-	-	-	-
Local and foreign aid assistance received				-	-	-	-	-	-
Actual amounts per Statements of Financial Performance (Total revenue)				766,597				567,341	
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)					716,546				522,936

APPROPRIATION STATEMENT for the year ended 31 March 2011

Appropriation per economic classification

Appropriation per economic classification									
	2010/11							2009/10	
	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	141,098			141,098	143,260	(2,162)	101.5%	79,412	79,020
Goods and services	112,959			112,959	117,784	(4,825)	104.3%	100,470	118,140
Interest and rent on land									
Financial transactions in assets and liabilities									
Transfers and subsidies									
Provinces and municipalities									
Departmental agencies and accounts	441,786			441,786	441,871	(85)	100%	270,441	254,948
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises								67,148	65,820
Non-profit institutions									-
Households	1,090			1,090	792	298	72.7%	-	745
Payments for capital assets									
Buildings and other fixed structures	8,092			8,092	7,293	799	90.1%		
Machinery and equipment	5,028			5,028	3,980	1,048	79.2%	2,800	2,858
Biological or cultivated assets									
Land & subsoil assets									
Software and other intangible assets									
Payments for financial assets					154	(154)			
Total	710,053			710,053	715,134	(5,081)	100.7%	520,271	521,531

APPROPRIATION STATEMENT for the year ended 31 March 2011

Statutory Appropriation

Statutory Appropriation									
	2010/11							2009/10	
Details of direct changes against the National/Provincial Revenue Fund	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
Member of Executive Council	1,660			1,660	1,412	248	85.1%	1,506	1,405
Total	1,660			1,660	1,412	248	85.1%	1,506	1,405

APPROPRIATION STATEMENT for the year ended 31 March 2011

Programme 1 - Administration

Statutory Appropriation per economic classification

Statutory Appropriation per economic classification									
	2010/11							2009/10	
Programme 1 Detail per sub programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the MEC									
Current payment	3,683			3,683	3,551	132	96.4%	2,986	3,029
Transfers and subsidies									676
Payment for capital assets									
Payment for financial assets									
1.2 Management Services									
Current payment	7,140			7,140	6,274	866	87.9%	5,677	5,436
Transfers and subsidies									
Payment for capital assets									
Payment for financial assets					4	(4)			
1.3 Financial Management									
Current payment	53,936			53,936	54,903	(967)	101.8%	33,010	42,732
Transfers and subsidies					42	(42)			69
Payment for capital assets	5,028			5,028	3,960	1,068	78.8%	2,800	2,841
Payment for financial assets					37	(37)			
1.4 Corporate Services									
Current payment	34,416			34,416	31,074	3,342	90.3%	24,673	24,647
Transfers and subsidies	1,090			1,090	714	376	65.5%	-	-
Payment for capital assets					20	(20)		-	17
Payment for financial assets									
Total	105,293	-	-	105,293	100,579	4,714	95.5%	69,146	79,447

	2010/11							2009/10	
Programme 1 per Economic Classification	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	41,834			41,834	40,861	973	97.7%	33,134	33,488
Goods and services	57,341			57,341	54,941	2,400	95.8%	33,212	42,356
Interest and rent on land									
Financial transactions in assets and liabilities									
Transfers and subsidies to:									
Households	1,090			1,090	756	334	69.4%	-	745
Payment for capital assets									
Buildings and other fixed structures									
Machinery and equipment	5,028			5,028	3,980	1,048	79.2%	2,800	2,858
Payments for financial assets									
					41	(41)			
Total	105,293	-	-	105,293	100,579	4,714	95.5%	69,146	79,447

APPROPRIATION STATEMENT for the year ended 31 March 2011

Programme 2 – Integrated Economic Development

Statutory Appropriation per economic classification

Statutory Appropriation per economic classification									
Programme 2 Detail per sub programme	2010/11							2009/10	
	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	1,249			1,249	1,017	232	81.4%	939	985
Transfers and subsidies	-			-	-	-	-	-	-
Payment for capital assets	-			-	-	-	-	-	-
Payment for financial assets	-			-	-	-	-	-	-
2.2 Enterprise Development									
Current payment	13,499			13,499	12,981	518	96.2%	15,646	15,582
Transfers and subsidies	143,265			143,265	143,265	-	100%	67,148	65,820
Payment for capital assets	-			-	-	-	-	-	-
Payment for financial assets	-			-	3	(3)	-	-	-
2.3 Local Econ. Development									
Current payment	5,450			5,450	5,003	447	91.8%	3,589	3,513
Transfers and subsidies	-			-	-	-	-	-	-
Payment for capital assets	-			-	-	-	-	-	-
Payment for financial assets	-			-	-	-	-	-	-
2.4 Economic Empowerment									
Current payment	5,350			5,350	4,832	518	90.3%	4,009	4,068
Transfers and subsidies	-			-	-	-	-	-	-
Payment for capital assets	-			-	-	-	-	-	-
Payment for financial assets	-			-	-	-	-	-	-
Total	168,813			168,813	167,101	1,712	99%	91,331	89,968

Programme 2 per Economic Classification	2010/11							2009/10	
	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	16,109			16,109	15,907	202	98.7%	13,374	13,479
Goods and services	9,439			9,439	7,926	1,513	84%	10,809	10,669
Interest and rent on land	-			-	-	-	-	-	-
Financial transactions in assets and liabilities	-			-	-	-	-	-	-
Transfers and subsidies to:									
Provinces and municipalities	-			-	-	-	-	-	-
Departmental agencies and accounts	143,265			143,265	143,265	-	100%	-	-
Universities and technikons	-			-	-	-	-	-	-
Foreign governments and international organisations	-			-	-	-	-	-	-
Public corporations and private enterprises	-			-	-	-	-	67,148	65,820
Non-profit institutions	-			-	-	-	-	-	-
Households	-			-	-	-	-	-	-
Payments for financial assets					3	(3)			
Total	168,813			168,813	167,101	1,712	99%	91,331	89,968

APPROPRIATION STATEMENT for the year ended 31 March 2011

Programme 3 – Trade and Sector Development

Statutory Appropriation per economic classification

Statutory Appropriation per economic classification									
	2010/11							2009/10	
Programme 3 Detail per sub programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 CD: Office Support									
Current payment	3,929			3,929	3,197	732	81.4%	3,205	1,593
Transfers and subsidies									
Payment for capital assets									
Payment for financial assets									
1.2 Trade and Investment Promotion									
Current payment	4,900			4,900	4,106	794	83.8%	5,211	5,081
Transfers and subsidies					85	(85)			
Payment for capital assets									
Payment for financial assets									
3.3 Sector Development									
Current payment	7,060			7,060	7,473	(413)	105.8%	5,529	5,697
Transfers and subsidies									
Payment for capital assets									
Payment for financial assets									
3.4 Strategic Initiatives									
Current payment	3,890			3,890	3,477	413	89.4%	1,611	1,463
Transfers and subsidies									
Payment for capital assets									
Payment for financial assets									
3.5 Tourism									
Current payment	19,055			19,055	32,490	(13,435)	170.5%	44,910	53,381
Transfers and subsidies	259,561			259,561	259,561	-	100%	235,606	222,424
Payment for capital assets	-			-	-	-	-	-	-
Payment for financial assets					108	(108)			
Total	298,395			298,395	310,497	(12,102)	104.1%	296,072	289,639

	2010/11							2009/10	
Programme 3 Economic Classification	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	12,879	-	-	12,879	11,994	885	93.1%	11,863	10,276
Goods and services	25,955	-	-	25,955	38,749	(12,794)	149.3%	48,603	56,939
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	259,561	-	-	259,561	259,646	(85)	100%	235,606	222,424
Payments for financial assets									
	-	-	-	-	108	(108)	-	-	-
Total	298,395			298,395	310,497	(12,102)	104.1%	296,072	289,639

APPROPRIATION STATEMENT for the year ended 31 March 2011

Programme 4 – Business Regulation

Statutory Appropriation per economic classification

Statutory Appropriation per economic classification									
	2010/11							2009/10	
Programme 4 Detail per sub programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 CD: Office Support									
Current payment	1,330	-	-	1,330	1,297	33	97.5%	1,019	1,096
Transfers and subsidies									
Payment for capital assets									
Payment for financial assets									
4.2 Consumer Protection									
Current payment	13,700	-	-	13,700	11,881	1,819	86.7%	12,251	12,673
Transfers and subsidies					4	(4)			
Payment for capital assets									
Payment for financial assets									
4.3 Regulation Services									
Current payment	4,732	-	-	4,732	6,277	(1,545)	132.7%	3,824	4,300
Transfers and subsidies	38,960	-	-	38,960	38,960	-	100%	34,835	32,523
Payment for capital assets									
Payment for financial assets					2	(2)			
Total	58,722	-	-	58,722	58,421	301	99.5%	51,929	50,592

