



**MPUMALANGA
PROVINCIAL GOVERNMENT**



**DEPARTMENT OF ECONOMIC
DEVELOPMENT AND PLANNING**



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SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

I have the honour of submitting the Annual Report of the Department of Economic Development and Planning for the 2007/8 financial year, to the Executive Authority, Mr. CNM Padayachee, for consideration in accordance with section 40 (1) (d) of the Public Finance Management Act, 1999 (Act No.1 of 1999) as amended by Act No.29 of 1999).

The report has been put together in accordance with the guidelines for preparation of annual reports for the period which ended on 31 March 2007 as set out by National Treasury and is in line with section 40 (3) of the Public Finance Management Act.

A handwritten signature in black ink, appearing to read 'L M MDLULI'.

Mr L M MDLULI
ACTING HEAD OF DEPARTMENT
ECONOMIC DEVELOPMENT AND PLANNING



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VISION, MISSION AND STRATEGIC OBJECTIVES

Mandate

To drive all economic development and planning initiatives in the Province.

Vision

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

Mission

To facilitate, implement and co-ordinate integrated planning and stimulate sustainable economic development.
To take the leading role in the development of the economy in the province.

Strategic goal

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

Strategic objectives

- To provide efficient and effective administrative and strategic support service to the Department
- To facilitate support and development of business enterprises
- To ensure the participation of HDIs in the mainstream of the economy
- Ensure growth in exports and direct investments in the Province
- Ensure the development of competitive industries in the growth sector
- Ensure industrial development in the Province
- To create a platform to enhance sustainable tourism growth
- To implement consumer protection and awareness strategies that create an environment conducive to fair trade
- To ensure the coordination of relevant economic research
- To contribute to the management of information and knowledge
- To provide economic policies and strategies
- To determine the effectiveness and impact of provincial policy and programme objectives and strategies



FOREWORD BY MEMBER OF THE EXECUTIVE COUNCIL



The annual report that we present herein represents a detailed account of progress made in implementing the programme of action that we set for ourselves during the 2007/8 financial year.

This report is an affirmation of what we were able to do, and makes a statement on the potential of the administration to implement, with success, the programmes which are aimed to attack poverty, unemployment, inequity and underdevelopment in the province.

When we announced our programme of action last year, we said we shall support the establishment of cooperatives, assist enterprises to access funds and facilitate access to business development for the entrepreneurs. Our agencies have ensured that we broaden access to all these service and led the emerging businesses into the path of sustainable development.

We have made significant strides to ensure that Broad Based Black Economic Empowerment (BBBEE) becomes a reality through fostering understanding of the relevant legislations. We used the conference on BBBEE to chart the way forward for implementation of programmes that are aimed to transform the economy and ensure that all share in the wealth of the country.

Few policy processes were started during this financial year and key among these was the review of the Small Medium Micro Enterprises (SMME) strategy. We will have to use the strategy for facilitating growth of the small enterprises to become big corporations which will be self reliant and competitive in the market.

We have also begun the process of developing the provincial economic development strategy, which will provide a framework for economic development initiatives in the province.

The department has also started the processes of establishing platforms for government – sectors interaction to ensure that we collaborate on common programme and projects such as export, tourism etc. These processes have set us on a course to integrated response on challenges that face us as the department and the sectors, which are critical to the economic growth of the province.



FOREWORD BY MEMBER OF THE EXECUTIVE COUNCIL

We will continue to push the frontiers until we overcome all the challenges on the way to sustainable economic development.

A handwritten signature in black ink, appearing to read 'C. N. M. Padayachee'.

Mr. CNM Padayachee
MEC: ECONOMIC DEVELOPMENT AND PLANNING



PREFACE BY HEAD OF DEPARTMENT



The Department of Economic Development and Planning has been successful in implementing its programme of action during the 2007/8 financial year. The configuration of the Department has been done to ensure that the Department is able to fulfill its mandate and respond effectively to the changing economic dynamics which impact on the Province. We started a process of implementing the new organizational structures which has been extended from three to five programmes.

The Integrated Economic Development Services was given additional responsibility to support municipalities on Local Economic Development. This will be done in collaboration with the Provincial Department of Local Government and Housing.

The promotion of entrepreneurship and small business is an important priority of the Department. This is so because we have committed ourselves to ensure that small business progressively increase their contribution towards growth and performance of the Provincial economy. In this regard, we facilitated the rollout of Small Enterprise Development Agency (SEDA) in the Province in order to support the SMMEs.

The Department has positioned itself as a viable, dynamic, autonomous, self-reliant and self-sustaining cooperative movement that can play a major role in the economic, social and cultural development of the Province, through effective and efficient services extended by cooperative enterprises to their members.

The Department exposed SMMEs to new export markets through the Export Awareness Programmes and facilitation of the sector's participation in the trade shows.

We have finalized the process of establishing the Mpumalanga Liquour Authority. The studies on the Kruger Mpumalanga International Airport Industrial Park and Komatipoort Dry Port have been completed.

The Department's entities MTPA and MEGA have finalized their organizational structures and key positions were filled. The Mpumalanga Gambling Board continues to assist the Department in regulating the Gambling and Horse racing industry.

During this financial year, the Department managed to collect R 41,685 million against a budget of R 32,794 million, which means an increase of 27% in revenue collected. The total expenditure for the Department was R 350,658, which represents 94% of the voted budget of R 371,348 million for the year under review.



PREFACE BY HEAD OF DEPARTMENT

Let me take this opportunity and thank the support received from the MEC and all staff members who worked tirelessly to ensure that the Department's mandate is carried out in a manner that is business unusual.

A handwritten signature in black ink, appearing to read 'L M MDLULI'.

Mr L M MDLULI
ACTING HEAD OF DEPARTMENT
ECONOMIC DEVELOPMENT AND PLANNING



LEGISLATIVE AND OTHER MANDATES

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

Other Acts which assist the department to execute its mandate efficiently and effectively are:

- Public Finance Management Act (Act No.1 of 1999)
- Mpumalanga Gaming Act (Act No.5 of 1999)
- Mpumalanga Liquor Licensing Act (Act No.5 of 2006)
- Liquor Act (Act No. 27 of 1989)
- National Gambling Act (Act 59 of 2003)
- National Liquor Act (Act 27 of 1989)
- Mpumalanga Consumer Act of 1998
- Mpumalanga Trading Hours Act (Act No.5 of 1999)
- Mpumalanga Business Act (Act No.2 of 1996)
- Skills Development Act (Act No.97 of 1998)
- National Small Business Enabling Act (Act No. 102 of 1996 as amended in 2004)
- Broad-Based Black Economic Empowerment Act of 2003
- Public Service Act of 1994



INFORMATION ABOUT THE MINISTRY

The Department of Economic Development and Planning was formed after the splitting of the then Department of Finance and Economic Affairs in 2005. The process of change also resulted in number of parastatals merging with others to create machinery that will assist the government to achieve its strategic goals of development and transformation.

The departments provide oversight to the three parastatals which are Mpumalanga Economic Growth Agency, Mpumalanga Gambling Board and Mpumalanga Tourism and Parks Agency.

The mandate of the office of the Member of the Executive Council is to provide leadership and strategic direction with regards to the political mandate of the department and its parastatals as well as to monitor and manage implementation of the political mandate.

OTHER INFORMATION ABOUT THE DEPARTMENT

Voted funds

Appropriation	R'000	Main appropriation	R'000	Adjusted appropriation	R'000	Actual amount spent	R'000	Under expenditure	R'000
R 361, 384		R361, 348		R371, 348		R350, 658		R20, 690	
Responsible MEC		Mr. Craig Padayachee							
Administering department		Department of Economic Development and Planning							
Accounting officer		Mr Lemmy Mdluli							

Aim of the vote

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



OTHER INFORMATION ABOUT THE DEPARTMENT

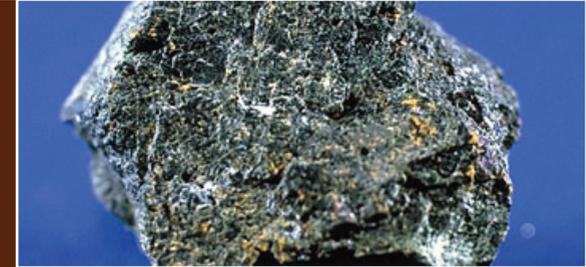
Summary for the vote

Programmes	Sub programmes
Administration	<ul style="list-style-type: none"> • Office of the MEC • Office of the HOD • Internal Audit • Financial Management • Human Resource Management • Communications • Legal Services • Security Management • Special Programme
Integrated Economic Development Services	<ul style="list-style-type: none"> • Enterprise Development • Economic Empowerment • Local Economic Development
Trade and Industry Development	<ul style="list-style-type: none"> • Trade and Investment Promotion • Sector Development • Industry Development • Tourism Development
Business Regulation and Governance	<ul style="list-style-type: none"> • Consumer Protection Services • Gambling and Betting • Business Regulation • Liquor Regulation
Economic Planning	<ul style="list-style-type: none"> • Economic Policy • Research and Development • Knowledge Management • Monitoring and Evaluation



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PROGRAMME 1: ADMINISTRATION

Purpose

To provide leadership and strategic management in accordance with the legislation, regulations and policies and also to ensure appropriate support services to all other programmes.

Measurable Objectives

To develop and manage effective and efficient systems, process and programmes critical to the implementation of political mandate.

Service Delivery Objectives and Indicators

Render quality service to our clients by ensuring that the following services standards are adhered to:

- All enquiries will be responded to within two (2) working days;
- Staff will be polite and professional when rendering service to all members of the public;
- Telephones will be answered within three rings and staff members will clearly identify themselves to the caller, and
- All messages will be acknowledged within the working day of receipt.

1.1 SUB-PROGRAMME: OFFICE OF THE MEC

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Provide political leadership, management and oversight of economic development institutions and systems for effective and efficient implementation of the political mandate	Political management Constituency work Political deployments Cabinet outreach	Number of events attended to	<ul style="list-style-type: none"> • Political management • Constituency work • Political deployments • Cabinet outreach 	All executive duties have been conducted



PROGRAMME 1: ADMINISTRATION

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Provide political leadership, management and oversight of economic development institutions and systems for effective and efficient implementation of the political mandate	<p>Replies for written and oral questions</p> <p>Annual Report submitted on 31 August 2007</p> <p>Policy and Budget Speech</p>	Department and Agencies comply with oversight requirements of the Legislature	<p>Replies and other documents to the Legislature:</p> <ul style="list-style-type: none"> • Questions for written and oral reply • Annual reports • Quarterly reports • Policy and Budget Speech 	<p>6 Written and 5 verbal replies done.</p> <p>Annual reports of Department and its agencies submitted from parastatals.</p> <p>Quarterly reports received from parastatals.</p> <p>Policy and budget speech presented.</p>



PROGRAMME 1: ADMINISTRATION

1.2 SUB-PROGRAMME: OFFICE OF THE HOD

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Provide effective and efficient strategic leadership to the Department	Spend on target	Spending within the budget	Spend on target	Spent on target
	Quarterly Reports and Annual Report are in accordance with the planning and budgeting cycle	Quarterly Reports and Annual Report in accordance with the planning and budgeting cycle	Quarterly Reports and Annual Report are in accordance with the planning and budgeting cycle	Quarterly reports and annual report are in accordance with the planning and budgeting cycle



PROGRAMME 1: ADMINISTRATION

1.3 SUB-PROGRAMME: INTERNAL AUDIT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Provide effective and efficient administration support to the department	Evaluate systems of internal controls, risk management and governance processes	Compliance with set policies, procedures, controls and performance standards	Evaluate systems of internal controls, risk management and governance processes	<p>Issued a report on the department's risk assessment</p> <p>Developed a strategic Internal Audit Plan for 2008-2011</p> <p>An Annual Operational plan for 2007-2008 developed and completed</p> <p>Reviewed Internal Audit Charter and Audit Committee Charter</p> <p>Issued 6 Internal Audit reports on the following focus areas:</p>



PROGRAMME 1: ADMINISTRATION

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Provide effective and efficient administration support to the department	Evaluate systems of internal controls, risk management and governance processes	Compliance with set policies, procedures, controls and performance standards	Evaluate systems of internal controls, risk management and governance processes	<ul style="list-style-type: none"> • Supply Chain Management • Follow up on the Auditor-General's findings • Utilization of cell phones in the Department • The office of the HOD • Human Resource management • Financial Management & Asset Management



PROGRAMME 1: ADMINISTRATION

1.4 SUB-PROGRAMME: FINANCIAL MANAGEMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Provide effective and efficient administration support to the department	Updated financial policies and manuals	Policy formulated and procedure manuals developed	Review and update financial policies and manuals	Reviewed and implemented financial and supply chain management policies
	Monitor and evaluate Risk Management Strategy	Risk Management Strategy developed	Monitor and evaluate Risk Management Strategy	Monitored and evaluated Risk Management Strategy
	Annual Financial Statements	Compliance with Generally Accepted Accounting Practices	Annual Financial Statements	Annual Financial Statements 2006/07 submitted to Treasury and Auditor General
	Properly costed budget	Budget prepared in terms of PFMA and Treasury Regulations	Properly costed budget	Properly costed budget prepared
	Expenditure monitoring		Expenditure monitoring	Expenditure monitored
	Improve revenue collection	Increase in revenue collection	Improve revenue collection	Collected R39,470 million which is 20% above target for the year



PROGRAMME 1: ADMINISTRATION

1.5 SUB-PROGRAMME: HUMAN RESOURCE MANAGEMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Provide efficient and effective administration support to the department	80% of all funded posts filled	Number of funded posts filled	80% of all funded posts filled	88% (38 of 43) of all funded posts filled
	Implement and review HR policies	Number and quality of Human resource policies developed	Implement and review HR policies	HR policies drafted <ul style="list-style-type: none"> • Overtime • Resettlement • Acting allowance • Retention • Employment Equity • Bereavement
	Develop and implement annual workplace skills plan	Number of employees skilled	Develop and implement annual workplace skills plan	Workplace Skills Plan developed and implemented
	Implement programmes to improve employee relations at the workplace	Reduction in the number of disputes	Implement programmes to improve employee relations at the workplace	Two Grievances (unfair promotion and non-payments of performance bonus) finalized Four disciplinary cases (fraud) finalized