	2010/11							2009/10	
Economic Classification	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	15,371	-	-	15,371	15,069	302	98%	13,342	14,217
Goods and services	4,391	-	-	4,391	4,386	5	99.9%	3,752	3,852
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	38,960	-	-	38,960	38,960	-	100%	-	-
Non-profit institutions	-	-	-	-	-	-	-	34,835	32,523
Households	-	-	-	-	4	(4)	-	-	-
Payments for financial assets									
					2	(2)	-	-	-
Total	58,722	-	-	58,722	58,421	301	99.5%	51,929	50,592

APPROPRIATION STATEMENT for the year ended 31 March 2011

Programme 5 – Economic Planning

Statutory Appropriation per economic classification

Statutory Appropriation per economic classification									
	2010/11							2009/10	
Programme 5 Detail per sub programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 CD: Office Support									
Current payment	572	-	-	572	269	303	47%	510	395
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
1.2 Economic Policy and Planning									
Current payment	2,213	-	-	2,213	2,266	(53)	102.4%	2,534	2,291
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
5.3 Research and Development									
Current payment	3,550	-	-	3,550	3,035	515	85.5%	3,549	3,830
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
5.4 Knowledge Management									
Current payment	3,060	-	-	3,060	2,620	440	85.6%	3,028	3,012
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
5.5 Monitoring and Evaluation									
Current payment	2,279	-	-	2,279	1,661	618	72.9%	2,172	2,357
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	11,674	-	-	11,674	9,851	1,823	84.4%	11,793	11,885

	2010/11							2009/10	
Economic Classification	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	8,894	-	-	8,894	8,292	602	93.2%	7,699	7,561
Goods and services	2,780	-	-	2,780	1,559	1,221	56.1%	4,094	4,324
Total	11,674	-	-	11,674	9,851	1,823	84.4%	11,793	11,885

APPROPRIATION STATEMENT for the year ended 31 March 2011

Programme 6 – Environmental Development

Statutory Appropriation per economic classification

Statutory Appropriation per economic classification									
	2010/11							2009/10	
Programme 6 Detail per sub programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Litigation									
Current payment	960	-	-	960	-	960	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
6.2 Planning Impact Pollution and Waste									
Current payment	9,093	-	-	9,093	9,711	(618)	106.8%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
6.3 Environmental Impact Management									
Current payment	9,503	-	-	9,503	9,431	72	99.2%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
6.4 Environmental Development									
Current payment	39,508	-	-	39,508	42,218	(2,710)	106.9%	-	-
Transfers and subsidies	-	-	-	-	32	(32)	-	-	-
Payment for capital assets	8,092	-	-	8,092	7,293	799	90.1%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	67,156	-	-	67,156	68,685	(1,529)	102.3%	-	-

	2010/11							2009/10	
Economic Classification	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	46,011	-	-	46,011	51,137	(5,126)	111.1%	-	-
Goods and services	13,053	-	-	13,053	10,223	2,830	78.3%	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:									
Households	-	-	-	-	32	(32)	-	-	-
Payment for capital assets									
Buildings and other fixed structures	8,092	-	-	8,092	7,293	799	90.1%	-	-
Total	67,156	-	-	67,156	68,685	(1,529)	102.3%	-	-

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2011

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

Detail of these transactions can be viewed in note 7 on Transfers and subsidies, disclosure notes 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 payments for financial assets

Detail of these transactions per programme can be viewed in note 6 on Payments for financial assets to the Annual Financial Statements.

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

4.1. Per Programme

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	105,293	100,579	4,714	4.4%
Integrated Economic Development	168,813	167,101	1,712	1%
Trade and Sector Development	298,395	310,497	(12,102)	(4%)
Business Regulation	58,722	58,421	301	0.5%
Economic Planning	11,674	9,851	1,823	15.6%
Environmental Development	67,156	68,685	(1,529)	(2.2%)

4.2. Per Economic classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	141,098	143,260	(2,162)	(1.5%)
Goods and services	112,959	117,784	(4,825)	(4.2%)
Transfers and subsidies				
Departmental agencies and accounts	441,786	441,871	(85)	-
Households	1,090	792	298	27.3%
Payments for capital assets				
Buildings and other fixed structures	8,092	7,293	799	9.8%
Machinery and equipment	5,028	3,980	1,048	20.8%
Payments for financial assets		154	(154)	-

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2011

Programme 3: The over spending on goods and services under this programme is due to expenditure on Maputo Development Corridor Flagship for previous financial year accruals on this project. There was no budget allocation for this flagship during the year under review.

Programme 5:

The under spending on goods and services results from the fact that the study on export route map which was planned could not be carried out due to delay in completion of vetting processes. The other study on labour demand in the Province was no longer put on tender but was carried out through internal partnership with the Department of Education.

Programme 6:

The over spending on compensation of employees is as a result of payments of performance bonuses and OSD payments for Environmental Services staff who were transferred from Department of Agriculture.

The under spending on goods and services is due to late appointment of contractors for various projects in the Environmental Centres.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2011

PERFORMANCE	Note	2010/11 R'000	2009/10 R'000
REVENUE			
Annual appropriation	<u>1</u>	710,053	520,271
Statutory appropriation	<u>2</u>	1,660	1,506
Departmental revenue	<u>3</u>	54,884	45,564
TOTAL REVENUE		<u>766,597</u>	<u>567,341</u>
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>4</u>	144,672	80,426
Goods and services	<u>5</u>	117,784	118,140
Total current expenditure		262,456	198,566
Transfers and subsidies			
Transfers and subsidies	<u>7</u>	442,663	321,512
Total transfers and subsidies		442,663	321,512
Expenditure for capital assets			
Tangible capital assets	<u>8</u>	11,273	2,858
Software and other intangible assets		11,273	2,858
Total expenditure for capital assets		11,273	2,858
Payments for financial assets	<u>6</u>	154	-
TOTAL EXPENDITURE		<u>716,546</u>	<u>522,936</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>50,051</u>	<u>44,405</u>
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		(4,833)	(1,159)
Annual appropriation		(4,833)	(1,159)
Departmental revenue and NRF Receipts	<u>14</u>	54,884	45,564
SURPLUS/(DEFICIT) FOR THE YEAR		<u>50,051</u>	<u>44,405</u>

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2011

POSITION	Note	2010/11 R'000	2009/10 R'000
ASSETS			
Current assets		26,233	10,717
Unauthorised expenditure	<u>9</u>	15,226	10,393
Fruitless and wasteful expenditure	<u>10</u>		51
Cash and cash equivalents	<u>11</u>	10,785	
Receivables	<u>12</u>	222	273
TOTAL ASSETS		26,233	10,717
LIABILITIES			
Current liabilities		26,201	10,542
Voted funds to be surrendered to the Revenue Fund	<u>13</u>	9,234	9,234
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>14</u>	95	55
Bank overdraft	<u>15</u>	-	1,227
Payables	<u>16</u>	16,872	26
TOTAL LIABILITIES		26,201	10,542
NET ASSETS		32	175
Represented by:			
Recoverable revenue		32	175
TOTAL		32	175

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2011

NET ASSETS	Note	2010/11 R'000	2009/10 R'000
Recoverable revenue			
Opening balance		175	561
Transfers:		(143)	(386)
Debts recovered (included in departmental receipts)		(143)	(386)
Closing balance		32	175
TOTAL		32	175

CASH FLOW STATEMENT for the year ended 31 March 2011

CASH FLOW	Note	2010/11 R'000	2009/10 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		766,539	567,262
Annual appropriated funds received	<u>1.1</u>	710,053	520,271
Statutory appropriated funds received	<u>2</u>	1,660	1,506
Departmental revenue received	<u>3</u>	54,826	45,485
Net (increase)/decrease in working capital		16,948	333
Surrendered to Revenue Fund		(54,844)	(60,628)
Current payments		(262,456)	(198,566)
Payments for financial assets		(154)	
Transfers and subsidies paid		(442,663)	(321,512)
Net cash flow available from operating activities	<u>17</u>	23,370	(13,111)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>8</u>	(11,273)	(2,858)
Proceeds from sale of capital assets	<u>3.4</u>	58	79
Net cash flows from investing activities		(11,215)	(2,779)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(143)	(386)
Net cash flows from financing activities		(143)	(386)
Net increase/(decrease) in cash and cash equivalents		12,012	(16,276)
Cash and cash equivalents at beginning of period		(1,227)	15,049
Cash and cash equivalents at end of period	<u>18</u>	10,785	(1,227)

ACCOUNTING POLICIES

for the year ended 31 March 2011

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

1. Presentation of the Financial Statements

1.1. Basis of preparation

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

1.2. Presentation currency

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

1.3. Rounding

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

1.4. Comparative figures

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

1.5. Comparative figures - Appropriation Statement

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

2. Revenue

2.1. Appropriated funds

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

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

ACCOUNTING POLICIES

for the year ended 31 March 2011

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

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

2.2. Departmental revenue

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

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

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

2.3. Direct Exchequer receipts

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

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

2.4. Direct Exchequer payments

All direct exchequer payments are recognised 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).

2.5. Aid assistance

Aids assistance is recognised as revenue when received

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year)

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

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

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 expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later then 31 March of each year)

ACCOUNTING POLICIES for the year ended 31 March 2011

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

3. Expenditure

3.1. Compensation of employees

3.1.1. Salaries and wages

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

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

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

3.1.2. Social contributions

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

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

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

3.2. Goods and services

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

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

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

ACCOUNTING POLICIES

for the year ended 31 March 2011

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. Payments for financial assets

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

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

3.5. Transfers and subsidies

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

3.6. Unauthorised expenditure

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

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

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

3.7. Fruitless and wasteful expenditure

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

3.8. Irregular expenditure

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

ACCOUNTING POLICIES

for the year ended 31 March 2011

4. Assets

4.1. Cash and cash equivalents

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

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

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

4.2. Other financial assets

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

4.3. Prepayments and advances

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

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

4.4. Receivables

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

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

4.5. Investments

Capitalised investments are shown at cost in the statement of financial position.

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

4.6. Loans

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

4.7. Inventory

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

ACCOUNTING POLICIES for the year ended 31 March 2011

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

4.8. Capital assets

4.8.1. Movable assets

Initial recognition

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

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

Subsequent recognition

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

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

4.8.2. Immovable assets

Initial recognition

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

Subsequent recognition

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

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

5. Liabilities

5.1. Payables

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

5.2. Contingent liabilities

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

ACCOUNTING POLICIES

for the year ended 31 March 2011

5.3. Contingent assets

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

5.4. Commitments

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

5.5. Accruals

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

5.6. Employee benefits

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

5.7. Lease commitments

Finance lease

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 interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

Operating lease

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

5.8. Impairment and other provisions

The department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

ACCOUNTING POLICIES

for the year ended 31 March 2011

6. Receivables for departmental revenue

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

Net Assets

6.1. Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the Provincial Revenue Fund when the underlining asset is disposed and the related funds are received.

6.2. 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. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

7. Related party transactions

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

8. Key management personnel

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

9. 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

1. Annual Appropriation

1.1. Annual Appropriation

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

	Final Appropriation R'000	2010/11 Actual Funds Received R'000	Funds not requested/ not received R'000	2009/10 Appropriation received R'000
Administration	105,293	105,293	-	69,146
Integrated Econ. Development	168,813	168,813	-	91,331
Trade and Industry Development	298,395	298,395	-	296,072
Business Regulation	58,722	58,722	-	51,929
Economic Planning	11,674	11,674	-	11,793
Environmental Development	67,156	67,156	-	-
Total	710,053	710,053	-	520,271

2. Statutory Appropriation

	2010/11 R'000	2009/10 R'000
Member of Executive Council	1,660	1,506
Total	1,660	1,506
Actual Statutory Appropriation received	1,660	1,506

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

3. Departmental revenue

	Note	2010/11 R'000	2009/10 R'000
Tax revenue		50,584	44,570
Sales of goods and services other than capital assets	3.1	2,037	81
Fines, penalties and forfeits	3.2	1,182	6
Interest, dividends and rent on land	3.3	882	786
Sales of capital assets	3.4	58	79
Transactions in financial assets and liabilities	3.5	141	42
Total revenue collected		54,884	45,564
Departmental revenue collected		54,884	45,564

3.1. Sales of goods and services other than capital assets

	Note	2010/11 R'000	2009/10 R'000
Sales of goods and services produced by the department	3		81
Sales by market establishment		128	
Administrative fees		1,886	36
Other sales		23	45
Sales of scrap, waste and other used current goods			
Total		2,037	81

3.2. Fines, penalties and forfeits

	Note	2010/11 R'000	2009/10 R'000
Fines	3	1,179	-
Penalties		3	6
Total		1,182	6

3.3. Interest, dividends and rent on land

	Note	2010/11 R'000	2009/10 R'000
Interest	3	882	786
Total		882	786

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

3.4. Sale of capital assets

	Note 3	2010/11 R'000	2009/10 R'000
Tangible assets		58	79
Machinery and equipment		58	79
Total		58	79

3.5. Transactions in financial assets and liabilities

	Note 3	2010/11 R'000	2009/10 R'000
Other Receipts including Recoverable Revenue		141	42
Total		141	42

4. Compensation of employees

4.1. Salaries and Wages

	Note	2010/11 R'000	2009/10 R'000
Basic salary		96,100	54,536
Performance award		10,223	1,185
Service Based		66	263
Compensative/circumstantial		10,095	1,326
Periodic payments		-	6
Other non-pensionable allowances		9,027	12,337
Total		125,511	69,653

4.2. Social contributions

	Note	2010/11 R'000	2009/10 R'000
Employer contributions			
Pension		12,490	7,071
Medical		6,645	3,693
Bargaining council		26	9
Total		19,161	10,773
Total compensation of employees		144,672	80,426
Average number of employees		492	283

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

5. Goods and services

	Note	2010/11 R'000	2009/10 R'000
Administrative fees		27	23
Advertising		2,147	1,812
Assets less than R5,000	5.1	909	285
Bursaries (employees)		245	476
Catering		1,999	1,054
Communication		6,057	6,570
Computer services	5.2	611	1,605
Consultants, contractors and agency/outsourced services	5.3	50,935	71,426
Audit cost – external	5.4	1,674	2,979
Fleet services		758	888
Inventory	5.5	2,897	2,741
Operating leases		21,164	13,419
Owned and leasehold property expenditure	5.6	7,717	2,454
Transport provided as part of the departmental activities			
Travel and subsistence	5.7	17,666	10,175
Venues and facilities		836	681
Training and staff development		1,156	1,247
Other operating expenditure	5.8	986	305
Total		117,784	118,140

5.1. Assets less than R5,000

	Note	2010/11 R'000	2009/10 R'000
	5		
Tangible assets		909	285
Biological assets		11	-
Machinery and equipment		898	285
Intangible assets			
Total		909	285

5.2. Computer services

	Note	2010/11 R'000	2009/10 R'000
	5		
SITA computer services		225	1,099
External computer service providers		386	506
Total		611	1,605

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

5.3. Consultants, contractors and agency/outsourced services

	Note 5	2010/11 R'000	2009/10 R'000
Business and advisory services		615	298
Infrastructure and planning		1,857	-
Contractors		817	-
Agency and support/outsourced services		47,646	71,128
Total		50,935	71,426

5.4. Audit cost – External

	Note 5	2010/11 R'000	2009/10 R'000
Regularity audits		1,674	2,979
Total		1,674	2,979

5.5. Inventory

	Note 5	2010/11 R'000	2009/10 R'000
Food and food supplies		378	183
Fuel, oil and gas		24	-
Other consumable materials		331	108
Maintenance material		24	88
Stationery and printing		2,140	2,362
Total		2,897	2,741

5.6. Property payments

	Note 5	2010/11 R'000	2009/10 R'000
Municipal services		1,006	2,454
Property management fees		5,614	-
Property maintenance and repairs		1,097	-
Total		7,717	2,454

5.7. Travel and subsistence

	Note 5	2010/11 R'000	2009/10 R'000
Local		17,666	10,175
Total		17,666	10,175

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

5.8. Other operating expenditure

	Note	2010/11 R'000	2009/10 R'000
Learnerships	5	-	40
Professional bodies, membership and subscription fees		47	2
Resettlement costs		939	260
Other		-	3
Total		986	305

6. Payments for financial assets

	Note	2010/11 R'000	2009/10 R'000
Debts written off	6.1	154	-
Total		154	-

6.1. Debts written off

	Note	2010/11 R'000	2009/10 R'000
Nature of debts written off			
Transfer to debts written off			
Supplier		120	-
Ex-Employees		34	-
Total		154	-

7. Transfers and subsidies

	Note	2010/11 R'000	2009/10 R'000
Departmental agencies and accounts	Annex 1	441,786	254,947
Public corporations and private enterprises	Annex 2	-	65,820
Households	Annex 3	877	745
Total		442,663	321,512

Unspent funds transferred to the above beneficiaries

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

8. Expenditure for capital assets

	Note	2010/11 R'000	2009/10 R'000
Tangible assets		11,273	2,858
Buildings and other fixed structures	29	7,293	-
Machinery and equipment	27	3,980	2,858
Total		11,273	2,858

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

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	11,273		11,273
Buildings and other fixed structures	7,293		7,293
Machinery and equipment	3,980		3,980
Total	11,273		11,273

8.2. Analysis of funds utilised to acquire capital assets – 2009/10

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	2,858		2,858
Machinery and equipment	2,858		2,858
Total	2,858		2,858

9. Unauthorised expenditure

9.1. Reconciliation of unauthorised expenditure

	Note	2010/11 R'000	2009/10 R'000
Opening balance		10,393	-
Unauthorised expenditure – discovered in current year	13	4,833	10,393
Less: Amounts transferred to receivables for recovery			
Unauthorised expenditure awaiting authorisation / written off		15,226	10,393