PROGRAMME 1: ADMINISTRATION

1.6 SUB-PROGRAMME: COMMUNICATION

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Provide effective and efficient communication support to the department	Roll out communication plan	Number of stakeholders reached	Roll out communication plan	<p>16 Local and national media monitored (Daily Sun, Sowetan, Business Day, Mail and Guardian, The Star, Pretoria News, Mpumalanga News, Lowvelder, Citizen, Mpumalanga Mirror, Ziwaphi, City Press, Sunday Independent, Sunday Sun, Sunday World, Financial Mail)</p> <p>54 Media advisories and statements were developed and issued</p> <p>4 Media tours were conducted</p> <p>Responded to 95% of media enquiries</p> <p>Produced and distributed 1 external newsletter</p>



PROGRAMME 1: ADMINISTRATION

1.6 SUB-PROGRAMME: COMMUNICATION

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Provide effective and efficient communication support to the department	Roll out communication plan	Number of stakeholders reached	Roll out communication plan	42 radio talk shows were conducted 2 Speeches were drafted for key events Coordinated 6 izimbizo in the following areas: <ul style="list-style-type: none"> • Elukwatini x2 • Makometsani • Femie • Sabie and • Lydenburg Produced and distributed 6 internal bulletins Produced and distributed 1 external newsletter



PROGRAMME 1: ADMINISTRATION

1.7 SUB-PROGRAMME: LEGAL SERVICES

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Provide efficient and effective legal support to the department	Implementation and review of the Acts	Quality of decisions taken and effectiveness of the Acts	Implementation and review of the Acts	Review on implementation of Acts.
	Attend to litigation cases and rendered legal opinions		Attend to litigation cases and rendered legal opinions	6 matters handled include: <ul style="list-style-type: none"> • Inzalo Investments • Honeybedger Concession • Lowerfontein Boerdery • Beva Direct Cc. • Cognev Liz Hotel & Maranda Mining (Pty) Ltd • JH Coetzee • MW Nkosi & 3 Others



PROGRAMME 1: ADMINISTRATION

1.7 SUB-PROGRAMME: LEGAL SERVICES

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Provide efficient and effective legal support to the department	Monitor and review existing agreements	Quality of decisions taken and effectiveness of the Acts	Monitor and review existing agreements	Prepared/perused 6 Agreements/ Service Level Agreements Shareholders' Compact for MEGA and MTPA finalized and signed Review of existing agreements in progress



PROGRAMME 1: ADMINISTRATION

1.8 SUB-PROGRAMME: SECURITY MANAGEMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Provide efficient and effective security support to the department	Implement internal security policy	High level of compliance with set safety standards	Implement internal security policy	7 Officials completed and submitted vetting forms to NIA 2 Awareness workshops conducted for officials in Bushbuckridge and for all Senior Managers 1 Information security audit done by NIA 4 Access cards spot checks conducted 72 Site inspections done, Safety and security provided during the Departmental Imbizo, Consumer Rights Celebration and Launch of Matsamo Disabled Project. No incidents reported



PROGRAMME 1: ADMINISTRATION

1.9 SUB-PROGRAMME: SPECIAL PROGRAMME

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Provide efficient and effective administration support to the Department	Implementation and monitoring of the policy	Number of stakeholders reached	Implementation and monitoring of the policy	1 HIV & AIDS Policy reviewed
	Implement treatment plan		Implement treatment plan	3 Wellness programmes conducted



PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Purpose

This programme is responsible for development of small enterprises, empowerment of historically disadvantaged individuals, facilitation of the implementation of local economic development strategies and programmes.

Measurable Objectives

- The number of enterprises accessing finance and non-financial support;
- The number of municipalities capacitated on LED, and
- The finalization of the BBBEE strategy.

Service Delivery Objectives and Indicators

- Establishment of SMME support institution;
- Finalizing of SMME and co-operations strategies;
- Broaden Access of finance;
- Capacity building to local government and finalizing of Provincial LED strategy;
- Facilitate the implementation of Broad Based Black Economic Empowerment Policy.



PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

2.1 SUB-PROGRAMME: ENTERPRISE DEVELOPMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Promote and develop small enterprises	Co-operative strategy finalized	Co-operative strategy has been finalized	Co-operative strategy finalized	Provincial Cooperatives Strategy has been finalized.
			12 Co-operative seminars conducted	12 Awareness seminars conducted - Emakhazeni - Steve Tshwete - JS Moroka - Bushbuckridge - Mbombela (2) - Nkomazi - Umjindi - Thaba Chueu - Msukaligwa - Mkhondo - Govan Mbeki
	Establish 10 co-operatives in the growth sectors	Number of established co-operatives	Establish 10 co-operatives in the growth sectors	10 Cooperatives established - Isithembiso Cooperative(textile): Mkhondo



PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

2.1 SUB-PROGRAMME: ENTERPRISE DEVELOPMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Promote and develop small enterprises	Establish 10 co-operatives in the growth sectors	Number of established co-operatives	Establish 10 co-operatives in the growth sectors	<ul style="list-style-type: none"> - Sizokhanya Cooperative (Textile): Msukaligwa - Ubuntu ICT (Information Technology): Pixley ka Seme - NSBPT e-co-operative (Information technology): JS Moroka - Resuna Waste (Recycling): Bushbuckridge - MNM Furniture manufacturing co-operative (Furniture manufacturing): Mbombela - Moremela coffin manufacturing (Furniture): Thaba Chueu



PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

2.1 SUB-PROGRAMME: ENTERPRISE DEVELOPMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Promote and develop small enterprises	Establish 10 co-operatives in the growth sectors	Number of established co-operatives	Establish 10 co-operatives in the growth sectors	<ul style="list-style-type: none"> - Dipaleseng Development Co-operative (Recycling): Dipaleseng - Abalusi (Construction Cooperation): Dipaleseng - Insimbi Cooperation (Manufacturing): Steve Tshwete)
	3 new financial institutions recruited	Number of enterprises accessing finance	3 new financial institutions recruited	3 financial institutions recruited <ul style="list-style-type: none"> - New business and Qalakanane - Women's Development Bank - Micro Finance
	200 enterprises accessing finance	Number of enterprises accessing finance	200 enterprises accessing finance	MEGA – Ehlanzeni: 16 SMMEs



PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

2.1 SUB-PROGRAMME: ENTERPRISE DEVELOPMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Promote and develop small enterprises	200 enterprises accessing finance	Number of enterprises accessing finance	200 enterprises accessing finance	- Gert Sibande: 8 SMMEs - Nkangala: 16 SMMEs
				- Nkangala: 4 SMMEs - Ehlanzeni: 190 SMMEs
				Qalakancane - Gert Sibande: 146 SMMEs
				WDB-Micro Finance - Gert Sibande: 415 SMMEs - Ehlanzeni: 7 692 SMMEs
				SAMAF - Khulamnotho FSC (Ehlanzeni): 236 SMMEs FERNIE FSC (Gert Sibande): 221 SMMEs



PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

2.1 SUB-PROGRAMME: ENTERPRISE DEVELOPMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Promote and develop small enterprises	200 enterprises accessing finance	Number of enterprises accessing finance	200 enterprises accessing finance	Umsobomvu Youth Fund (Nkangala): 94 SMMEs
				UYF Microfinance: 4 100 loans made



PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

2.1 SUB-PROGRAMME: ENTERPRISE DEVELOPMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Promote and develop small enterprises	1000 Enterprises accessing business development services	Number of enterprises accessing business development services	1000 Enterprises accessing business development services	905 Enterprises accessing business development services from DEDP 19 475 Enterprises accessing business development services from SEDA.
	Review and update of the provincial SMME strategy		Review and update of the provincial SMME strategy	Provincial SMME Strategy has been finalized
	3 Dedicated programmes for targeted groups (women, youth and the disabled)		3 Dedicated programmes for targeted groups (women, youth and the disabled)	3 Seminars per targeted group: <ul style="list-style-type: none"> • 3 Seminars for youth • 3 Seminars for women • 3 Seminars for the disabled



PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

2.2 SUB-PROGRAMME: ECONOMIC EMPOWERMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Facilitate the process of implementation of Broad-Based Black Economic Empowerment [BBBEE] Policy	Provincial Strategy in place by March 2008	Provincial Strategy on Broad Based Black Economic Empowerment	Provincial Strategy in place by March 2008	A strategy not developed. A service provider has been appointed to start developing the Strategy.
	Report on compliance to BEE by government and state institutions	Reports on the progress and impact of BEE in the Public Sector (Supply Chain Management)	Report on compliance to BEE by government and state institutions	The report on BEE compliance for five provincial departments (Economic Development and Planning, Housing and Local Government, Health, Public Works & Finance) has been completed
	4 BEE awareness programmes conducted and a conference hosted	A number of awareness programmes on BEE conducted	4 BEE awareness programmes conducted and a conference hosted	2 BEE awareness programmes were conducted in Ehlanzeni and Nkangala and 1 BEE Conference hosted in Ehlanzeni Region



PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

2.2 SUB-PROGRAMME: ECONOMIC EMPOWERMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Facilitate the process of implementation of Broad-Based Black Economic Empowerment [BBBEE] Policy	Report on the analysis of empowered companies in Mpumalanga	A number of empowered companies evaluated and analyzed in the various industry sectors	Report on the analysis of empowered companies in Mpumalanga	No companies were evaluated and analyzed in the various industry sectors
	A BEE sensitive and informed corporate in Mpumalanga	A number of large corporations sensitized on BEE.	4 Companies sensitized on BEE	4 Companies were sensitized on BEE (SASOL, TSB, SAPPI & HIGHVELD STEEL, SONAE NOVOBOARD).
	2 Agreements reached with support institutions for BEE in Mpumalanga	A number of agreements concluded with BEE support institutions in the province	2 Agreements reached with support institutions for BEE in Mpumalanga	An agreement with National Empowerment Fund is in a process of being finalized
	Provincial BEE Council established	Provincial BEE Council established	Provincial BEE Council established	The Provincial BEE Advisory Committee not yet established



PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

2.2 SUB-PROGRAMME: ECONOMIC EMPOWERMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Facilitate the process of implementation of Broad-Based Black Economic Empowerment [BBBEE] Policy	2 BEE firms established	Number of BEE firms established	2 BEE firms established	No BEE firm was established. The directorate engaged with big businesses that made available a list of opportunities, and which were then communicated those opportunities to potential SMME's



PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

2.3 SUB-PROGRAMME: LOCAL ECONOMIC DEVELOPMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Facilitate local economic development	Monitor the implementation of the LED plan	Provincial LED plan	Monitor the implementation of the LED plan	<p>21 Municipal IDP (LED) plans analyzed to make them credible provided</p> <p>Provided support in the development of two LED Plans for Dr JS Moroka, Bushbuckridge and technical support for Municipalities, Thaba Chweu municipality and Ehlanzeni district. A four year implementation programme by Maruleng Bushbuckridge Economic Development Initiative (MABEDI) as a service provider has been initiated for Bushbuckridge.</p>



PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

2.3 SUB-PROGRAMME: LOCAL ECONOMIC DEVELOPMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Facilitate local economic development	Monitor the implementation of the LED plan	Provincial LED plan	Monitor the implementation of The LED plan	LED forum for ThabaChweu established
	Facilitate the implementation of the intervention program	Capacity building and training programs	Facilitate the implementation of the intervention programs	A capacity building programme for Ehlanzeni and Nkangala District Municipality has been developed in collaboration with DTI
	Facilitate the implementation of the investment plan	Investment plan developed	Facilitate the implementation of the investment plan	The process of developing Gert Sibande District investment plan has been initiated. Project proposals for service providers have been received. Project proposed for the development of an investment plan for Ehlanzeni and Nkangala district Municipalities within the MDC is development



PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT

Purpose

To drive trade, industry development, export promotion and to attract investment.
To stimulate sustainable tourism growth and enhance biodiversity conservation.

Measurable Objectives

To facilitate greater efficiencies in trade and logistics systems through interacting with key role players and stakeholders in the field of trade and logistics.

- To develop programmes to ensure that the prioritized industries are more competitive and innovative Nationally and Internationally;
- To support the clustering process for prioritized industries and improve service delivery;
- To develop programmes that bridges the gap between the first and second economy, and
- Industry development is similar to that of sector development but is much more broader and looks at the overall issues regarding the development of the industry.
- Global impact on industry development.
- To enhance the growth of the Tourism Industry

Service Delivery Objectives and Indicators

- The finalization of the economic sector plans.
- The support to the Tourism Industry and its growth.
- The finalization of the export development strategy and its implementation.
- The export award program.



PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT

3.1 SUB-PROGRAMME: TRADE AND INVESTMENT PROMOTION

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Ensure growth in exports and investment in the province	4 Export related programmes to be implemented <ul style="list-style-type: none"> • Export Awareness Campaign • Ticket to Export • Pre-post exhibition training 	Number of export based development programmes	4 Export related programmes to be implemented <ul style="list-style-type: none"> • Export Awareness Campaign • Ticket to Export • Pre-post exhibition training 	4 Export related programmes implemented <ul style="list-style-type: none"> • 3 Export Awareness Road shows conducted • "Ticket to Export" Training Programme was presented in: <ul style="list-style-type: none"> - Nelspruit, - Bushbuckridge, - Ermelo and - Kwa-Mhlanga • 3 Pre and Post Exhibition, plus 4 pre-selection sessions were conducted



PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT

3.1 SUB-PROGRAMME: TRADE AND INVESTMENT PROMOTION

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Ensure growth in exports and investment in the province	Small Exporters Development Programme (SEDP)	Number of export based development programmes	Small Exporters Development Programme (SEDP)	Needs analysis was completed, research conducted for overseas niche markets, the curriculum is ready.
	4 Trade shows	Number of exporters exposed to new markets	4 Trade shows	4 Trade shows were held and the shows are "one of a Kind", Export Africa and SAITEX.
	36 Exporters per annum participating in trade shows		36 Exporters per annum participating in trade shows	More than 36 exhibitors participated in the trade shows
	6 Prospective export deals entered into as a result of trade shows	Number of new export deals facilitated	6 Prospective export deals entered into as a result of trade shows	1 Exporter confirmed actual successful deals and 3 others are still struggling to close deals



PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT

3.1 SUB-PROGRAMME: TRADE AND INVESTMENT PROMOTION

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Ensure growth in exports and investment in the province	80% Achieved	The impact that MEGA is having on the economy of the Province	80% Achieved	1 Foreign Direct Investment (FDI) worth R5m Attracted 6 local investment projects worth R51m Exposure to 27 new exporters that generated exports valued at R22m 51 new loans valued at R13,3m disbursed Occupancy increased from 77% to 93%
	At least double the value of money given to the agency	Amount of investment drawn to the province	At least double the value of money given to the agency	The value of the money given to the agency was increased by 3%



PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT

3.2 SUB-PROGRAMME: SECTOR DEVELOPMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Ensure the development of competitive industries in growth sectors	8 growth opportunities namely:	Number of opportunities handed over to MEGA for implementation	8 growth opportunities namely:	
	<ul style="list-style-type: none"> Metals (Stainless Steel) & allied metals 		<ul style="list-style-type: none"> Metals (Stainless Steel & allied metals) 	20 learners trained 4 dropped out
	<ul style="list-style-type: none"> Mining & Energy 		<ul style="list-style-type: none"> Mining & Energy 	2 geological surveys were conducted and reports submitted. <ul style="list-style-type: none"> Findings revealed a substantial amount of coal deposits for a sustainable Small Scale mine project. Findings on the gold project revealed very small outcrop of gold or deposits for any sustainable Small Scale mining project.



PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT

3.2 SUB-PROGRAMME: SECTOR DEVELOPMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Ensure the development of competitive industries in growth sectors	8 growth opportunities namely:	Number of opportunities handed over to MEGA for implementation	8 growth opportunities namely:	<ul style="list-style-type: none"> Feasibility study was conducted and findings indicated that the project will only be sustainable for a period of 5 years based on the stock count of the granite off-cuts on site.
	<ul style="list-style-type: none"> Mining & Energy 		<ul style="list-style-type: none"> Mining & Energy 	
	<ul style="list-style-type: none"> Petro-chemicals (Water Treatment Chemicals) 		<ul style="list-style-type: none"> Petro-chemicals (Water Treatment Chemicals) 	Project handed over to MEGA for implementation
	<ul style="list-style-type: none"> Agro-processing (Food Technology Centre) 		<ul style="list-style-type: none"> Agro-processing (Food Technology Centre) 	Food Technology Centre not yet established pending finalization of the feasibility study
	<ul style="list-style-type: none"> Wood Furniture Cluster 		<ul style="list-style-type: none"> Wood Furniture Cluster 	The Wood Cluster formed but not fully functional



PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT

3.2 SUB-PROGRAMME: SECTOR DEVELOPMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Ensure the development of competitive industries in growth sectors	<ul style="list-style-type: none"> Bio-fuels project 	Number of opportunities handed over to MEGA for implementation	<ul style="list-style-type: none"> Bio-fuels project 	The processing plant not yet established pending the resumption of the primary production of the soya beans
	<ul style="list-style-type: none"> Services sector (BPO) 		<ul style="list-style-type: none"> Services sector (BPO) 	Not achieved
	<ul style="list-style-type: none"> Maputo Corridor opportunities 		<ul style="list-style-type: none"> Maputo Corridor opportunities 	TOR for the Programme Management Unit drafted and advertised in the National media Economic opportunities not yet identified pending appointment and establishment of Project Management Unit
	<ul style="list-style-type: none"> Moloto Rail Corridor economic opportunities 		<ul style="list-style-type: none"> Moloto Rail Corridor economic opportunities 	Service provider for Moloto Corridor Economic Study appointed



PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT

3.2 SUB-PROGRAMME: SECTOR DEVELOPMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Ensure the development of competitive industries in growth sectors	5 Incubation programmes supported-namely:	Number of manufacturing incubation centres established and supported	5 Incubation programmes supported-namely:	4 Manufacturing incubation centres supported:
	<ul style="list-style-type: none"> Furniture Technology 		<ul style="list-style-type: none"> Furniture Technology 	<ul style="list-style-type: none"> Furniture Technology Centre
	<ul style="list-style-type: none"> Middelburg Stainless Steel incubator 		<ul style="list-style-type: none"> Middelburg Stainless Steel incubator 	<ul style="list-style-type: none"> 30 learners were trained
	<ul style="list-style-type: none"> Jewellery Manufacturing 		<ul style="list-style-type: none"> Jewellery Manufacturing 	<ul style="list-style-type: none"> Umjindi Jewellery Manufacturing programme supported
	<ul style="list-style-type: none"> Food Technology Centre 		<ul style="list-style-type: none"> Food Technology Centre 	<ul style="list-style-type: none"> Food technology Centre not yet established pending finalization of the feasibility study



PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT

3.2 SUB-PROGRAMME: SECTOR DEVELOPMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Ensure the development of competitive industries in growth sectors	<ul style="list-style-type: none"> Wool production 	Number of manufacturing incubation centres established and supported	<ul style="list-style-type: none"> Wool production 	The feasibility study has not yet started
	4 Capacity building programmes	Number capacity building programmes implemented	4 Capacity building programmes	3 Capacity building programmes implemented
	<ul style="list-style-type: none"> ERN 		<ul style="list-style-type: none"> ERN 	<ul style="list-style-type: none"> ERN (Curriculum developed)
	<ul style="list-style-type: none"> Mpumalanga Regional Tooling Initiative 		<ul style="list-style-type: none"> Mpumalanga Regional Tooling Initiative 	<ul style="list-style-type: none"> Not achieved
	<ul style="list-style-type: none"> Mpumalanga Stainless Steel 		<ul style="list-style-type: none"> Mpumalanga Stainless Steel 	<ul style="list-style-type: none"> MSI (Merseta Training programme)
	<ul style="list-style-type: none"> Learnership programme 		<ul style="list-style-type: none"> Learnership programme 	<ul style="list-style-type: none"> Learners trained the MSI incubator
	<ul style="list-style-type: none"> Value added training in Carbon Steel 		<ul style="list-style-type: none"> Value added training in Carbon Steel 	<ul style="list-style-type: none"> Not achieved



PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT

3.3 SUB-PROGRAMME: INDUSTRY DEVELOPMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Ensure implementation of the Advanced Manufacturing Technology Strategy (AMTS)	2 AMTS projects implemented: <ul style="list-style-type: none"> • Programme for Industrial Manufacturing Excellence (PRIME) • Flagship projects components of automobiles & Aerospace 	Number of AMTS projects implemented	2 AMTS projects implemented: <ul style="list-style-type: none"> • Programme for Industrial Manufacturing Excellence (PRIME) • Flagship projects components of auto-mobiles & Aerospace 	AMTS: nothing has not been achieved yet. PRIME: DEDP and CSIR agreed to identify engineering students for placements within different companies around Mpumalanga
Ensure Industrial Development in the Province	Implementation of the logistic projects (Industrial) Infrastructure	Number of logistic projects implemented	5 Logistical projects implemented <ul style="list-style-type: none"> • KMIA Industrial Park • Cargo Terminal • Komatipoort dry dock • Pilgrim's Rest Historical Town Rejuvenation • International Convention Centre 	Not achieved



PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT

3.3 SUB-PROGRAMME: INDUSTRY DEVELOPMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Ensure implementation of the Advanced Manufacturing Technology Strategy (AMTS) Ensure Industrial Development in the Province	4 Stainless Steel, Agro-processing (Food), Wood and Wool	Number of Industrial Clusters formed and supported	4 Stainless Steel, Agro-processing; Food, Wood and Wool	2 Industrial Clusters implemented: <ul style="list-style-type: none"> • Wood Cluster in White River • Stainless Steel (Mpumalanga Stainless Initiative in Middelburg)



PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT

3.4 SUB-PROGRAMME: TOURISM DEVELOPMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Create a platform to enhance sustainable tourism growth	Flagship projects: <ul style="list-style-type: none"> • Conservation – Greening, Heritage & Tourism 	Number of reports submitted by MTPA Number of analysis reports	Tourism Development <ul style="list-style-type: none"> • Flagship projects: Conservation – Greening, Heritage & Tourism 	Mpumalanga Tourism Growth Strategy submitted for approval
	Poverty Relief Job Creation projects: Malelane Junction and Afri-cycle		Poverty Relief Job Creation projects: Malelane Junction and Afri-cycle	Not achieved
	Tourism promotion and Awareness Product launches		Tourism promotion and Awareness Product launches	Tourism Forum formed Tourism Safety Monitors project, Matsamo cultural park and Berlin & Lisbon falls launched



PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT

3.4 SUB-PROGRAMME: TOURISM DEVELOPMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Create a platform to enhance sustainable tourism growth	Grading of establishments	Number of reports submitted by MTPA	Grading of establishments	Tourism establishments graded
	Tourism Month Celebration	Number of analysis reports	Tourism Month Celebration	Tourism month's celebration was held in conjunction with DTI and the theme was "Tourism open doors for women"
	Workshops		Workshops	National Tourism workshop with Municipalities and DEAT held
	Awareness campaigns		Awareness campaigns	Distribution of information to participating schools in 3 districts and 10 schools participated in the competition
	Tourism shows		Tourism shows	Not achieved



PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT

3.4 SUB-PROGRAMME: TOURISM DEVELOPMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Create a platform to enhance sustainable tourism growth	Tourism guide registration	Number of reports submitted by MTPA Number of analysis reports	Tourism guide registration	244 tourist guides registered and R58 560.00 registration fee collected
	Database management		Database management	Updating of the tourist guides database conducted
	Inspection of products		Inspection of products	Conducted a joint operation with SAN-PARKS, SAPS and DEAT
	Investigation		Investigation	Tour operators were checked and guides who didn't comply were fined by the Kruger National Park protection services
	Appeals processing		Appeals processing	No appeals conducted as there were no appeals



PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT

3.4 SUB-PROGRAMME: TOURISM DEVELOPMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Create a platform to enhance sustainable tourism growth	Tourism safety <ul style="list-style-type: none"> Reduced incidences of crime 	10% reduction in crime incidences of crime	Tourism safety Reduced incidences of crime	124 Tourism Safety Monitors contracted and the contract of employment were terminated on the 31 March 2008
	<ul style="list-style-type: none"> After care procedures 		After care procedures	After care procedures conducted for domestic and international tourists were mugged and robbed in the province.
	<ul style="list-style-type: none"> Safety campaigns 		Safety campaigns	2 awareness campaigns conducted and safety tips were distributed at road blocks
	<ul style="list-style-type: none"> Safety workshops 		Safety workshops	Safety precaution training for the Tourism monitors project and Pilgrims Rest Hawkers Association conducted



PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

Purpose

To implement policies and legislation that contribute towards the creation of an environment conducive to business development and fair trade.

Measurable Objectives

- The number of consumer education conducted.
- The number of consumer complains that have been resolved.
- The number of liquor licences issued and inspection conducted.
- The oversight role of the Mpumalanga Gambling Board.

Service Delivery Objectives and Indicators

- Finalizing the Mpumalanga Liquor Authority.
- The consumer education programme.
- The review of the Gaming legislation
- The continuous inspection of liquor and consumer, and gambling sites.



PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

4.1 SUB-PROGRAMME: CONSUMER PROTECTION SERVICES

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Implement consumer protection and awareness strategies that create an environment conducive to fair trade.	Render 1000 cases investigated and 800 to be resolved	Number of cases received, referred and resolved.	1000 cases investigated and 800 to be resolved	1 481 cases investigated and 1 447 resolved
	36 workshops, 76 radio slots and 8 road shows to be conducted	Number of education and awareness programmes disseminated.	36 workshops, 76 radio slots and 8 road shows to be conducted	54 workshops, 95 radio slots and 8 radio shows conducted Consumer Rights Day celebration festival held in March
	Mpumalanga Consumer Affairs Act, (No 6 of 1998), National Credit Act (No. 34 of 2005) and the National Consumer Protection Bill aligned and implemented	Policies reviewed and legislation implemented.	Mpumalanga Consumer Affairs Act, (No 6 of 1998), National Credit Act (No. 34 of 2005) and the National Consumer Protection Bill aligned and implemented	Draft Regulations were completed in consultation with the Departmental Legal Section and submitted to the State Law Advisors
	100% compliance with consumer legislation.	Develop and drive consumer awareness campaigning strategy (Number of Trade Inspections conducted)	100% compliance with consumer legislation.	100% compliant with consumer legislation.
	1000 inspections conducted		1000 inspections conducted	Actual performance report under sub-programme: Liquor Regulation
	Consumer complaints redressed (through the Consumer Court)	Effective and efficient consumer court operational in Mpumalanga	Consumer complaints redressed (through the Consumer Court)	No complaints / cases were referred to the Consumer Court, as it's establishment is still in progress



PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

4.2 SUB-PROGRAMME: LIQUOR REGULATION

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Develop and Implement liquor regulatory policies and legislation that ensures compliance with applicable liquor Laws	Liquor license Act reviewed	Number of Legislation reviewed	Liquor license Act reviewed	Mpumalanga Liquor Act assented on 07 May 2007 by the Honourable Premier
	Regulation of the liquor industry enforced by all licencees	An established and regulated liquor licensing industry	Regulation of the liquor industry enforced by all licencees	1315 new applications received, 926 approved, 290 deferred, 92 disapproved; 1169 inspections conducted, 52 non-compliant concerns addressed via section 113 enquiries and letters of warning, 4 licenses revoked for the year of reporting, 3 suspended
	National and Provincial Policies formulated into Legislation	Liquor licensing policies formulated in compliance with national norms and standards	National and Provincial Policies formulated into Legislation	National and Provincial meetings attended on Liquor forums
			Liquor Authority implemented and operational	None



PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

4.3 SUB-PROGRAMME: GAMBLING AND BETTING

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Develop and Implement Gambling and Betting regulatory policies and legislation that ensures compliance	100% compliance by license holders	Percentage compliance number of policies reviewed	100% compliance by license holders	100% compliance by license holders
	Monitor and evaluate the performance of the MGB	Legislation implemented and enforced	Monitor and Evaluate the performance of the MGB with compliance	Quarterly report submitted on the performance of the Board with regard to strategic objectives. The MGB has exceeded the targets
	Table the Horse Racing Bill	Horse racing Bill approved and Act gazetted	Table the Horse Racing Bill	The Bill has been submitted to the Executive Council for approval to publish for comment



PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

4.4 SUB-PROGRAMME: BUSINESS REGULATION

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Develop and implement business regulatory policies and legislation that ensures compliance with business legislation	Street trading by-laws processed and approved by the MEC in accordance with the Mpumalanga Business Act	Municipal street trading by-laws approved	Street trading by-laws processed and approved by the MEC in accordance with the Mpumalanga Business Act	10 municipalities visited to assist in the drafting of by-laws. Awaiting submission of draft from municipalities



PROGRAMME 5: ECONOMIC PLANNING

Purpose

This programme is responsible for providing research and information services to relevant stakeholders and also policy formulation for development purpose.