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

9.2. Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2010/11 R'000	2009/10 R'000
Current	15,226	10,393
Total	15,226	10,393

9.3. Analysis of unauthorised expenditure awaiting authorisation per type

	2010/11 R'000	2009/10 R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote	15,226	10,393
Total	15,226	10,393

9.4. Details of unauthorised expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2010/11 R'000
Over spending in programme 3 (Trade and Sector Development) due to previous year commitments on Maputo Corridor Flagship	None	4,833
Total		4,833

10. Fruitless and wasteful expenditure

10.1. Reconciliation of fruitless and wasteful expenditure

	Note	2010/11 R'000	2009/10 R'000
Opening balance		51	-
Less: Amounts condoned		-	448
Transfers and subsidies		-	-
Less: Amounts transferred to receivables for recovery		(51)	(397)
Fruitless and wasteful expenditure awaiting condonement		-	51

Analysis of awaiting condonement per economic classification

Current	-	51
Total	-	51

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

11. Cash and cash equivalents

	Note	2010/11 R'000	2009/10 R'000
Consolidated Paymaster General Account		10,785	-
Total		10,785	-

12. Receivables

	Note	2010/11				2009/10
		R'000 Less than one year	R'000 One to three years	R'000 Older than three years	R'000 Total	R'000 Total
Staff debt	12.1	141	78	3	222	104
Other debtors	12.2	-	-	-	-	169
Total		141	78	3	222	273

12.1. Staff debt

	Note	2010/11 R'000	2009/10 R'000
Sal: Tax debt		22	57
Salary overpayment		148	41
Other		52	6
Total		222	104

12.2. Other debtors

	Note	2010/11 R'000	2009/10 R'000
Supplier	12	-	168
Medical Aid Scheme		-	1
Total		-	169

13. Voted funds to be surrendered to the Revenue Fund

	Note	2010/11 R'000	2009/10 R'000
Opening balance		9,234	11,587
Transfer from statement of financial performance		(4,833)	(1,159)
Add: Unauthorised expenditure for current year	13	4,833	10,393
Paid during the year		-	(11,587)
Closing balance		9,234	9,234

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

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

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Opening balance		55	3,532
Transfer from Statement of Financial Performance		54,884	45,564
Paid during the year		(54,844)	(49,041)
Closing balance		95	55

15. Bank Overdraft

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Consolidated Paymaster General Account		-	1,227
Total		-	1,227

16. Payables – current

	<i>Note</i>	2010/11 Total	2009/10 Total
Amounts owing to other entities	<i>Annex 7</i>	-	2
Other payables	<i>16.1</i>	16,872	24
Total		16,872	26

16.1. Other payables

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Sal: Income tax	<i>16</i>	114	22
Sal: Finance other institution		-	1
Disallowance Miscellaneous:Ca		5,294	1
Sal: Pension Fund		33	-
Capital Contr. other Gov Units:Na		11,432	-
Total		16,872	24

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

17. Net cash flow available from operating activities

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Net surplus/(deficit) as per Statement of Financial Performance		50,051	44,405
Add back non cash/cash movements not deemed operating activities		(26,681)	(57,516)
(Increase)/decrease in receivables – current		51	(55)
(Increase)/decrease in other current assets		51	397
Increase/(decrease) in payables – current		16,846	(9)
Proceeds from sale of capital assets		(58)	(79)
Expenditure on capital assets		11,273	2,858
Surrenders to Revenue Fund		(54,844)	(60,628)
Net cash flow generated by operating activities		<u>23,370</u>	<u>(13,111)</u>

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

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Consolidated Paymaster General account		10,785	(1,227)
Total		<u>10,785</u>	<u>(1,227)</u>

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2011

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

19. Contingent liabilities and contingent assets

19.1. Contingent liabilities

Liable to	Nature	Note	2010/11 R'000	2009/10 R'000
Housing loan guarantees	Employees	Annex 5	307	307
Claims against the department		Annex 6	13,330	52,643
Other departments (interdepartmental unconfirmed balances)		Annex 7	-	2
Total			13,637	52,952

20. Commitments

	Note	2010/11 R'000	2009/10 R'000
Current expenditure			
Approved and contracted		1,284	9,104
		1,284	9,104
Total Commitments		1,284	9,104

21. Accruals

Listed by economic classification			2010/11 R'000	2009/10 R'000
	30 Days	30+ Days	Total	Total
Goods and services	867	-	867	3,600
Transfers and subsidies	-	-	-	16,822
Total	867	-	867	20,422

	Note	2010/11 R'000	2009/10 R'000
Listed by programme level			
Programme 1: Administration		385	-
Programme 2: Integrated Econ. Dev. Services		113	-
Programme 3: Trade and Industry Development		8	20,422
Programme 4: Business Regulation		319	-
Programme 5: Economic Planning		42	-
Total		867	20,422

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

22. Employee benefits

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Leave entitlement		6,318	2,838
Service bonus (Thirteenth cheque)		4,166	2,259
Performance awards		2,141	1,852
Capped leave commitments		11,433	5,327
Other			
Total		24,058	12,276

23. Lease commitments

23.1. Operating leases expenditure

2010/11	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	5,759	5,995	11,754
Later than 1 year and not later than 5 years	6,930	10,593	17,523
Later than five years	669	-	669
Total lease commitments	13,358	16,588	29,946

2009/10	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	2,102	4,020	6,122
Later than 1 year and not later than 5 years	8,005	9,087	17,092
Later than five years	1,695	-	1,695
Total lease commitments	11,802	13,107	24,909

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2011

24. Irregular expenditure

24.1. Reconciliation of irregular expenditure

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Opening balance		-	13,804
Add: Irregular expenditure – relating to current year		1,106	-
Less: Amounts condoned		-	(13,479)
Less: Amounts recoverable (not condoned)		-	(325)
Irregular expenditure awaiting condonation		<u>1,106</u>	<u>-</u>
Analysis of awaiting condonation per age classification			
Current year		1,106	
Prior years			
Total		<u>1,106</u>	

24.2. Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2010/11 R'000
1. Supply Chain Management processes not followed for the appointment of service provider for the establishment of Arts, Crafts and Creative Industries Hub	None	904
2. Performance bonuses paid to SMS employees who had not signed service level agreements		62
3. Payment of Acting Allowance to an employee for a period exceeding twelve months in an acting position		140
Total		<u>1,106</u>

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2011

25. Fruitless and wasteful expenditure

25.1. Reconciliation of fruitless and wasteful expenditure

	Note	2010/11 R'000	2009/10 R'000
Opening balance		51	-
Less: Amounts condoned		-	448
Transfers and subsidies			
Less: Amounts transferred to receivables for recovery		(51)	(397)
Fruitless and wasteful expenditure awaiting condonement			51
Analysis of awaiting condonement per economic classification			
Current		-	51
Total		-	51

25.2. Small Enterprise Development Agency

The Department has a Memorandum of Agreement signed with the DTI to fund part of SEDA programme in the Province in terms of SEDA Act. The Department funds SEDA annually based on a service level agreement. SEDA operates five branches and 12 enterprises information centres to provide Business Development Support. The Department has funded SEDA by an amount of R2 million during the year under review.

25.3. Zithabiseni Holiday Resort

The Department had budgeted R18.7 million for Zithabiseni for the payment of salaries for staff at the Resort. The resort continues to face challenges in generating income in order to become self sustainable over period of time. This state of affairs make it difficult for the resort to operate normally as its operational budget is not funded by the department. The total amount transferred to Zithabiseni is R18.7 million during the period under review.

25.4. Bushbuckridge Agro Processing Hub

The Department in partnership and funding from Dept. Of Trade and Industry (the dti) has commenced with project for the refurbishment of the Bushbuckridge Agro processing plant which is expected to create more jobs and serve as catalyst for the local economic development.

The under development of rural communities in Mpumalanga province has prompted the department to identify initiatives and develop programmes that will contribute towards the creation of vibrant rural communities. The key strategy is to create sustainable economic opportunities and employment for people within rural communities, using comparative advantages that exist.

The agricultural sector and its related industries offer a unique opportunity to aggressively respond to developmental challenges that exist in rural areas and communities. The lack of processing infrastructures of agricultural produce and limited market access for small holding has limited the impact of the agricultural sector on poverty alleviation, through creation of sustainable employment opportunities.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2011

The envisaged agro-processing hub will seek to address the challenges that currently exist within the agricultural value chain to expand the impact of agriculture and agro-processing on poverty reduction and local economic development.

The hub will moreover act as a catalyst to develop emerging farmers in the poultry, fruit and vegetable –sub sectors by procuring goods directly from them. This will create a guaranteed market for them. Upon procurement, the Hub will process and package the agricultural produce to be ready for distribution to the retail sector in and around Mpumalanga, its neighbouring provinces, cross boarder destinations such as Mozambique, Swaziland and Zimbabwe and ultimately in a medium to long term, to the international export market. The Department of Trade and Industry has made available an amount of R22 659 million of which R11 227 million has already been spent on this project during the year under review. The balance amounting to R11 432 million will be disbursed in the next financial year as the project is still ongoing.