Measurable objectives

- To develop provincial economic policies
- To develop provincial economic strategies and plans
- Ensure continuous alignment and implementation of development plans and strategies
- To generate a macro and micro economic research agenda
- Conduct research to identify opportunities for investment and value addition
- Establish and maintain an integrated information management system for economic performance indices
- Provide economic information services to stakeholders for use to achieve objectives related to priority sectors
- To monitor and evaluate the impact of provincial economic projects policies and strategies.

Performance measure

- Number of policies developed and the number of policies reviewed
- A provincial integrated economic strategy
- Number of sector plans developed and approved
- Number of economic baseline studies conducted
- Number of research reports compiled
- A shared GIS and database on economic information and indicators
- Number of access points to information on Mpumalanga's economy
- Number of information queries processed
- Number of information products produced on Mpumalanga's economy
- Number of programmes and projects monitored and evaluated



PROGRAMME 5: ECONOMIC PLANNING

5.1 SUBPROGRAMME: ECONOMIC POLICY

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Formulate provincial economic policy priorities for integration into the PGDS and to inform program interventions	Annual policy priorities report Analysis reports of relevant economic policies: <ul style="list-style-type: none"> • PGDS • State of the nation & province addresses • New national & international economic trends • Policy and Budget speech 	A schedule of provincial policy priorities	Annual policy priorities report Analysis reports of relevant economic policies: <ul style="list-style-type: none"> • PGDS • State of the nation & province addresses • New national & international economic trends • Policy and Budget speech 	Process of developing economic strategy under way and spill over into the next financial year
	Annual reviews of the plan	A provincial integrated economic plan	Annual reviews of the plan	Consultations made with industry players in the Steel, Wood and Wood Products Manufacturing as well as Tourism industries Working draft based on 3 sectors (Tourism, Wood



PROGRAMME 5: ECONOMIC PLANNING

5.1 SUBPROGRAMME: ECONOMIC POLICY

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Formulate provincial economic policy priorities for integration into the PGDS and to inform program interventions	Annual reviews of the plan	A schedule of provincial policy priorities	Annual reviews of the plan	& Wood Products, Steel) circulated for inputs among industry and development players Service provider to develop economic development strategy appointed end of March 2008
	Half yearly intervention initiatives' report <ul style="list-style-type: none"> • Bio-fuels • International Convention Centre • Apple production by previously disadvantaged individuals • Agro-pharmaceutical • Stainless Steel exhaust system & automotive components manufacture 	A schedule of intervention initiatives	Half yearly intervention initiatives' report <ul style="list-style-type: none"> • Bio-fuels • International Convention Centre • Apple production by previously disadvantaged individuals • Agro-pharmaceutical • Stainless Steel exhaust system & automotive components manufacture 	No progress. Study discontinued



PROGRAMME 5: ECONOMIC PLANNING

5.1 SUBPROGRAMME: ECONOMIC POLICY

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Formulate provincial economic policy priorities for integration into the PGDS and to inform program interventions	<ul style="list-style-type: none"> • Regional tooling initiative • KMIA fresh produce market • Wireless communication 	A schedule of intervention initiatives	<ul style="list-style-type: none"> • Regional tooling initiative • KMIA fresh produce market • Wireless communication 	No progress. Study discontinued



PROGRAMME 5: ECONOMIC PLANNING

5.2 SUBPROGRAMME: RESEARCH AND DEVELOPMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Drive and coordinate relevant provincial economic research	Conduct 4 research studies: <ul style="list-style-type: none"> • Construction and Property development • Wholesale and Trade • Finance and Business (Business Processing Outsourcing) • IT and Telecoms 	A research schedule	Conduct 4 research studies: <ul style="list-style-type: none"> • Construction and Property development • Wholesale and Trade • Finance and Business (Business Processing Outsourcing) • IT and Telecoms 	Evaluation conducted for three studies pending adjudication One sector study (Wholesale and Trade) is pending evaluation
	Research works completed: <ul style="list-style-type: none"> • Agro-Processing • Tourism • Stainless Steel • Mining • Petro-chemicals 	Number of research reports compiled and communicated	Research works completed: <ul style="list-style-type: none"> • Agro-Processing • Tourism • Stainless Steel • Mining • Petro-chemicals 	Research report conducted in collaboration with DBSA Final report submitted
	Report on KMIA Industrial Park study	Research reports on KMIA Industrial park study, mining towns strategy, Komatipoort Dry port, Bushbuckridge economic profile, database for government & private sector funded projects on economic development	Report on KMIA Industrial Park report	The study is complete and approved by the Steering Committee pending adoption by Executive Council



PROGRAMME 5: ECONOMIC PLANNING

5.2 SUBPROGRAMME: RESEARCH AND DEVELOPMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Drive and coordinate relevant provincial economic research	Strategy on mining towns	Research reports on KMIA Industrial park study, mining towns strategy, Komatipoort Dry port, Bushbuckridge economic profile, database for government & private sector funded projects on economic development	Strategy on mining towns	Strategy has been completed
	Komatipoort Dry Port		Komatipoort Dry Port	Study has been completed and the project was found not to be feasible
	Bushbuckridge economic profile		Bushbuckridge economic profile	Research report conducted in collaboration with DPLG



PROGRAMME 5: ECONOMIC PLANNING

5.3 SUBPROGRAMME: KNOWLEDGE MANAGEMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Provide economic and development information intelligence services	<p>10 fully functional GIS work stations Baseline data sets</p> <ul style="list-style-type: none"> • Tourism conservation and environment • Financial loans • Property management • SMME • BBBEE 	<p>A shared database on economic information:</p> <ul style="list-style-type: none"> • A shared GIS • Central information repository 	<p>10 fully functional GIS workstations Baseline data sets</p> <ul style="list-style-type: none"> • Tourism conservation and environment • Financial loans • Property management • SMME • BBBEE 	<p>5 workstations operational at Head Office (1xLocal Economic Development and 4x Knowledge Management)</p> <ul style="list-style-type: none"> • Installed 1x GIS server at H/O (still to link up with regional offices and agencies) • No rollout to district offices as Department does not yet have direct net work there and no offices in Gert Sibande • MTPA already has GIS but not linked to Department. No GIS at MEGA



PROGRAMME 5: ECONOMIC PLANNING

5.3 SUBPROGRAMME: KNOWLEDGE MANAGEMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Provide economic and development information intelligence services	Expansion of resource services to departmental district offices	A functional resource center	Expansion of resource services to departmental district offices	Economics information resource service available only on request at the department's H/Q. Plans for resource centre halted due to moratorium on office space configuration at H/O thus impacting negatively on rollout to district offices
	100% of queries processed successfully	Number of information queries processed	100% of queries processed successfully	152 Information queries received and 148 processed successfully (97.4%)
	2 Economic Profile produced	Number of information products produced on Mpumalanga's economy	Economic profile produced and posted on the website twice a year	2x Briefings on state of provincial economy made to EIE cluster (July & February) Economic profile posted on the MTPA and MGB websites



PROGRAMME 5: ECONOMIC PLANNING

5.3 SUBPROGRAMME: KNOWLEDGE MANAGEMENT

Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Provide economic and development information intelligence services	2 Economic Profile produced	Number of information products produced on Mpumalanga's economy	Information pamphlets and brochures produced	<p>Re-issued 2 500 copies of the Mpumalanga socio-economic profile and distributed at:</p> <ul style="list-style-type: none"> • Directorate for Trade and Industry & DTI road-show on NIPF • Trade Fair and SA Trade mission in China • MTPA <p>1x redesigned version of socio-economic summary produced for policy & budget speech</p> <p>Vol. 2 socio-economic profile updated to vol. 3 and will be printed in April 2008</p>



PROGRAMME 5: ECONOMIC PLANNING

5.4 SUBPROGRAMME: MONITORING AND EVALUATION

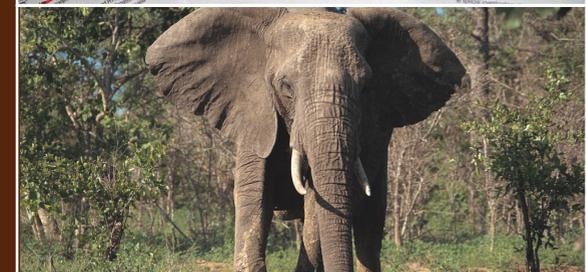
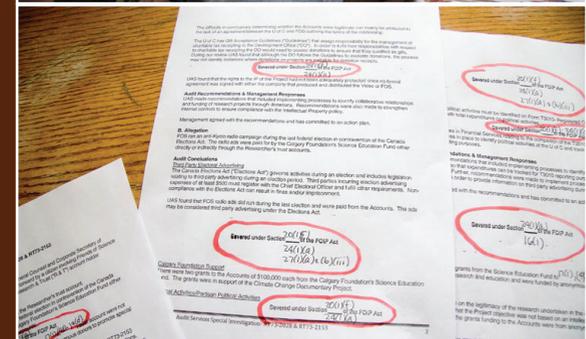
Strategic Objectives	Outputs	Performance measure/ Service Delivery Indicator	Actual Performance Against Target	
			Target	Actual
Determine the impact & effectiveness of economic policy priorities, strategies & targeted intervention programmes in the province	Impact analysis conducted in 6 priority economic sectors: <ul style="list-style-type: none"> • Agro-processing • Metals and metal products • Mining • Tourism • Petro-chemicals • Film and Video 	Produce impact analysis reports per priority project and programme	Impact analysis conducted in 6 priority economic sectors: <ul style="list-style-type: none"> • Agro-processing • Metals and metal products • Mining • Tourism • Petro-chemicals • Film and Video 	Not achieved



SECTION C : Audit Committee Report

Report of the Audit Committee

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REPORT OF THE AUDIT COMMITTEE for the year ended 31 March 2008

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

Audit Committee Members and Attendance:

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

Name	Position	Number of meetings attended	Date of appointment
M Mosweu	Chairperson	3	23 September 2005
B De Jager	Member	3	23 September 2005
K Chisale	Member	3	23 September 2005

Audit Committee Responsibility

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

Effectiveness of Internal Control

Internal Audit

The Audit Committee notes that during the year under review, full amount of internal audit work was performed in the department. Internal audit plans for 2007/2008 were carried out by the in-house internal audit section. Based on the number of audit committee meetings attended by the Auditor General, the Audit Committee believes that there is a need for better communication and exchange of information between the Internal Audit and the Office of the Auditor-General.



REPORT OF THE AUDIT COMMITTEE for the year ended 31 March 2008

Internal Audit Findings

During the financial year the Audit Committee met with management periodically to track their progress in resolving outstanding internal control issues previously raised by the Auditor-General and Internal Audit. Internal Audit has reported that management has taken adequate corrective action to address weaknesses previously reported with reference to significant matters pertaining to supply chain management, management accounting and asset management as identified in the 2006/07 audit.

Risk management

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

Evaluation of Financial Statements

The Audit Committee has:

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

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

In Year Management Reporting

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



REPORT OF THE AUDIT COMMITTEE for the year ended 31 March 2008

Appreciation

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

A handwritten signature in black ink, appearing to read 'M Mosweu'.

M MOSWEU
CHAIRPERSON: AUDIT COMMITTEE
DEPARTMENT OF ECONOMIC DEVELOPMENT AND PLANNING
30 AUGUST 2008



SECTION D : Annual Financial Statements

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REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2008

1. General review of the state of financial affairs

- During the year under review, the department faced a difficult challenge as the previous financial statements was qualified by the Auditor-General. Furthermore the forensic audit performed highlighted some challenges in Supply Chain Management processes. The delay in the implementation of the new organogram in August had a negative effect which also affected the implementation of new five programme budget structure.
- The gross underbudgeting in personnel and overbudgeting in goods and services have a negative impact, despite the mismatch the overall budget was not overspent although it resulted to an underspending of R20,690 million.
- On the positive side our revenue collection amounts to R41,685 million against a budget of R32,794 million which is 27% increase.

2. Service rendered by the department

The department renders services for which tariffs can be charged.

2.1 Tariff policy

2.2.1. Tourist guide levy

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



REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2008

2.1.1 Own revenue

Revenue	2007/08 Actual R'000	2007/08 Budget R'000	2006/07 Actual R'000	2006/07 Budget R'000
Gambling	33,170	25,951	27,435	24,088
Interest: PMG Account	1,680	758	1,297	1,300
Horse Racing Taxation	3,483	4,000	3,769	4,000
Liquor Licences	1,695	1,356	1,891	714
Other Revenue	1,657	729	180	145
Total	41,685	32,794	34,572	30,247

2.2 Free Services

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



REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2008

2.3 Inventories

The costing method used is the average costing. The total value of inventory on hand as at 31 March 2008 amounts to R332 thousand rands and is divided into the following:

Description	2007/08 R'000	2006/07 R'000
Stationery items	313	118
Cleaning materials	18	45
Electrical material	1	-
Total	332	163

3. Capacity constraints

The following factors contributed in capacity constraints.

The vacant funded post not being filled in Programme 1, Administration, Programme 2, Intergrated Economic Development, Programme 3, Trade and Industry Development, Programme 4, Business Regulation and Governance, Programme 5, Economic Planning. The department capacity constraints will be alleviated by the implementation of a new structure with effect from 1 April 2008 and the filling of critical posts already advertised and interviews conducted.

The shortage of GG vehicles affected service delivery. However the department have purchased five new vehicles to alleviate the situation and the transfer of staff to MTPA will also halve the burden of transport shortage.



REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2008

4. Utilisation of donor funds

None

5. Trading entities and public entities

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

5.1 Mpumalanga Tourism and Parks Agency

The purpose of MTPA is:

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

The agency (MTPA) faced serious challenges as they received a disclaimer for the 2006/07 financial year resulting from a lack of internal controls and asset register not updated. Furthermore the delay by National Treasury in delisting MTA, MPB and MTPA as schedule 2c resulted in the Auditor-General reporting the matter as material non – compliance with applicable legislation. The department and MTPA are working on a turnaround strategy.

5.2 Mpumalanga Gambling Board

The purpose of the MGB is:

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



REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2008

The Mpumalanga Gambling Board performed outstanding by having a clean audit report and they also increased revenue collection by more than 22% of the budget for the 2006/07 financial year.

5.3 Mpumalanga Economic Growth Agency

The purpose of MEGA is:

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

The MEGA also received a qualified report for 2006/07 financial year as a result of transfer of certain land and building into MEGA which had not been effected at balance sheet date. The delay by National Treasury to delist and list MEGA as Schedule 3D public entity resulted in the Auditor-General reporting the matter as material non-compliance with applicable legislation.

Accountability arrangement

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

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



REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2008

6. Organisations to whom transfer payments have been made

Name of Public Entity	2007/08 R'000	2006/07 R'000
Mpumalanga Economic Growth Agency (MEGA)	60,905	59,100
Mpumalanga Tourism and Parks Agency (MTPA)	147,606	137,248
Mpumalanga Gambling Board (MGB)	26,853	20,000
Zithabiseni Holiday Resort	8,600	8,190
Total	243,964	224,538

7. Corporate governance arrangements

7.1 Risk Management approach

The management of risk within the department was done in terms of the risk assessment that was done during the financial year under review. The internal audit plans had identified areas where control had to be enhanced. From the risk assessment process a Risk Management Strategy document was developed. The department is in the process of finalizing the creation of the post of Risk Manager reporting directly to the Audit Committee and functionally to the Chief Financial Officer.

7.1.1 Conflict of interest

The department has implemented a system to manage the conflict of interest of employees by ensuring that bid committee members declare their interest before evaluation of bids. The code of conduct was signed by all employees.



REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2008

7.2 Fraud Prevention Plan

The fraud prevention plan was developed from risk assessment process.

7.3 Internal Audit and Audit Committee

Both the internal audit unit mandate and that the audit committee arise from internal audit charter. The audit committee approved the charters, which has been operational from 1 September 2005. Their services are shared with the Department of Roads and Transport and that of Finance. The plan is operational and three-year strategic plan was developed during the risk assessment process.

8. Discontinued activities/activities to be discontinued

None

9. New/proposed activities

The department has created a new Public Entity called Mpumalanga Liquor Authority. This entity was to be operational as from 01 April 2008. However we are faced with legal challenges regarding the transfer of staff to new entity, registration and listing as new entity.

10. Asset management

The department has finalized the establishment of an Asset Management sub directorate reporting to the office of the Chief Financial Officer

- All Departmental and cross boarder assets were captured in the system (Asset Register).
- The Department almost meet the minimum requirement of an Asset Register.

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

The department has written off two government vehicles which were involved in the accident amounting to R229,000.00. Furthermore two laptops, 3G vodaphone card and 2 memory sticks were stolen from burglaries at the residence of officials amounting to R38,373.63. The two cases are still under police investigations.



REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2008

11. Events after the reporting date

None

12. Performance information

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

13. SCOPA resolutions

Reference to previous audit report and SCOPA findings and Resolutions	Subject	Findings in progress
Resolution 3.1 Audit Report 2005/06	<p>Implementation of House Resolutions</p> <p>The Committee would like to commend the department for implementing all House Resolutions.</p>	Resolution were implemented. The department received the 34 SCOPA Report on the 11 April 2008.
Resolution 3.2. Audit Report 2005/06	<p>Financial Disclosure Framework</p> <p>The Committee recommends that the department should ensure that all new appointees in senior and middle management complete their financial disclosure framework forms and submit to the Public Service Commission and the Auditor-General.</p>	The Department has submitted all financial disclosure for Senior Managers to Public Service Commission.



REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2008

Reference to previous audit report and SCOPA findings and Resolutions	Subject	Findings in progress
Resolution 3.3 Audit Report 2005/06	<p>Tabling of Annual Report</p> <p>The Committee recommends that the department and its Public Entities should submit their annual reports within the prescribed period by the Public Finance Management Act i.e. 30 September of each year.</p>	The department has submitted the 2006/07 financial year on 30 September 2007 to legislature.
Resolution 3.4 Audit Report 2005/06	<p>Fleet and Asset Management</p> <p>The Committee recommends as follows:</p> <ul style="list-style-type: none"> • That the department should ensure that the assets register is updated regularly to ensure compliance with the internal control systems and compliance with Section 38 (1) (d) of the PFMA. • That the department should provide the Committee with a quarterly progress report about the effectiveness of the control measures implemented to manage the fleet and Asset of the department. 	The asset register was updated with all relevant fleet information. The monthly reconciliation is performed on the Wesbank report.
Resolution 3.5 Audit Report 2005/06	<p>Effectiveness Internal Control.</p> <p>The Committee recommends as follows:</p> <p>That the accounting officer of the department must ensure that the internal controls and the internal audit unit of the department complies with Sections 38(1) (a)(i) and 76(4)(e) of the PFMA.</p> <p>That the department should fast track the process of appointing staff in the Internal Audit Unit of the Department, as is affects the smooth running of the department and provide the Committee with a progress report on or before 28 March 2008.</p>	The internal audit is fully functional with all posts filled.



REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2008

Reference to previous audit report and SCOPA findings and Resolutions	Subject	Findings in progress
<p>Resolution 3.6 Audit Report 2005/06</p>	<p>General Review of the State of Financial Affairs</p> <p>The Committee recommends as follows:</p> <ul style="list-style-type: none"> • That the department should fast track the filling of vacant post and provide the Committee with a quarterly progress report about the finalization and implementation of the staff retention policy. • That the department should provide the Committee with a quarterly progress about the finalization and implementation of the Local Economic Development Strategy. 	<p>The department is finalising the staff retention policy and will be implemented in the 2008/09 financial year. The department inherited the LED function in 2007/08 financial and the LED strategy will be finalised end of June 2008.</p>
<p>Resolution 3.7 Audit Report 2005/06</p>	<p>The Aviation Development Strategy.</p> <p>The Committee recommends as follows:</p> <ul style="list-style-type: none"> • That the department should approach the Premier to get his directive on getting Government support and re-commitment and appointment of a government champion – institutionalise the special project to be housed in a functional body and appoint a project manager. • That the department should get National Government support for the economic growth strategy by approving and allowing lower profit performance by Government airlines(SAX). • That the department should ensure the Re-commitment of private sector partners at highest level of decision making (KNP/KMIA/MPA). • That the department should draw up a project status report and deliver to founder partners and a summary report for submission to the Premier and provide the Committee with a progress report on or before 28 March 2008. 	<p>The department received R4,2 million for Aviation Strategy as conditional grant which was transfer to MTA for management. Furthermore, MTA transfer funds to KMIA for implementation of strategy.</p>



REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2008

Reference to previous audit report and SCOPA findings and Resolutions	Subject	Findings in progress
<p>Resolution 3.8 Audit Report 2005/06</p>	<p>Zithabiseni Resort.</p> <p>The committee recommends as follows:</p> <ul style="list-style-type: none"> • That the department should provide the Committee with a quarterly progress report about the operations and financial status of the Resort. • That the department should ensure that they budget adequately for salaries to avoid occurrence of this. • That the department should provide the Committee with a quarterly progress report about the status of the land claim process. <p>The Committee recommends that the accounting officer must ensure that the department comply with the provision of the PFMA, 1999 (Act No. 1 of 1999), i.e. Section 43(4) © and discharge responsibilities contemplated on Section 38 (1)(h) read with Section 51 (e) (i) (iii) of the PFMA, 1999.</p>	<p>The department has budgeted adequately for salaries of Zithabiseni.</p>
<p>Resolution 3.9 Audit Report 2005/06</p>	<p>Fixed Asset Register.</p> <p>The Committee recommends as follows:</p> <ul style="list-style-type: none"> • That the accounting officer must ensure that the processes (whether manual or electronic) and procedures are in place for the effective, efficient, economical and transparent use of the institution’s assets in terms of Section 38(1)(d) and with Section 10(1)(a)(b) of the PFMA. • That the department should provide the Committee with a progress report outlining the effectiveness of the Disaster Management Plan on or before 28 March 2008. 	<p>The asset register is updated. The Disaster Management Plan is the responsibility of department of Finance as custodial of BAS, LOGIS, PERSAL and Vulindlela financial systems.</p>



REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2008

Reference to previous audit report and SCOPA findings and Resolutions	Subject	Findings in progress
Resolution 3.10 Audit Report 2005/06	<p>Underspending of R4,7 Million.</p> <p>The Committee recommends that the department should provide the Committee with a progress report about filling of vacant posts, the progress of Small Enterprise Development Agency (SEDA), the success of the implementation of nine DBSA projects, the advance payment not paid by MTA and the over budgeting of Zithabiseni Resort that resulted in the under spending by the department on or before 28 March 2008.</p>	The department has filled some of the vacant funded post as per new organogram.
Resolution 3.11 Audit Report 2005/06	<p>Decrease of R21 Million from Previous Year.</p> <p>The Committee recommends as follows:</p> <ul style="list-style-type: none"> • That the accounting officer must ensure that the department comply with Section 38(1)(i) and Section 8(4)(2)(a)(b)(c)(d) of the PFMA. 	The department is complying with the provision of Section 8(4)(2)(a)(b)(c)(d) of the PFMA.
Resolution 3.12 Audit Report 2005/06	<p>Receivables.</p> <p>The Committee recommends as follows:</p> <ul style="list-style-type: none"> • That the department should request the State Attorney to make other arrangements with BEVA Direct to pay R10,000.00 per month and provide the Committee with a quarterly progress report. • That the accounting officer must ensure that internal procedures and internal controls measures are in place for payment approval and processing that complies with the Provisions of Section 76 (4)(b) of the PFMA and that the approval of expenditure be in compliance with Section 38(1)(f) and 76(4)(b) of the PFMA. 	<p>The matter is still with the State Attorneys.</p> <p>The internal control for approval and processes are in place.</p>



REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2008

Reference to previous audit report and SCOPA findings and Resolutions	Subject	Findings in progress
Resolution 3.13 Audit Report 2005/06	<p>Irregular Expenditure.</p> <p>The Committee recommends that the department should provide the Committee with a quarterly progress report about the repayment of the expenditure by the six officials.</p>	The department has recovered all the amount from the six officials.
Resolution 3.14 Audit Report 2005/06	<p>Nicro Enterprise Finance.</p> <p>The Committee recommends that the department should provide the Committee with a quarterly progress report about operations of Nicro Enterprise Finance in assisting young people and women to access loans.</p>	The programme has been intergrated within the overall roll out of Umsobomvu Youth Fund provincial offices to support the youth.
Resolution 3.15 Audit Report 2005/06	<p>Projects that Receive Funding from the Department</p> <p>The Committee recommends that the department should provide the Committee with a quarterly progress report about the financial status of the above mentioned projects that receive funding from the department on or before 28 March 2008.</p>	The department will provide the progress Reports for all projects funded by the department on or before 28 March 2008.



REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2008

14. Other

The forensic audit was completed and submitted to the MEC and Acting HOD for implementation. Furthermore the report was submitted to Audit Committee, Auditor-General and Select Committee on Public Accounts (SCOPA). Zithabiseni Resort was assisted with emergency funding of R1,052 million to rebuild the bridges inside the Resort as a result of floods and to purchase a generator as result of electricity load shedding. Zithabiseni has been chosen as 2010 accredited accommodation facility by MATCH. The intervention was to ensure that the Resort was ready for FIFA inspection team.

15. Approval

The Annual Financial Statements set out on pages 94 to 157 have been approved by the Accounting Officer.

Mr **LM MDLULI**
ACTING HEAD OF DEPARTMENT

Date: 30 May 2008



REPORT OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO. 6: DEPARTMENT OF ECONOMIC DEVELOPMENT AND PLANNING FOR THE YEAR ENDED 31 MARCH 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Economic Development and Planning which comprise the appropriation statement, statement of financial position as at 31 March 2008, 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 notes, as set out on pages 94 to 157.

Responsibility of the accounting officer for the financial statements.

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in note 1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act, 2007 (Act No. 1 of 2007) (DoRA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.



REPORT OF THE AUDITOR-GENERAL

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

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

Basis for qualified opinion

Capital assets

9. The National Treasury provides that where invoices are not available beyond the control of the department, the fair value of the assets should be calculated. In the previous year, capital assets were transferred from the Limpopo Province to the department and fair valued at R2,3 million, as disclosed in note 25.3 to the financial statements. The department did not provide sufficient documentation supporting the determination of this value. I was therefore unable to carry out all the procedures considered necessary for the audit.

Qualified opinion

10. In my opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, the financial statements present fairly, in all material respects,



REPORT OF THE AUDITOR-GENERAL

the financial position of the Department of Economic Development and Planning as at 31 March 2008 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting and in the manner required by the PFMA and DoRA.

Emphasis of matters

I draw your attention to the following matters:

Highlighting critically important matters presented or disclosed in the financial statements

Unauthorised, irregular or fruitless and wasteful expenditure as well as material losses through criminal conduct

11. As disclosed in note 21 to the financial statements, irregular expenditure to the amount of R13 479 000 was incurred, as the budget for compensation of employees was overspent.
12. As disclosed in note 8 to the financial statements, fruitless expenditure to the amount of R51 000 was incurred, as a tender was advertised but no consultants were appointed.
13. As disclosed in note 21 to the financial statements, irregular expenditure to the amount of R325 000 was incurred, as a service provider was appointed without following the proper supply chain management procedures.
14. As disclosed in note 8 to the financial statements, fruitless expenditure to the amount of R397 000 was incurred, as indicated in the forensic report prepared by the Office of the Premier.

Material underspending of the budget

15. As disclosed in the appropriation statement, the department has materially underspent the budget on Programme 1: Administration by R6 371 000 (12,5% of the programme budget), Programme 4: Business regulation by R4 006 000 (16,5% of the programme budget), and Programme 5: Economic planning by R9 806 000 (45,3% of the programme budget).