25.5. Department of Public Works, Roads and Transport

During the year the department received service from the Department of Public Works, Roads and Transport that are related to the Department. The Department of Economic Development, Environment and Tourism occupies Government Building in the Province provided by the Department of Public Works Roads and Transport free of charge.

Payments made	<i>Note</i>	2010/11 R'000	2009/10 R'000
Goods and services		13,227	6,672
Transfers		18,700	10,969
Total		31,927	17,641

Year end balances arising from revenue/payments	<i>Note</i>	2010/11 R'000	2009/10 R'000
Payables to related parties	16.1	11,432	-
Total		11,432	-

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

26. Key management personnel

	No. of Individuals	2010/11 R'000	2009/10 R'000
Member of the Executive Council	1	1,444	1,405
Officials:			
Deputy Director-General (HOD)	1	1,065	940
Deputy Director-General (CEO -Flagships)	2	1,977	-
Chief Financial Officer	1	693	576
Chief Directors	5	4,004	3,162
Total		9,183	6,083

27. Movable Tangible Capital Assets

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

	Opening balance R'000	Curr Year Adjust-ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	11,554	-	18,247	583	29,218
Transport assets	3,946	-	2,192	-	6,138
Computer equipment	3,734	-	13,574	388	16,920
Furniture and office equipment	3,592	-	918	160	4,350
Other machinery and equipment	282	-	1,563	35	1,810
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	11,554	-	18,247	583	29,218

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

27.1. Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	3,980	14,267	-	-	18,247
Transport assets	2,192	-	-	-	2,192
Computer equipment	1,513	12,061	-	-	13,574
Furniture and office equipment	248	670	-	-	918
Other machinery and equipment	27	1,536	-	-	1,563
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	3,980	14,267			18,247

27.2. Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	583	583	-
Transport assets	-	-	-	-
Computer equipment	-	388	388	-
Furniture and office equipment	-	160	160	-
Other machinery and equipment	-	35	35	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	583	583	-

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

27.3. Movement for 2009/10

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	11,489	2,858	2,793	11,554
Transport assets	3,520	1,857	1,431	3,946
Computer equipment	3,656	772	694	3,734
Furniture and office equipment	3,853	179	440	3,592
Other machinery and equipment	460	50	228	282
TOTAL MOVABLE TANGIBLE ASSETS	11,489	2,858	2,793	11,554

27.4. Minor assets

MOVEMENT IN MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2011

	Machinery and equipment R'000	Total R'000
Opening balance	4,322	4,322
Current year adjustment to prior year balances	270	270
Additions	5,420	5,420
Disposal	837	837
TOTAL	9,175	9,175

	Machinery and equipment	Total
Number of R1 minor assets	101	101
Number of minor assets at cost	9,863	9,863
TOTAL NUMBER OF MINOR ASSETS	9,964	9,964

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

27.5. Minor assets of the department as at 31 march 2010

	Machinery and equipment R'000	Biological assets R'000	Total R'000
Minor assets	4,322		4,322
TOTAL	4,322		4,322
	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	67		67
Number of minor assets at cost	2,248		2,248
TOTAL NUMBER OF MINOR ASSETS	2,315		2,315

28. Intangible Capital Assets

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

	Opening balance R'000	Current Year Adjust-ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
COMPUTER SOFTWARE	190	(75)	-	-	115
TOTAL INTANGIBLE CAPITAL ASSETS	190	(75)	-	-	115

28.1. Movement for 2009/10

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	190	-	-	190
TOTAL INTANGIBLE CAPITAL ASSETS	190	-	-	190

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

29. Immovable Tangible Capital Assets

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

	Opening balance	Curr Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES			7,293		7,293
Other fixed structures			7,293		7,293
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS			7,293		7,293

29.1. Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	7,293				7,293
Other fixed structures	7,293				7,293
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	7,293				7,293

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

ANNEXURE 1

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2009/10
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Mpumalanga Gambling Board	38,960			38,960	38,960	100%	32,523
Mpumalanga Tourism & Parks Agency	240,861			240,861	240,861	100%	211,455
Mpumalanga Economic Growth Agency	143,265			143,265	143,265	100%	-
Zithabiseni Resort & Conference Centre	18,700			18,700	18,700	100%	10,969
	441,786			441,786	441,786	100%	254,947

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

ANNEXURE 2

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE			2009/10 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 %	Capital R'000	
Public Corporations								
Transfers								
Mpumalanga Economic Growth Agency (MEGA)								65,820
Subsidies								
Total								65,820
TOTAL								65,820

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

ANNEXURE 3

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2009/10 Appropriation Act R'000
	Adjusted Appropriation Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
Leave Gratuity					173		69
Post Retirement Benefits					-		676
Bursaries (Non-Employee)					704		-
					877		745
Total					877		745

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

ANNEXURE 4

STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING	REVENUE	EXPENDI-	CLOSING
		BALANCE	R'000	TURE	BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
Department of Trade and Industry	Establishment of Agro-Processing Hub in Bushbuckridge area	.	22,659	11,227	11,432
Subtotal			22,659	11,227	11,432
Subtotal					
TOTAL			22,659	11,227	11,432

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

ANNEXURE 5

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2011 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2010	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2011	Guaranteed interest for year ended 31 March 2011	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			30				30		
Nedbank			66				66		
FirstRand Bank			45				45		
ABSA			49				49		
Peoples Bank			58				58		
MPU			8				8		
Housing Finance									
Old Mutual			51				51		
	Other								
	Subtotal		307				307		
	TOTAL		307				307		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

ANNEXURE 6

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2011

Nature of Liability	Opening Balance 1 April 2010	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2011
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
MW Nkosi & 3 Others	9,330				9,330
Gesteiner / MTPA & dedp	590		590		-
Mukhaha Consulting Engineers cc & others	20,837		16,837		4,000
Ekuseni Communications vs dedet	296		296		-
Webber Wentzel Attorneys vs dedet	21,590		21,590		-
Subtotal	52,643		39,313		13,330
TOTAL	52,643		39,313		13,330

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

ANNEXURE 7

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000

OTHER GOVERNMENT ENTITY

Current

MTPA

2

2

Subtotal

2

2

Non-current

Subtotal

Total

2

2

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

ANNEXURE 8

INVENTORY

Inventory	Note	2010/11		2009/10	
		Quantity	R'000	Quantity	R'000
Opening balance		16,346	811		811
Add/(Less): Adjustments to prior year balance			6		
Add: Additions/Purchases - Cash		19,989	1,181		
Add: Additions - Non-cash		208	21		
(Less): Disposals			-		
(Less): Issues		(20,048)	(1,300)		
Add/(Less): Adjustments		(84)	(19)		
Closing balance		16 411	700		811



PART: 5



HUMAN RESOURCE MANAGEMENT

SERVICE DELIVERY

for the year ended 31 March 2011

TABLE 1.1 - Main Service for Service Delivery Improvement and Standards

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
Facilitation of Integrated Economic Development	SMMEs & Coops, Youth, Women & People with Disabilities, & local municipalities	Communities, potential entrepreneurs	60 SMMEs & Coops supported & developed, and 1250 potential entrepreneurs advised to establish businesses	592 SMMEs & Coops supported & developed, and 896 SMMEs were advised
Trade and Industry Development	Exporters, Importers, SMMEs & municipalities	Manufacturer or producer	3 export programmes in Manufacturing, Agriculture and Craft sectors facilitated	133 SMMEs assisted in the implementation of export related programmes
Regulation and Governance of Businesses	Consumers, Businesses/Liquor outlets, & Regulatory Bodies	General Public	1800 consumer cases investigated and 1600 resolved; and conduct 80 workshops, 140 radio slots and 24 roadshows	2103 cases investigated and 1696 resolved; and conducted 101 workshops, 147 radio slots and 49 roadshows
Economic Planning	Departments, Agencies, Businesses, and Communities	Regional and international stakeholders, other provinces and businesses	3 provincial integrated sector plans developed; 2 economic profiles produced; and 3 research studies conducted.	Developed provincial integrated sector plans for Mineral Development and Forestry; 1 Economic Profile produced; and 1 research study done on Labour and Skills Demand.

SERVICE DELIVERY (continued) for the year ended 31 March 2011

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
Environmental Management	Departments, Environmental Enforcement Agencies, Industries, Developers, Municipalities & Communities	All major developers in the province (Mining, all significant land use changes	300 EIA applications authorised; 200 mine applications commented on; 100 complaints attended; and conduct 8 environmental awareness and education programmes	236 EIA applications finalised; 178 mine applications commented on & 161 complaints attended; 13 municipal IWMPs evaluated; 8 environmental awareness and education programmes conducted.

TABLE 1.2 - Consultation Arrangements for Customers

Type of Arrangement	Actual Customer	Potential Customer	Actual Achievements
Workshops, Radio slots, Roadshows, Written consultations and production of information brochures, Community outreach programmes, and walk-ins	SMMEs & Coops, Youth, Women & People with Disabilities, & local municipalities, Exporters, Importers, Consumers, Businesses/Liquor outlets, & Regulatory Bodies, Departments, Environmental Enforcement Agencies, Industries, Developers.	All major developers in the province	6 community outreach programmes conducted, 2634 environmental outreach visits to schools, 1534 to communities and 241 to municipalities; 3 external newsletters and 12 internal bulletin produced and distributed, hosted 2 media briefings, 108 radio slots on environmental matters; Conducted the following workshops: 3 entrepreneurs, 12 coops seminars, 4 for small scale miners, 101 for consumer protection, 178 environmental awareness & education, and 5 for BBBEE awareness.

SERVICE DELIVERY (continued) for the year ended 31 March 2011

TABLE 1.3 - Service Information Tool

Type of Information Tool	Actual Achievements
Community outreach programmes	6 community outreach programmes conducted, 2634 environmental outreach visits to schools, 1534 to communities and 241 to municipalities
Newsletters and internal bulletin	3 external newsletters and 12 internal bulletin produced and distributed
hosting of media briefings	hosted 2 media briefings, 108 radio slots and 83 newspaper articles on environmental matters;
Conducting workshops on entrepreneurship, consumer protection, environmental management, economic sectors, BBBEE	Conducted the following workshops: 3 entrepreneurship, 12 coops seminars, 4 for small scale miners, 101 for consumer protection, 178 environmental awareness & education, and 5 for BBBEE awareness, 188 clients received information on economic sectors
regular update of the GIS and website	the GIS and website were updated regularly.

TABLE 1.4 - Complaint Mechanism

Complaint Mechanism	Actual Achievements
Acknowledge receipt of complaints, in a professional manner, within 5 working days and a full written response provided within 10 working days of receiving the complaint.	161 EIA and 111 Environmental complaints attended to.

EXPENDITURE for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 2.1 - Personnel costs by Programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Mee:Administration	101,991	42,273	773	41.4	294	144
Mee:Integrated Economic Development Services	167,101	15,907	555	9.5	353	45
Mee:Trade&Industry Development	310,497	11,994	78	3.9	400	30
Mee:Business Regulation	58,421	15,069	85	25.8	308	49
Mee:Economic Planning	9,851	8,292	90	84.2	415	20
Mee:Environmental Management Services	68,685	51,137	194	74.5	252	203
Z=Total as on Financial Systems (BAS)	716,546	144,672	1,775	20.2	295	491

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)	Number of Employees
Lower skilled (Levels 1-2)	5,508	3.8	108,000	51
Skilled (Levels 3-5)	7,855	5.4	119,015	66
Highly skilled production (Levels 6-8)	45,392	31.4	289,121	157
Highly skilled supervision (Levels 9-12)	60,865	42.1	341,938	178
Senior Management (Levels 13-16)	22,128	15.3	737,600	30
Contract (Levels 1-5)	520	0.4	104,000	5
Contract (Levels 6-8)	390	0.3	195,000	2
Contract (Level 13 - 16) Senior Management	2,014	1.4	1,007,000	2
TOTAL	144,672	100	294,648	491

EXPENDITURE (continued)

for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

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)	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	36,421	86.2	1,264	2,221	5.3	2,367	5,6	42,273
Pr2: Intergrated Economic Development Services	14,747	92.7	-	437	2.7	723	4,5	15,907
Pr3: Trade and Industry Development	11,224	93.6	1	352	2.9	417	3,5	11,994
Pr4: Business Regulation and Governance	13,362	88.7	452	396	2.6	859	5,7	15,069
Pr5: Economic Planning	7,879	95	-	135	1.6	278	3,4	8,292
Pr6: Environmental Management Services	47,201	92.3	-	1,531	3	2,405	4,7	51,137
TOTAL	130,834	90.4	1,717	5,072	3.5	7,049	4,9	144,672

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)	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)	4,599	83.5	-	430	7.8	479	8,7	5,508
Skilled (Levels 3-5)	6,584	83.8	4	512	6.5	755	9,6	7,855
Highly skilled production (Levels 6-8)	39,683	87.4	1,230	1,501	3.3	2,978	6,6	45,392
Highly skilled supervision (Levels 9-12)	55,740	91.6	408	2,355	3.9	2,362	3,9	60,865
Senior management (Levels 13-16)	21,565	97.5	-	274	1.2	289	1,3	22,128
Contract (Levels 3-5)	454	87.3	66	-	0	-	0	520
Contract (Levels 6-8)	381	97.7	9	-	0	-	0	390
Contract (Levels 13-16)	1,828	90.8	-	-	0	186	9,2	2,014
Periodical Remuneration	-	0	-	-	0	-	0	-
Abnormal Appointment	36	100	-	-	0	-	0	36
TOTAL	130,870	90.4	1,717	5,072	3.5	7,049	4,9	144,708

EMPLOYMENT for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

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	152	129	15.1	15
Pr2: Intergrated Economic Development Services, Permanent	53	45	15.1	0
Pr3: Trade and Industry Development, Permanent	39	28	28.2	2
Pr4: Business Regulation and Governance, Permanent	66	49	25.8	0
Pr5: Economic Planning, Permanent	31	20	35.5	0
Programme 6: Environmental Management Services, Permanent	350	189	46	14
TOTAL	691	460	33.4	31

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	85	45	47.1	6
Skilled (Levels 3-5), Permanent	97	62	36.1	4
Highly skilled production (Levels 6-8), Permanent	267	151	43.4	6
Highly skilled supervision (Levels 9-12), Permanent	207	172	16.9	6
Senior Management (Levels 13-16), Permanent	35	30	14.3	0
Contract (Levels 1-5)	0	0	0	5
Contract (Levels 6-8)	0	0	0	2
Contract (Level 13 - 16) Senior Management	0	0	0	2
TOTAL	691	460	33.4	31

EMPLOYMENT (continued) for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

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	82	44	46.3	0
Cleaners in offices workshops hospitals etc., Permanent	50	33	34	3
Communication and information related, Permanent	20	16	20	0
Economists, Permanent	84	46	45.2	0
Financial and related professionals, Permanent	31	26	16.1	11
Food services aids and waiters, Permanent	36	19	47.2	0
Human resources related, Permanent	31	26	16.1	1
Information technology related, Permanent	0	0	0	0
Nature conservation and oceanographical rel. techni	190	124	34.7	14
Legal related, Permanent	5	4	20	0
Messengers porters and deliverers, Permanent	5	4	20	0
Regulatory inspectors, Permanent	48	29	39.6	0
Secretaries & other keyboard operating clerks, Permanent	37	27	27	0
Senior managers, Permanent	35	30	14.3	2
Trade/industry advisers & other related profession, Permanent	37	32	13.5	0
TOTAL	691	460	33.4	31

EVALUATION for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

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
Lower skilled (Levels 1-2)	85	0	0	0	0
Contract (Levels 6-8)	0	0	0	0	0
Contract (Band C)	0	0	0	0	0
Skilled (Levels 3-5)	97	0	0	0	0
Highly skilled production (Levels 6-8)	267	0	0	0	0
Highly skilled supervision (Levels 9-12)	207	0	0	0	0
Senior Management Service Band A (Level 14 -16)	9	0	0	0	0
Senior Management Service Band B (Level 13)	26	0	0	0	0
Senior Management Service Band C	0	0	0	0	0
Senior Management Service Band D	0	0	0	0	0
TOTAL	691	0	0	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	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a Disability	0	0	0	0	0

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

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
None	0	None	None	None	0
None	0	None	None	None	0
Total	0	0	0	0	0
Percentage of Total Employment	0	0	0	0	0

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	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a Disability	0	0	0	0	0

EMPLOYMENT CHANGES

for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 5.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period (April 2010)	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	59	0	3	5.1
Skilled (Levels 3-5), Permanent	72	0	3	4.2
Highly skilled production (Levels 6-8), Permanent	181	2	13	7.2
Highly skilled supervision (Levels 9-12), Permanent	160	7	10	6.3
Senior Management Service Band A, Permanent 13	20	7	4	20
Senior Management Service Band B, Permanent 14	5	0	0	0
Senior Management Service Band C, Permanent 15	1	0	0	0
Contract (Levels 1-2),	0	1	0	0
Contract (Levels 3-5),	1	3	0	0
Contract (Levels 6-8),	2	0	0	0
Contract (Band C) 15	2	0	0	0
TOTAL	503	20	33	6.6

TABLE 5.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period (April 2010)	Appointments	Terminations	Turnover Rate
Administrative related, Permanent	54	0	4	7.4
Cleaners in offices workshops hospitals etc., Permanent	24	1	2	8.3
Communication and information related, Permanent	15	0	0	0
Economists, Permanent	42	3	4	9.5
Financial and related professionals, Permanent	41	1	6	14.6
Financial clerks and credit controllers, Permanent	0	4	3	0
Food services aids and waiters, Permanent	19	0	2	10.5
Head of Department/Chief Executive Officer, Permanent	1	0	0	0
Human resources & organisat developm & relate prof, Permanent	6	0	1	16.7
Human resources related, Permanent	23	1	1	4.3
Legal related, Permanent	4	1	0	0
Messengers porters and deliverers, Permanent	4	0	0	0
Nature conservation and oceanographical rel. techni, Permanent	145	0	4	2.8
Regulatory inspectors, Permanent	26	0	0	0