REPORT OF THE AUDITOR-GENERAL

OTHER MATTERS

I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Internal controls

16. Section 38(1)(a)(i) of the PFMA states that the accounting officer must ensure that the department has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that gave rise to the inefficiencies in the system of internal control, which led to the qualified opinion. The root causes are categorised according to the five components of an effective system of internal control. In some instances deficiencies exist in more than one internal control component.

Reporting item	Control environment	Risk assessment	Control activities	Information and communication	Monitoring
Capital Assets	✓		✓		✓

Control environment: establishes the foundation for the internal control system by providing fundamental discipline and structure for financial reporting.

Risk assessment: involves the identification and analysis by management of relevant financial reporting risks to achieve predetermined financial reporting objectives.

Control activities: policies, procedures and practices that ensure that management’s financial reporting objectives are achieved and financial reporting risk mitigation strategies are carried out.

Information and communication: supports all other control components by communicating control responsibilities for financial reporting to employees and by providing financial reporting information in a form and time frame that allows people to carry out their financial reporting duties.

Monitoring: covers external oversight of internal controls over financial reporting by management or other parties outside the process; or the application of independent methodologies, like customised procedures or standard checklists, by employees within a process.

Matters of governance

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



REPORT OF THE AUDITOR-GENERAL

Matter of governance	Yes	No
<p>Audit committee</p> <ul style="list-style-type: none"> The department had an audit committee in operation throughout the financial year. The audit committee operates in accordance with approved, written terms of reference. The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10. 	<p>√ √ √</p>	
<p>Internal audit</p> <ul style="list-style-type: none"> The department had an internal audit function in operation throughout the financial year. The internal audit function operates in terms of an approved internal audit plan. The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2. 	<p>√ √ √</p>	
<p>Other matters of governance</p> <p>The annual financial statements were submitted for audit as per the legislated deadlines (section 40 of the PFMA). The financial statements submitted for audit were not subject to any material amendments resulting from the audit. No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management. The prior year's external audit recommendations have been substantially implemented. SCOPA resolutions have been substantially implemented.</p>	<p>√ √ √</p>	<p>√ √</p>

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

18. I have reviewed the performance information as set out on pages 14 to 68.



REPORT OF THE AUDITOR-GENERAL

Responsibility of the accounting officer for the performance information

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

Responsibility of the Auditor-General

20. I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008.
21. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
22. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

OTHER REPORTS

Investigations

23. An investigation was conducted by the Office of the Premier on request of the department. The investigation was initiated based on allegations of possible non-compliance with the supply chain management policies and procedures by one of the department's employees. The investigation has recommended criminal proceedings against the former employee, but this process has not commenced yet.

APPRECIATION

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

Auditor-General.

Nelspruit
31 July 2008



AUDITOR-GENERAL



ACCOUNTING POLICIES for the year ended 31 March 2008

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

1. Presentation of the Financial Statements

1.1. Basis of preparation

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

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

1.5 Comparative figures - Appropriation Statement

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



ACCOUNTING POLICIES for the year ended 31 March 2008

2. Revenue

2.1 Appropriated funds

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

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

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

2.2 Statutory Appropriation

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

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

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

2.3 Departmental revenue

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

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



ACCOUNTING POLICIES for the year ended 31 March 2008

2.3.1 Tax revenue

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

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

2.3.2 Sales of goods and services other than capital assets

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

2.3.3 Fines, penalties & forfeits

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

2.3.4 Interest, dividends and rent on land

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

2.3.5 Sale of capital assets

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

2.3.6 Financial transactions in assets and liabilities

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

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

Forex gains are recognised on payment of funds.



ACCOUNTING POLICIES for the year ended 31 March 2008

2.3.7 Transfers received (including gifts, donations and sponsorships)

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

2.4 Direct Exchequer receipts

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

2.5 Local and foreign aid assistance

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

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

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

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

2.6 CARA Fund assistance

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

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



ACCOUNTING POLICIES for the year ended 31 March 2008

3. Expenditure

3.1 Compensation of employees

3.1.1 Short-term employee benefits

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

All other payments are classified as current expense.

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

3.1.2 Post retirement benefits

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

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

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

3.1.3 Termination benefits

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



ACCOUNTING POLICIES for the year ended 31 March 2008

3.1.4 Other long-term employee benefits

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

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

3.2 Goods and services

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

3.3 Interest and rent on land

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

3.4 Financial transactions in assets and liabilities

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

Forex losses are recognised on payment of funds.

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



ACCOUNTING POLICIES for the year ended 31 March 2008

3.5 Unauthorised expenditure

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

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

3.6 Fruitless and wasteful expenditure

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

3.7 Irregular expenditure

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

3.8 Transfers and subsidies

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

3.9 Expenditure for capital assets

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



ACCOUNTING POLICIES for the year ended 31 March 2008

4. Assets

4.1 Cash and cash equivalents

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

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

4.2 Other financial assets

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

4.3 Prepayments and advances

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

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

4.4 Receivables

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

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

4.5 Investments

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

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



ACCOUNTING POLICIES for the year ended 31 March 2008

4.6 Loans

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

4.7 Inventory

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

4.8 Capital assets

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

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

Disclosure Notes 37 and 38 reflect the total movement in the asset register for the current financial year.

5. Liabilities

5.1 Voted funds to be surrendered to the Revenue Fund

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

5.2 Departmental revenue to be surrendered to the Revenue Fund

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



ACCOUNTING POLICIES for the year ended 31 March 2008

5.3 Bank overdraft

The bank overdraft is carried in the statement of financial position at cost.

5.4 Payables

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

5.5 Contingent liabilities

Contingent liabilities are included in the disclosure notes.

5.6 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.

5.7 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.

5.8 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.

5.9 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial performance but are included in the disclosure notes. Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures and disclosure notes to the financial statements.



ACCOUNTING POLICIES for the year ended 31 March 2008

6. Receivables for departmental revenue

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

7. Net Assets

7.1 Capitalisation reserve

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

7.2 Recoverable revenue

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

8. Related party transactions

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

9. Key management personnel

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

10. Public private partnerships

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



APPROPRIATION STATEMENT for the year ended 31 March 2008

	2007/08							2006/07	
	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	48,633	-	-	48,633	42,925	5,708	88,3%	38,863	37,227
Transfers and subsidies	-	-	-	-	81	(81)	0%	-	25
Payment for capital assets	2,500	-	-	2,500	1,756	744	70,2%	206	1,235
2. Intergrated Economic Development									
Current payment	16,565	-	-	16,565	15,571	994	94%	48,090	45,975
Transfers and subsidies	-	-	-	243,964	243,964	-	100%	223,628	224,538
Payment for capital assets	243,964	-	-	-	106	(106)	0%	206	303
3. Trade and Industry Development									
Current payment	22,153	-	-	22,153	22,532	(379)	101,7%	9,562	7,700
Transfers and subsidies	-	-	-	-	-	-	-	-	53
Payment for capital assets	-	-	-	-	2	(2)	0%	-	-
4. Business Regulation									
Current payment	15,097	-	-	15,097	10,906	4,191	72,2%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	185	(185)	0%	-	-
5. Economic Planning									
Current payment	21,626	-	-	21,626	11,683	9,943	54%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	137	(137)	0%	-	-
Subtotal	370,538	-	-	370,538	349,848	20,690	94%	320,555	317,056
Statutory Appropriation									
Current payment	810	-	-	810	810	-	100%	930	930
TOTAL	371,348	-	-	371,348	350,658	20,690	94%	321,485	317,986



APPROPRIATION STATEMENT for the year ended 31 March 2008

	2007/08				2006/07	
	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Reconciliation with Statement of Financial Performance						
Add:						
Prior year unauthorised expenditure approved with funding						
Departmental revenue	41,685				34,572	
Direct exchequer receipts						
CARA Fund assistance						
Local and foreign aid assistance received						
Actual amounts per Statements of Financial Performance (Total revenue)	413,033				356,057	
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)		350,658				317,986



APPROPRIATION STATEMENT for the year ended 31 March 2008

Appropriation per economic classification

	2007/08							2006/07	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	43,938			43,938	57,417	(13,479)	130.7%	59,829	38,757
Goods and services	80,136			80,136	46,200	33,936	57.6%	36,686	52,145
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	-	25
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	60,905	-	-	60,905	60,905	-	100%	59,100	59,100
Non-profit institutions	183,059	-	-	183,059	183,059	-	100%	164,528	165,438
Households	-	-	-	-	81	(81)	-	-	53
Payments for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2,500	-	-	2,500	1,996	504	79.8%	412	1,538
Biological or cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	190	(190)	0%	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total	370,538			370,538	349,848	20,690	94%	320,555	317,056



APPROPRIATION STATEMENT for the year ended 31 March 2008

Statutory Appropriation									
2007/08								2006/07	
Details of direct changes against the National/ Provincial Revenue Fund	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Member of executive committee / Parliamentary officers/ legislature	810	-	-	810	810	-	100%	930	930
Total	810	-	-	810	810	-	100%	930	930



APPROPRIATION STATEMENT for the year ended 31 March 2008 Programme 1 – Administration

Programme per subprogramme	2007/08							2006/07	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1.1 Office of the MEC									
Current payment	751			751	557	194	74.2%	3,305	4,090
Transfers and subsidies									
Payment for capital assets	2,500			2,500	1,756	744	70.2%	-	-
1.2 Management Services									
Current payment	8,763			8,763	4,457	4,306	50.9%	2,807	1,959
Transfers and subsidies								-	25
Payment for capital assets								206	1,235
1.3 Financial Management									
Current payment	23,454			23,454	20,549	2,905	87.6%	-	-
Transfers and subsidies									
Payment for capital assets									
1.4 Corporate Services									
Current payment	15,665			15,665	17,362	(1,697)	110.8%	32,751	31,178
Transfers and subsidies					81	(81)	0%		
Payment for capital assets									
Total	51,133	-	-	51,133	44,762	6,371	87.5%	39,069	38,487



APPROPRIATION STATEMENT for the year ended 31 March 2008

Programme 1 – Administration

Economic Classification	2007/08							2006/07	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	27,045	-	-	27,045	21,059	5,986	77.9%	24,757	15,453
Goods and services	21,588	-	-	21,588	21,866	(278)	101.3%	14,106	21,774
Interest and rent on land									
Financial transactions in assets and liabilities									
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	-	25
Departmental agencies and accounts									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	-	-	-	-	81	(81)	0%	-	-
Payments for capital assets									
Buildings and other fixed structures									
Machinery and equipment	2,500	-	-	2,500	1,566	934	62.6%	206	1,235
Biological or cultivated assets									
Software and other intangible assets	-	-	-	-	190	(190)	-	-	-
Land and subsoil assets									
Total	51,133	-	-	51,133	44,762	6,371	87.5%	39,069	38,487



APPROPRIATION STATEMENT for the year ended 31 March 2008 Programme 2 – Intergrated Economic Development

Programme per subprogramme	2007/08							2006/07	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
2.1 CD: Office Support									
Current payment	1,073	-	-	1,073	593	480	55.3%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
2.2 Economic Development									
Current payment	-	-	-	-	-	-	-	631	585
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
2.3 Industry Promotion									
Current payment	-	-	-	-	-	-	-	7,580	8,305
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	206	303
2.4 SMME									
Current payment	-	-	-	-	-	-	-	10,450	5,706
Transfers and subsidies	-	-	-	-	-	-	-	59,100	59,100
Payment for capital assets	-	-	-	-	-	-	-	-	-
2.5 Tourism Development									
Current payment	-	-	-	-	-	-	-	19,317	20,361
Transfers and subsidies	-	-	-	-	-	-	-	144,528	145,438
Payment for capital assets	-	-	-	-	-	-	-	-	-
2.6 Business Regulation									
Services	-	-	-	-	-	-	-	-	-
Current payment	-	-	-	-	-	-	-	5,000	5,510
Transfers and subsidies	-	-	-	-	-	-	-	20,000	20,000
Payment for capital assets	-	-	-	-	-	-	-	-	-



APPROPRIATION STATEMENT for the year ended 31 March 2008

Programme 2 – Intergrated Economic Development

Programme per subprogramme	2007/08							2006/07	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
2.7 Consumer Protection Services									
Current payment	-	-	-	-	-	-	-	4,312	4,770
Transfers and subsidies									
Payment for capital assets									
2.8 Black Economic Empowerment									
Current payment	-	-	-	-	-	-	-	800	738
Transfers and subsidies									
Payment for capital assets									
2.9 Enterprise Development									
Current payment	11,384	-	-	11,384	12,224	(840)	107%	-	-
Transfers and subsidies	243,964	-	-	243,964	243,964	-	100%	-	-
Payment for capital assets									
2.10 Local Economic Development									
Current payment	1,202	-	-	1,202	701	501	58.3%	-	-
Transfers and subsidies									
Payment for capital assets									
2.11 Economic Empowerment									
Current payment	2,906	-	-	2,906	2,053	853	70.6%	-	-
Transfers and subsidies									
Payment for capital assets					106	(106)	0%	-	-
Total	260,529	-	-	260,529	259,641	888	99.7%	271,924	270,816



APPROPRIATION STATEMENT for the year ended 31 March 2008 Programme 2 – Intergrated Economic Development

Economic Classification	2007/08							2006/07	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payment									
Compensation of employees	6,975	-	-	6,975	6,871	104	98.5%	27,166	19,796
Goods and services	9,590	-	-	9,590	8,700	890	90.7%	20,924	26,179
Interest and rent on land									
Financial transactions in assets and liabilities									
Transfers and subsidies to:									
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	60,905	-	-	60,905	60,905	-	100%	59,100	59,100
Non-profit institutions	183,059	-	-	183,059	183,059	-	100%	164,528	165,438
Households									
Payment for capital assets									
Buildings and other fixed structures									
Machinery and equipment	-	-	-	-	106	(106)	0%	206	303
Biological or cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total	260,529	-	-	260,529	259,641	888	99.7%	271,924	270,816



APPROPRIATION STATEMENT for the year ended 31 March 2008 Programme 3 – Trade and Industry Development