Occupation	Employment at Beginning of Period (April 2010)	Appointments	Terminations	Turnover Rate
Secretaries & other keyboard operating clerks, Permanent	33	0	0	0
Senior Managers, Permanent	25	7	4	16
Senior Managers, Contract	2	0	0	0
Trade/industry advisers & other related profession, Permanent	39	2	2	5.1
TOTAL	503	20	33	6.6

TABLE 5.3 - Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Terminations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	4	12.1	0.8	4	491
Resignation, Permanent	10	30.3	2.0	10	491
Transfer, Permanent	15	45.5	3.1	15	491
Dismissal-misconduct, Permanent	1	3.0	0.2	1	491
Retirement, Permanent	3	9.1	0.6	3	491
TOTAL	33	100	6.7	33	491
Resignations as % of Employment					
2.0					

TABLE 5.4 - Granting of Employee Initiated Severance Packages

Category	No of applications received	No of applications referred to the MPESA	No of applications supported by MPESA	No of Packages approved by department
Lower Skilled (Salary Level 1-2)	0	0	0	0
Skilled (Salary Level 3-5)	0	0	0	0
Highly Skilled Production (Salary Level 6-8)	0	0	0	0
Highly Skilled Production (Salary Level 9-12)	0	0	0	0
Senior Management (Salary Level 13 and higher)	0	0	0	0
Total	0	0	0	0

EMPLOYMENT CHANGES (continued) for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 5.5 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2010)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	54	0	0	43	79,6
Cleaners in offices workshops hospitals etc.	24	0	0	21	87,5
Communication and information related	15	0	0	8	53,3
Economists	42	1	2,4	33	78,6
Financial and related professionals	41	0	0	26	63,4
Food services aids and waiters	19	0	0	5	26,3
Head of Department/Chief Executive Officer	1	0	0	0	0
Human resources & organisat developm & relate prof	6	0	0	3	50
Human resources related	23	0	0	14	60,9
Legal related	4	0	0	3	75
Messengers porters and deliverers	4	0	0	4	100
Nature conservation and oceanographical rel. techni	145	0	0	129	89
Regulatory inspectors	26	0	0	21	80,8
Secretaries & other keyboard operating clerks	33	0	0	23	69,7
Senior Managers	25	4	16	5	20
Senior Managers (Contract)	2	0	0	0	0
Trade/industry advisers & other related profession	39	2	5,1	24	61,5
TOTAL	503	7	1,4	362	72,0

TABLE 5.6 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period (April 2010)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2), Permanent	59	0	0	52	88,1
Skilled (Levels 3-5), Permanent	73	0	0	58	79,5
Highly skilled production (Levels 6-8), Permanent	181	0	0	125	69,1
Highly skilled supervision (Levels 9-12), Permanent	160	3	1,9	122	76,3
Senior management (Levels 13-16), Permanent	26	4	15,4	5	19,2
Contract (Levels 6-8), Permanent	2	0	0	0	0
Contract (Levels 13-16), Permanent	2	0	0	0	0
TOTAL	503	7	1,4	362	72

EMPLOYMENT EQUITY

for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

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

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Blacks	Male, Total	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent 13-15	22	1	0	0	22	1	7	0	0	7	1	32
Professionals, Permanent 9-12	73	1	0	0	73	11	85	0	1	85	7	178
Technicians and associate professionals, Permanent 6-8	58	1	0	0	58	0	97	0	0	97	3	159
Clerks, Permanent 3-5	21	0	0	0	21	0	44	1	0	44	4	70
Service and sales workers, Permanent	0	0	0	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers, Permanent	0	0	0	0	0	0	0	0	0	0	0	0
Elementary occupations, Permanent 1-2	18	0	0	0	18	0	34	0	0	34	0	52
TOTAL	192	3	0	0	192	12	267	1	1	267	15	491
No data	0	0	0	0	0	0	0	0	0	0	0	0

EMPLOYMENT EQUITY (continued) for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

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

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Blacks	Male, Total	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent 14-16	5	0	0	0	5	0	2	0	0	2	0	7
Senior Management, Permanent 13	16	1	0	0	16	1	4	0	0	4	1	23
Professionally qualified and experienced specialists and mid-management, Permanent 9-12	73	1	0	0	73	11	85	0	1	85	7	178
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent 6-8	57	1	0	0	57	0	96	0	0	96	3	157
Semi-skilled and discretionary decision making, Permanent 3-5	21	0	0	0	21	0	40	1	0	40	4	66
Unskilled and defined decision making, Permanent 1-2	18	0	0	0	18	0	33	0	0	33	0	51
Contract (Top Management), 14-16	1	0	0	0	1	0	1	0	0	1	0	2
Contract (Unskilled and defined decision making), 1-2	0	0	0	0	0	0	1	0	0	1	0	1
Contract (semi-skilled and discretionary decision making), 3-5	0	0	0	0	0	0	4	0	0	4	0	4
Contract (Skilled technical), 6-8	1	0	0	0	1	0	1	0	0	1	0	2
TOTAL	192	3	0	0	192	12	267	1	1	267	15	491

EMPLOYMENT EQUITY (continued)

for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

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 13-16	4	0	0	4	0	3	0	0	3	0	7
Professionally qualified and experienced specialists and mid-management, Permanent 9-12	4	0	0	4	0	3	0	0	3	0	7
Contract (Senior Management), Permanent 6-8	1	0	0	1	0	1	0	0	1	0	2
Contract (Semi-skilled), 3-5	0	0	0	0	0	3	0	0	3	0	3
Contract (Unskilled), Permanent 1-2	0	0	0	0	0	1	0	0	1	0	1
TOTAL	9	0	0	9	0	11	0	0	11	0	20
No data	0	0	0	0	0	0	0	0	0	0	0

EMPLOYMENT EQUITY (continued)

for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

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 13-16	4	0	0	4	0	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management, Permanent 9-12	2	0	0	2	0	1	0	0	1	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent 6-8	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making, Permanent 3-5	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making, Permanent 1-2	0	0	0	0	0	0	0	0	0	0	0
TOTAL	6	0	0	6	0	1	0	0	1	0	7
	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
No data	0	0	0	0	0	0	0	0	0	0	0

EMPLOYMENT EQUITY (continued)

for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

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 13-16	2	0	0	2	1	1	0	0	1	0	4
Professionally qualified and experienced specialists and mid-management, Permanent 9-12	5	0	0	5	0	5	0	0	5	0	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent 6-8	6	0	0	6	0	7	0	0	7	0	13
Semi-skilled and discretionary decision making, Permanent 3-5	2	0	0	2	0	0	0	0	0	1	3
Unskilled and defined decision making, Permanent 1-2	2	0	0	2	0	0	0	0	0	1	3
Contract (Senior Management), 13-16	0	0	0	0	0	0	0	0	0	0	0
Contract (Semi-skilled), Permanent 3-5	0	0	0	0	0	0	0	0	0	0	0
Contract (Unskilled), Permanent 1-2	0	0	0	0	0	0	0	0	0	0	0
TOTAL	17	0	0	17	1	13	0	0	13	2	33

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
No data	0	0	0	0	0	0	0	0	0	0	0

EMPLOYMENT EQUITY (continued) for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 6.6 - Disciplinary Action

Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, Blacks	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
TOTAL	1	1	0	2	0	0	0	0	0	0	0	2

TABLE 6.7 - Skills Development

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Blacks	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior Officials and Managers	7	0	0	7	0	0	5	0	0	5	0	12
Professionals	21	0	0	21	1	16	16	0	1	17	1	40
Technicians and Associate Professionals	16	0	0	16	0	24	24	0	0	24	0	40
Clerks	2	0	0	2	0	23	23	1	0	24	0	26
Service and Sales Workers	0	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	0
Craft and related Trades Workers	0	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	0
Elementary Occupations	2	0	0	2	0	5	5	0	0	5	0	7
TOTAL	48	0	0	48	1	73	73	1	1	75	1	125
Employees with disabilities	3	0	0	3	0	0	0	0	0	0	0	3

PERFORMANCE
for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 7.1 - 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'000)
African, Female	164	267	61.4	1,361	8
African, Male	120	192	62.5	1,243	10
Asian, Female	1	1	100.0	49	49
Coloured, Female	0	1	0.0	-	0
Coloured, Male	1	3	33.3	7	7
Total Blacks, Female	165	267	61.8		0
Total Blacks, Male	121	192	63.0		0
White, Female	7	15	46.7	61	9
White, Male	8	12	66.7	83	10
TOTAL	301	491	61.3	2,804	9