Programme per subprogramme	2007/08							2006/07	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
3.1 CD: Office Support									
Current payment	1,348	-	-	1,348	1,169	179	86.7%	-	-
Transfers and subsidies									
Payment for capital assets									
3.2 Economic Policy & Planning									
Current payment	-	-	-	-	-	-	-	1,376	1,013
Transfers and subsidies									
Payment for capital assets									
3.3 Economic Research & Statistics									
Current payment	-	-	-	-	-	-	-	2,617	2,131
Transfers and subsidies	-	-	-	-	-	-	-	-	53
Payment for capital assets									
3.4 Information Management & Project Impact Analysis									
Current payment	-	-	-	-	-	-	-	4,520	4,093
Transfers and subsidies									
3.5 Development Planning & Strategic Initiatives									
Current payment	-	-	-	-	-	-	-	1,049	463
Transfers and subsidies									
Payment for capital assets									



APPROPRIATION STATEMENT for the year ended 31 March 2008 Programme 3 – Trade and Industry Development

Programme per subprogramme	2007/08							2006/07	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
3.6 Trade and Investment Promotion									
Current payment	5,547	-	-	5,547	4,538	1,009	81.8%	-	-
Transfers and subsidies									
Payment for capital assets									
3.7 Sector Development									
Current payment	11,899	-	-	11,899	14,565	(2,666)	122%	-	-
Transfers and subsidies									
Payment for capital assets									
3.8 Industry Development									
Current payment	3,359	-	-	3,359	2,260	1,099	67.3%	-	-
Transfers and subsidies									
Payment for capital assets	-	-	-	-	2	(2)	0%	-	-
Total	22,153	-	-	22,153	22,534	(381)	101.7%	9,562	7,753



APPROPRIATION STATEMENT for the year ended 31 March 2008

Programme 3 – Trade and Industry Development

Economic Classification	2007/08							2006/07	
	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	6,372	-	-	6,372	17,294	(10,922)	271.4%	7,906	3,508
Goods and services	15,781	-	-	15,781	5,238	10,543	33.2%	1,656	4,192
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	53
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	2	(2)	0%	-	-
Biological or cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total	22,153	-	-	22,153	22,534	(381)	101.7%	9,562	7,753



APPROPRIATION STATEMENT for the year ended 31 March 2008 Programme 4 – Business Regulation

Programme per subprogramme	2007/08							2006/07	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
4.1 CD: Office Support									
Current payment	1,338	-	-	1,338	140	1,198	10.5%	-	-
Transfers and subsidies									
Payment for capital assets									
4.2 Consumer Services									
Current payment	5,686	-	-	5,686	3,640	2,046	64.0%	-	-
Transfers and subsidies									
Payment for capital assets									
4.3 Business Regulation Services									
Current payment	5,546	-	-	5,546	4,932	614	88.9%	-	-
Transfers and subsidies									
Payment for capital assets									
4.4 Gambling and Betting									
Current payment	2,527	-	-	2,527	2,194	333	86.8%	-	-
Transfers and subsidies					185	(185)	0%		
Payment for capital assets									
Total	15,097	-	-	15,097	11,091	4,006	73.5%	-	-



APPROPRIATION STATEMENT for the year ended 31 March 2008 Programme 4 – Business Regulation

Economic Classification	2007/08							2006/07	
	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	2,618	-	-	2,618	8,398	(5,780)	320.8%	-	-
Goods and services	12,479	-	-	12,479	2,508	9,971	20.1%	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	185	(185)	0%	-	-
Biological or cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total	15,097	-	-	15,097	11,091	4,006	73.5%	-	-



APPROPRIATION STATEMENT for the year ended 31 March 2008 Programme 5 – Economic Planning

Programme per subprogramme	2007/08							2006/07	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
5.1 Economic Policy and Planning									
Current payment	1,313	-	-	1,313	335	978	25.5%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
5.2 Research and Development									
Current payment	13,932	-	-	13,932	7,874	6,058	56.5%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	137	(137)	0%	-	-
5.3 Knowledge Management									
Current payment	4,748	-	-	4,748	2,920	1,828	61.5%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
5.4 Monitoring and Evaluation									
Current payment	1,633	-	-	1,633	554	1,079	33.9%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	21,626	-	-	21,626	11,820	9,806	54.7%	-	-



APPROPRIATION STATEMENT for the year ended 31 March 2008 Programme 5 – Economic Planning

Economic Classification	2007/08							2006/07	
	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	928	-	-	928	3,795	(2,876)	409%	-	-
Goods and services	20,698	-	-	20,698	7,888	12,810	38,1%	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	137	(137)	0%	-	-
Biological or cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total	21,626	-	-	21,626	11,820	9,806	54,7%		-



NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2008

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

Detail of these transactions can be viewed in note 6 (Transfers and subsidies) and Annexure 1- 4 to the Annual Financial Statements.

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

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

3. Detail on financial transactions in assets and liabilities

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

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

4.1 Per Programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
1. Administration	51,133	44,762	6,371	12,4%
2. Intergrated Economic Development	260,529	259,641	888	0,3%
3. Trade and Industry Development	22,153	22,534	(381)	(1,7%)
4. Business Regulation	15,097	11,091	4,006	26,5%
5. Economic Planning	21,626	11,820	9,806	45,3%

The underspending in programme 1 resulted from unfilled budgeted vacant posts and vehicles not purchased. The underspending in programme 4 resulted in unfilled budgeted vacant posts and goods and service for consumer month not hosted. The underspending in programme 5 resulted in unfilled budgeted vacant posts and funds for payment of success fee for feasibility study for purchase of the airport (KMIA).

The overspending on compensation of employees resulted from post in personnel inherited from Limpopo which were not budgeted for. Furthermore, certain senior posts which were filled based on the new organogram were not budgeted for. The new organogram was approved in August 2008.



NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2008

4.2 Per Economic Classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as % of final appropriation %
Current payment:				
Compensation of employees	43,938	57,417	(13,479)	30,6%
Goods and services	80,136	46,200	33,936	42,3%
Interest and rent on land	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-
Transfers and subsidies:				
Provinces and municipalities	-	-	-	-
Departmental agencies and accounts	-	-	-	-
Universities and Technikons	-	-	-	-
Public corporations and private enterprises	-	-	-	-
Foreign governments and international organisations	-	-	-	-
Non-profit institutions	-	-	-	-
Households	-	-	-	-
Payments for capital assets:				
Buildings and other fixed structures	-	-	-	-
Machinery and equipment	-	-	-	-
Heritage assets	-	-	-	-
Biological or cultivated assets	-	-	-	-
Software and other intangible assets	-	-	-	-
Land and subsoil assets	-	-	-	-



STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
REVENUE			
Annual appropriation	1	370,538	320,555
Statutory appropriation	2	810	930
Appropriation for unauthorised expenditure approved		-	-
Departmental revenue	3	41,685	34,572
TOTAL REVENUE		413,033	356,057
EXPENDITURE			
Current expenditure			
Compensation of employees	4	58,227	39,687
Goods and services	5	46,200	52,145
Total current expenditure		104,427	91,832
Transfers and subsidies	6	244,045	224,616
Expenditure for capital assets			
Machinery and equipment	7	1,996	1,538
Computer software		190	-
Total expenditure for capital assets		2,186	1,538
TOTAL EXPENDITURE		350,658	317,986
SURPLUS/(DEFICIT)		62,375	38,071
Add back fruitless and wasteful expenditure	8	51	-
SURPLUS/(DEFICIT) FOR THE YEAR		62,426	38,071
Reconciliation of Surplus/(Deficit) for the year			
Voted Funds	11	20,741	3,499
Departmental Revenue	12	41,685	34,572
SURPLUS/(DEFICIT) FOR THE YEAR		62,426	38,071



STATEMENT OF FINANCIAL POSITION at 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
ASSETS			
Current assets			
Unauthorised expenditure		22,760	6,736
Fruitless and wasteful expenditure	8	-	-
Cash and cash equivalents	9	448	-
Receivables	10	22,121	6,301
		191	435
TOTAL ASSETS		22,760	6,736
LIABILITIES			
Current liabilities			
Voted funds to be surrendered to the Revenue Fund	11	22,217	6,603
Departmental revenue to be surrendered to the Revenue Fund	12	20,741	3,499
Payables	13	1,409	2,884
		67	220
TOTAL LIABILITIES		22,217	6,603
NET ASSETS		543	133
Represented by:			
Recoverable revenue (Staff and other debts recovered)		543	133
TOTAL		543	133



STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
Recoverable revenue			
Opening balance		133	127
Transfers:		410	6
Irrecoverable amounts written off			
Debts revised			
Debts recovered (included in departmental revenue)		-	-
Debts raised		410	6
Closing balance		<u>543</u>	<u>133</u>
TOTAL		<u>543</u>	<u>133</u>



CASH FLOW STATEMENT for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		413,033	356,057
Annual appropriated funds received	1.1	370,538	320,555
Statutory appropriated funds received		810	930
Appropriation for unauthorised expenditure received		-	-
Departmental revenue received		41,685	34,572
Net (increase)/decrease in working capital		(357)	(680)
Surrendered to Revenue Fund		(46,659)	(60,159)
Current payments		(104,376)	(91,832)
Unauthorised expenditure – current payment		-	-
Transfers and subsidies paid		(244,045)	(224,616)
Net cash flow available from operating activities	14	<u>17,596</u>	<u>(21,230)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(2,186)	(1,538)
Net cash flows from investing activities		<u>(2,186)</u>	<u>(1,538)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		410	6
Net cash flows from financing activities		<u>410</u>	<u>6</u>
Net increase/(decrease) in cash and cash equivalents		15,820	(22,762)
Cash and cash equivalents at the beginning of the period		6,301	29,063
Cash and cash equivalents at end of period	15	<u>22,121</u>	<u>6,301</u>



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

1. Annual Appropriation

1.1 Annual Appropriation

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

	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation received 2006/07 R'000
Administration	51,133	51,133	-	39,069
Intergrated Economic Development	260,529	260,529	-	271,924
Trade and Industry Development	22,153	22,153	-	9,562
Business Regulation	15,097	15,097	-	-
Economic Planning	21,626	21,626	-	-
Total	370,538	370,538	-	320,555

2. Statutory Appropriation

	2007/08	2006/07
Member of executive council	810	930
Total	810	930
Actual Statutory Appropriation received	810	930



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

3. Departmental revenue to be surrendered to revenue fund

Description	Notes	2007/08	2006/07
Tax revenue		38,517	33,096
Sales of goods and services other than capital assets	3.1	1,252	150
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land	3.2	1,681	1,299
Sales of capital assets		-	-
Financial transactions in assets and liabilities	3.3	235	27
Transfer received		-	-
Total revenue collected		41,685	34,572
Departmental revenue collected		41,685	34,572



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

	2007/08	2006/07
3.1 Sales of goods and services other than capital assets		
Sales of goods and services produced by the department	1,252	150
Administrative fees	1,252	150
Other sales	-	-
Sales of scrap, waste and other used current goods		
Total	1,252	150
3.2 Interest, dividends and rent on land		
Interest : PMG account	1,681	1,299
Total	1,681	1,299
3.3 Financial transactions in assets and liabilities		
Nature of recovery		
Other Receipts including Recoverable Revenue	235	27
Total	235	27

4. Compensation of employees

	2007/08	2006/07
4.1 Salaries and wages		
Basic salary	37,651	25,119
Performance award	1,338	1,334
Service Based	3,090	1,763
Compensative/circumstantial	2,661	648
Periodic payments	726	2,089
Other non-pensionable allowances	5,515	3,769
Total	50,981	34,722



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

4.2 Social contributions

	2007/08	2006/07
4.2.1 Employer contributions		
Pension	4,862	3,280
Medical	2,374	1,683
Bargaining council	10	2
Total	7,246	4,965
Total compensation of employees	58,227	39,687
Average number of employees	366	182



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

5. Goods and services

	Notes	2007/08	2006/07
Advertising		2,606	1,697
Bank charges and card fees		17	17
Bursaries (employees)		126	201
Catering		1,130	-
Communication		3,751	3,143
Computer services		82	38
Consultants, contractors and special services		18,788	31,355
Courier and delivery services		15	-
Entertainment		-	938
External audit fees	5.1	992	711
Equipment less than R5000		705	171
Government motor transport		1,098	1,125
Inventory	5.2	1,587	2,054
Learnerships		71	162
Maintenance, repairs and running costs		97	-
Municipal services		779	-
Operating leases		2,417	1,511
Printing and publications		1	-
Professional bodies and membership fees		8	10
Resettlement costs		116	106
Subscriptions		193	67
Owned and leasehold property expenditure		1,086	1,638
Travel and subsistence	5.3	8,463	5,953
Venues and facilities		613	167
Protective, special clothing & uniforms		44	34
Training & staff development		1,415	1,047
Total		46,200	52,145



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

5.1 External audit fees

	2007/08	2006/07
Regularity audits	914	-
Performance audits	78	711
Total	992	711

5.2 Inventory

	2007/08	2006/07
Domestic consumables	172	89
Food and food supplies	230	97
Parts and other maintenance material	191	986
Stationery and printing	994	882
Total	1,587	2,054

5.3 Travel and subsistence

	2007/08	2006/07
Local	8,463	5,953
Total	8,463	5,953



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

6. Transfers and subsidies

	Note	2007/08	2006/07
Provinces and municipalities	Annex 1	-	25
Public corporations and private enterprises	Annex 2	60,905	59,100
Non-profit institutions	Annex 3	183,059	165,438
Households	Annex 4	81	53
Total		244,045	224,616

7. Expenditure for capital assets

	Note	2007/08	2006/07
Buildings and other fixed structures		-	-
Machinery and equipment	25	1,996	1,538
Software and other intangible assets		190	-
Capitalised development costs		-	-
Computer software		190	-
Total		2,186	1,538



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

8. Fruitless and wasteful expenditure

8.1 Reconciliation of fruitless and wasteful expenditure

	2007/08	2006/07
Opening balance	51	
Fruitless and wasteful expenditure – current year	51	
Current expenditure		
Transfers and subsidies		
Expenditure for capital assets		
Transfer to receivables for recovery (not condoned)	397	
Fruitless and wasteful expenditure awaiting condonement	448	

8.2 Analysis of Current Year Fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2007/08	2006/07
The MEC instructed the Acting Head of Department and the Chief Financial Officer to appoint consultants to assist the Chief Financial Officer in performing his duties because the staff in his office lack capacity. The tender closed on the 14 March 2008. The consultant were not appointed until the tender expired which was not extended.		51	
Total		51	



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

9. Cash and cash equivalents

	2007/08	2006/07
Consolidated Paymaster General Account Disbursements	22,121	6,369
Total	22,121	6,301

10. Receivables

	Note	Less than one year	One to three years	Older than three years	2007/08 Total	2006/07 Total
Staff debtors	10.1	9	17	25	51	50
Other debtors	10.2		-	140	140	130
Intergovernmental receivables	Annex. 6	-	-	-	-	255
Total		9	17	165	191	435

10.1 Staff Debtors

	2007/08	2006/07
Sal: Tax Debt	51	50
Total	51	50



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

10.2 Other debtors

	2007/08	2006/07
Suppliers	140	126
Receipt control account	-	1
Salary Persal EBT control acc: dom	-	3
Total	140	130

11. Voted funds to be surrendered to the Revenue Fund

	2007/08	2006/07
Opening balance	3,499	28,200
Transfer from Statement of Financial Performance	20,741	3,499
Paid during the year	(3,499)	(28,200)
Closing balance	20,741	3,499

Purpose for rollover.

- BEE Empowerment Strategy for the Province.
- Research & Analysis for Construction & Property Development Sector in the Province.
- Research & Analysis of IT & Telecoms Sector in the Province.
- Research & Analysis of the Finance & Business Services Sector in the Province.
- Service provider for Moloto Corridor Economic Study in Mpumalanga.
- Funds for payment of success fee for feasibility study for purchase of the airport.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

12. Departmental revenue to be surrendered to the Revenue Fund

	2007/08	2006/07
Opening balance	2,884	271
Transfer from local and foreign aid assistance	41,685	34,572
Paid during the year	(43,160)	(31,959)
Closing balance	1,409	2,884

13. Payables – current

Description	Note	30 Days	30+ Days	2007/08	2006/07
Clearing accounts		-	-	-	68
Other payables		67	-	67	152
Total		67	-	67	220

13.1 Clearing accounts

Description	2007/08	2006/07
Outstanding payments	-	68
Total	-	68



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

13.2 Other payables

	2007/08	2006/07
Pension fund	-	1
Sal: Income tax	67	52
Advances to Limpopo: Ca	-	72
Disallowance Miscellaneous	-	27
Total	67	152

14. Net cash flow available from operating activities

	2007/08	2006/07
Net surplus/(deficit) as per Statement of Financial Performance	62,426	38,071
Add back non cash/cash movements not deemed operating activities	(44,433)	(59,301)
(Increase)/decrease in receivables – current	244	(284)
(Increase)/decrease in prepayments and advances	-	-
(Increase)/decrease in other current assets	(448)	-
Increase/(decrease) in payables – current	(153)	(396)
Expenditure on capital assets	2,186	1,538
Other non-cash items	(46,659)	(60,159)
Net cash flow generated by operating activities	17,596	(21,230)



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

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

	2007/08	2006/07
Consolidated Paymaster General account	22,121	6,369
Disbursements	-	(68)
Total	22,121	6,301



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

16. Contingent liabilities

	Nature	Note	2007/08	2006/07
Housing loan guarantees	Employees	Annex 5	783	805
Total			783	805

The officers who were dismissed for fraud and subsequent found guilty by the Magistrate Court to pay back the different. They have approached the High Court for re-instatement or damage amounting to R9,329 million to be paid until their pensionable age.

17. Commitments

	2007/08	2006/07
Current expenditure	4,618	-
Approved and contracted	469	-
Approved but not yet contracted	5,087	-
Non-current expenditure	6,101	-
Approved and contracted	16	-
Approved but not yet contracted	6,117	-
Total Commitments	11,204	-

18. Accruals

Listed by economic classification	30 Days	30+ Days	2007/08	2006/07
Compensation of employees	148	-	148	-
Goods and services	38	129	167	508
Machinery and equipment	-	-	-	33
Total	186	129	315	541



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

Listed by programme level	Note	2007/08	2006/07
Programme 1: Administration		160	301
Programme 2: Intergrated Economic Development		7	121
Programme 3: Economic Policy and Planning		-	119
		<u>167</u>	<u>541</u>
Confirmed balances with other departments	Annex 7	-	72
		<u>-</u>	<u>72</u>

19. Employee benefits

	2007/08	2006/07
Leave entitlement	850	641
Thirteenth cheque	1,392	1,490
Capped leave commitments	5,971	6,085
Total	<u>8,213</u>	<u>8,216</u>



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

20. Lease Commitments

Operating leases

	Buildings and other fixed structures	Machinery and equipment	Total
2007/2008			
Not later than 1 year	1,140	1,475	2,615
Later than 1 year and not later than 5 years	-	4,700	4,700
Later than five years	-	-	-
Total present value of lease liabilities	1,140	6,175	7,315
2006/2007			
Not later than 1 year	22	860	882
Later than 1 year and not later than 5 years	-	1,000	1,000
Later than five years	-	-	-
Total present value of lease liabilities	22	1,860	1,882



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

21. Irregular expenditure

21. Reconciliation of irregular expenditure

	<i>Notes</i>	2007/08	2006/07
Opening balance		205	205
Add: Irregular expenditure – current year		13,804	-
Less: Amounts condoned			-
Current expenditure			-
Transfers and subsidies		-	-
Expenditure for capital assets			
Less: Not condoned		205	-
Current expenditure		205	
Transfers and subsidies			
Expenditure for capital assets			
Irregular expenditure awaiting condonement		13,804	205
Analysis of awaiting condonement per classification			
Current expenditure		13,804	205
Transfers and subsidies			
Expenditure for capital assets			
		13,804	205
Analysis of awaiting condonement per age classification			
Current year		13,804	-
Prior years		-	205
Total		13,804	205



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

21.2 Irregular expenditure

Incident	Disciplinary steps taken/criminal proceedings	2007/08	2006/07
Fraud	The total amount owed by the officials as per Court order was recovered from their pension.	-	205
The appointment of consultant to conduct feasibility study on soya Bean.	The former head of Department appointed consultant without following supply chain procedures. Furthermore, she continued to pay despite the state law advisors advice that the amount paid and future payment are Irregular payment. No disciplinary / criminal proceeding were taken as the former head resigned in September 2007	325	-
Overspending - Compensation of employees	Staff transferred from Limpopo not budgeted for during the year under review	13,479	
Total		13,804	205

22. Related party transactions

32.1 Small Enterprise Development Agency

The Department has transferred R5 million to SEDA in line with the Memorandum of Agreement signed with the DTI and as part of compliance with the Act that established SEDA. The funds have been utilized to finalize the roll out of the SEDA programme in the Province. SEDA operates five branches and 12 enterprises information centres to provide Business Development Support. SEDA submits quarterly reports to the Department on its operations.



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

32.2 Zithabiseni Holiday Resort

The Zithabiseni Resort was registered on 22 October 2006 as Zithabiseni Trading as it was Inyanga Trading Pty (Ltd). The Department transferred R8,6 million for payment of salaries. Furthermore the department intervened by assisting Zithabiseni with emergency funding of R1,052 million to rebuild the bridges inside the Resort as a result of floods and purchase of a generator as result of electricity load shedding. The intervention was to ensure that the Resort was ready for FIFA inspection team as Zithabiseni was chosen as 2010 Accredited accommodation facility.

32.3 Export Resource Network (ERN)

The Department of Economic Development and Planning in collaboration with DBSA have entered into a contractual agreement to fund the project up to R588 679 on a 50%:50% basis and until now R 126 000 has been transferred in order to conduct workshops on capacity building for the small emerging exporters. The workshops are conducted in all three districts. The amount of R 168 339.50 is needed to finalise the ERN Capacity Building workshops. The training process is still underway in various municipalities ranging from 15 to 20 participants in these programmes.

32.4 Food Technology Centre

The purpose of the project is to conduct feasibility study on Food Technology Centre at Ehlanzeni District in Mpumalanga. The Department has a contractual agreement with Kaiser and Associates to conduct a feasibility study on the establishment of food technology centre. To date the amount of R 498 000 has been spent on the feasibility study and a further amount of R 298 000 has been approved for the additional work on the study that was incomplete and R 33 000 has been spent on the current contract.

23. Key management personnel

	No. of Individuals	2007/08	2006/07
Member of the Executive Council	1	773	747
Deputy Director General (HOD)	1	299	689
Chief Financial Officer	1	548	412
Chief Directors	3	1,908	-
Total		3,528	1,848



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

24. Provisions

Potential irrecoverable debts	2007/08	2006/07
Other debtors	140	-
Claims recoverable	-	-
Total	140	-



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

25. Tangible Capital Assets

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Building and other fixed structures					
Machinery and equipment	7,948	-	1,996	156	9,788
Transport assets	4,468	-	552	-	5,020
Computer equipment	1,973	-	729	127	2,575
Furniture and office equipment	1,330	-	592	23	1,899
Other machinery and equipment	177	-	123	6	294
Total tangible assets	7,948	-	1,996	156	9,788

25.1 Additions to tangible capital assets per asset register for the year ended 31 March 2008

	Cash	Non-cash	(Capital Work in Progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	Cost R'000	Fair Value/R1 R'000	Cost R'000	Cost R'000	Cost R'000
Building and other fixed structures					
Machinery and equipment	1,996	-	-	-	1,996
Transport assets	552	-	-	-	552
Computer equipment	729	-	-	-	729
Furniture and office equipment	592	-	-	-	592
Other machinery and equipment	123	-	-	-	123
Total	1,996	-	-	-	1,996



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

25.2 Disposals of tangible capital assets per asset register for the year ended 31 March 2008

	Sold for cash Cost/value price as per AR R'000	Transfer out or destroyed or scrapped Cost/value price as per AR R'000	Total disposals R'000	Total Cost R'000
Building and other fixed structures				
Machinery and equipment	-	156	156	-
Transport assets	-	-	-	-
Computer equipment	-	127	127	-
Furniture and office equipment	-	23	23	-
Other machinery and equipment	-	6	6	-
Total	-	156	156	-



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

25.3 Movement in tangible capital assets per asset register for the year ended 31 March 2007

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Building and other fixed structures				
Machinery and equipment	3,879	4,069	-	7,948
Transport assets	1,826	2,642	-	4,468
Computer equipment	1,192	781	-	1,973
Furniture and office equipment	758	572	-	1,330
Other machinery and equipment	103	74	-	177
Total tangible assets	3,879	4,069	-	7,948



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

26. INTANGIBLE CAPITAL ASSETS

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

26.1 Additions to intangible capital assets per asset register for the year ended 31 March 2008

	Opening balance R'000	Current Year Adjust-ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
Building and other fixed structures					
Computer software	190	-	-	-	190
Total	190	-	-	-	190

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

ANNEXURE 1

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2006/07
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	% of available funds spent by municipality %
Ehlanzeni District Municipality	-	-	-	-	-		-	-		22
Nkangala District Municipality	-	-	-	-	-		-	-		3
Total	-	-	-	-	-		-	-		25



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

ANNEXURE 2

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2006/07
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Capital R'000	Current %	Final Appropriation Act R'000
Public Corporations MEGA	60,905	-	-	60,905	60,905	100%	-	-	59,100
Subtotal	<u>60,905</u>	<u>-</u>	<u>-</u>	<u>60,905</u>	<u>60,905</u>	<u>100%</u>	<u>-</u>	<u>-</u>	<u>59,100</u>
Subsidies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subsidies	-	-	-	-	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	<u>60,905</u>	<u>-</u>	<u>-</u>	<u>60,905</u>	<u>60,905</u>	<u>100%</u>	<u>-</u>	<u>-</u>	<u>59,100</u>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

ANNEXURE 3

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2006/07
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
MGB	26,853	-	-	26,853	26,853	100%	20,000
MTPA	147,606	-	-	147,606	147,606	100%	137,228
ZITHABISENI	8,600	-	-	8,600	8,600	100%	7,300
	183,059	-	-	183,059	183,059		164,528
Subsidies	-	-	-	-	-	-	-
Total	183,059	-	-	183,059	183,059	-	164,528



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

ANNEXURE 4

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2006/07
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Leave Gratuity	-	-	-	-	81	-	53
Subsidies	-	-	-	-	-	-	-
Total	-	-	-	-	81	-	53

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

ANNEXURE 5

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2008 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2007	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2008	Guaranteed interest for year ended 31 March 2008	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		-	48	-	-	-	-	48	-
Nedbank		-	148	-	-	-	-	148	-
FirstRand Bank		-	250	-	22	-	-	228	-
ABSA		-	218	-	-	-	-	218	-
Peoples Bank		-	46	-	-	-	-	46	-
MPU Housing Finance		-	66	-	-	-	-	66	-
Old Mutual Bank		-	29	-	-	-	-	29	-
		-	805	-	22	-	-	783	-
	Other	-	-	-	-	-	-	-	-
	Total	-	805	-	22	-	-	783	-



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

ANNEXURE 6

INTER-GOVERNMENT RECEIVABLES

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2008 R'000	31/03/2007 R'000	31/03/2008 R'000	31/03/2007 R'000	31/03/2008 R'000	31/03/2007 R'000
Government Entity						
Department Limpopo: Economic Dev, Environmental & Tourism	-	255	-	-	-	255
	<u>-</u>	<u>255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>255</u>
Other Government Entities						
TOTAL	<u>-</u>	<u>255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>255</u>



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

ANNEXURE 7

INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2008 R'000	31/03/2007 R'000	31/03/2008 R'000	31/03/2007 R'000	31/03/2008 R'000	31/03/2007 R'000
DEPARTMENTS						
Current						
Limpopo Econ. Dev, Environmental and Tourism.	-	72	-	-	-	72
Subtotal	<u>-</u>	<u>72</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72</u>
Non-current						
Subtotal						
Total	<u>-</u>	<u>72</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72</u>



SECTION E : Human Resource Oversight

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HUMAN RESOURCE OVERSIGHT

Personnel Expenditure

TABLE 1.1 Personnel costs by Programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compesation of Employees Cost per Employee (R'000)	Employment
Pr: 1 Administration	52,168	28,707	115	0	55.03	245.39	117
Pr:2 Intergrated