TABLE 7.2 - 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'000)
Lower skilled (Levels 1-2)	28	51	54.9	77	3
Skilled (Levels 3-5)	49	66	74.2	187	4
Highly skilled production (Levels 6-8)	121	157	77.1	925	8
Highly skilled supervision (Levels 9-12)	102	178	57.3	1,507	15
Senior management (Levels 13-16), Permanent	1	32	3.1	108	108
Contract (Levels 1-5)	0	5	0	-	-
Contract (Levels 6-8)	0	2	0	-	-
TOTAL	301	491	61.3	2,804	9

PERFORMANCE (continued) for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 7.3 - Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R'000)
Administrative related	28	40	70	370	13
Agricul animal oceanography forestry & other scien	16	33	48.5	153	10
Agriculture related	42	71	59.2	461	11
Auxiliary and related workers	4	3	133.3	25	6
Cleaners in offices workshops hospitals etc.	21	28	75	66	3
Communication and information related	6	13	46.2	62	10
Conservation labourers	1	3	33.3	4	4
Economists	39	73	53.4	385	10
Farm hands and labourers	16	32	50	46	3
Finance and economics related	10	12	83.3	178	18
Financial and related professionals	5	5	100	61	12
Financial clerks and credit controllers	12	16	75	79	7
Food services aids and waiters	5	6	83.3	14	3
Forestry labourers	1	1	100	2	2
General legal administration & rel. professionals	0	3	0	-	-
Head of department/ chief executive officer	1	1	100	108	108
Health sciences related	3	4	75	9	3
Human resources & organisat developm & relate prof	1	2	50	19	19
Human resources clerks	5	7	71.4	50	10
Human resources related	12	17	70.6	125	10
Information technology related	0	1	0	-	-

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R'000)
Legal related	2	3	66.7	25	13
Library mail and related clerks	2	3	66.7	8	4
Life sciences related	1	1	100	10	10
Light vehicle drivers	3	4	75	21	7
Material recording and transport clerks	0	2	0	9	-
Messengers porters and deliverers	2	3	66.7	6	3
Motor vehicle drivers	0	1	0	-	-
Natural sciences related	0	1	0	-	-
Other administrat & related clerks and organisers	6	1	600	29	5
Other administrative policy and related officers	2	2	100	18	9
Other occupations	6	10	60	66	11
Regulatory inspectors	12	15	80	99	8
Risk management and security services	0	1	0	-	-
Secretaries & other keyboard operating clerks	24	30	80	140	6
Senior managers	2	31	6.5	62	31
Trade/industry advisers & other related profession	11	12	91.7	94	9
TOTAL	301	491	61.3	2,804	9

PERFORMANCE (continued)
for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 7.4 - 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'000)
Band A	0	23	0	-	-
Band B	0	5	0	-	-
Band C	1	3	33.3	108	108
Band D	0	0	0	-	-
TOTAL	1	31	3.2	108	108

FOREIGN WORKERS for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 8.1 - 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
Contract (Levels 13-16)	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0

TABLE 8.2 - 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
Professionals and managers	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0

LEAVE
for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 9.1 - Sick Leave for Jan 2010 to Dec 2010

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)	159	94.3	21	7.1	8	36	294	150
Skilled (Levels 3-5)	307	93.2	39	13.3	8	96	294	286
Highly skilled production (Levels 6-8)	823	87.6	106	36.1	8	482	294	721
Highly skilled supervision (Levels 9-12)	763	90.4	108	36.7	7	725	294	690
Senior management (Levels 13-16)	127	94.5	14	4.8	9	345	294	120
Contract (Levels 3-5)	7	57.1	4	1.4	2	2	294	4
Contract (Levels 6-8)	4	100	1	0.3	4	2	294	4
Contract (Levels 13-16)	5	100	1	0.3	5	19	294	5
TOTAL	2,195	90.2	294	100	7	1,707	294	1,980

TABLE 9.2 - Disability Leave (Temporary and Permanent) for Jan 2010 to Dec 2010

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
Highly skilled production (Levels 6-8)	174	100	2	66.7	87	118	174	3
Highly skilled supervision (Levels 9-12)	16	100	1	33.3	16	15	16	3
TOTAL	190	100	3	100	63	133	190	3

LEAVE (continued)

for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 9.3 - Annual Leave for Jan 2010 to Dec 2010

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	900.0	18	51
Skilled (Levels 3-5)	1,215.0	18	66
Highly skilled production (Levels 6-8)	3,078.0	19	162
Highly skilled supervision (Levels 9-12)	3,409.0	18	185
Senior management (Levels 13-16)	559.0	20	28
Contract (Levels 3-5)	36.0	12	3
Contract (Levels 6-8)	15.0	8	2
Contract (Levels 13-16)	38.0	13	3
TOTAL	9,250.0	19	500

TABLE 9.4 - Capped Leave for Jan 2010 to Dec 2010

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2010	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2010	Number of Employees as at 31 December 2010
Highly skilled production (Levels 6-8)	7	7	62	1	3,569	58
Highly skilled supervision (Levels 9-12)	39	10	57	4	5,343	93
Senior management (Levels 13-16)	10	10	72	1	1,014	14
TOTAL	56	9	60	6	9,926	165

TABLE 9.5 - Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2010/11 due to non-utilisation of leave for the previous cycle	218	12	18,167
Capped leave payouts on termination of service for 2010/11	331	27	12,259
Current leave payout on termination of service for 2010/11	47	8	5,875
TOTAL	596	47	12,681

HIV AND AIDS for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

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

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
All categories of employees	Provided with condoms at strategic points within the Department.

TABLE 10.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide required information]

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Mr Mmupi Mogoboya Acting Director: Human Resources
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.	Yes		5 employees with a budget of R 2m
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.	Yes		Conduct pro-active and re-active EHW 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.		No	The employment equity committee performs the functions necessarily supposed to be performed by this committee
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.		No	Still in a draft that is been consulted on.
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.	Yes		Conduct education and awareness programme against stigma and discrimination in the workplace. The draft HIV policy makes this provision as well.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		Conducted 3 onsite VCT and health screening sessions.
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.		No	

LABOUR RELATIONS

for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 11.1 - Collective Agreements

Subject Matter	Date
None	N/A

TABLE 11.2 - Misconduct and Discipline Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total	Total
1 month suspension without salary	1	100	1
Dismissal	2	100	2
TOTAL	3	100	3

TABLE 11.3 - Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	Percentage of Total	Total
Misrepresentation	1	100	1
Abscondment	1	100	1
Entered into a fraudulent lease agreement on behalf of the Department	1	100	1
TOTAL	3	100	3

TABLE 11.4 - Grievances Lodged

Number of grievances addressed	Number	Percentage of Total	Total
TOTAL	0	0	0

TABLE 11.5 - Disputes Lodged

Number of disputes addressed	Number	% of total
Upheld	2	100
Dismissed	0	0
Total	2	100

TABLE 11.6 - Strike Actions

Strike Actions	Number
Total number of person working days lost	0
Total cost(R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

TABLE 11.7 - Precautionary Suspensions

Precautionary Suspensions	Number
Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	365
Cost (R'000) of suspensions	0

SKILLS DEVELOPMENT for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 12.1 - Training Needs identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	8	0	6	1	7
	Male	24	0	20	1	21
Professionals	Female	93	0	47	8	55
	Male	85	0	75	9	84
Technicians and associate professionals	Female	100	0	57	18	75
	Male	59	0	32	4	36
Clerks	Female	28	0	25	2	27
	Male	11	0	2	0	2
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	55	0	16	12	28
	Male	28	0	9	7	16
Gender sub totals	Female	284	0	151	41	192
	Male	207	0	138	21	159
Total		491	0	289	62	351

SKILLS DEVELOPMENT (continued) for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 12.2 - Training Provided

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	8	0	3	0	3
	Male	24	0	6	1	7
Professionals	Female	93	2	15	6	23
	Male	85	1	19	4	24
Technicians and associate professionals	Female	100	0	18	6	24
	Male	59	1	22	1	24
Clerks	Female	28	1	24	1	26
	Male	11	0	2	0	2
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	55	1	5	0	6
	Male	28	0	2	0	2
Gender sub totals	Female	284	4	65	13	82
	Male	207	2	51	6	59
Total		491	6	116	19	141

INJURY ON DUTY

for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 13.1 - Injury on Duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	13	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	13	100

CONSULTANTS

for the year ended 31 March 2011

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 14.1 - 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
Trends and Design Training	1	6	R 225,720
Database Web Development	1	180	R 60,000
Recruitment	1	28	R 445,201
TOTAL	3	214	R 730,921

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
3	3	214	R 730,921

TABLE 14.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
None	N/A	N/A	N/A

TABLE 14.3 - Report on consultant appointments using Donor funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
None	N/A	N/A	N/A

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
None	N/A	N/A	N/A

TABLE 14.4 - Analysis of consultant appointments using Donor funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
None	N/A	N/A	N/A

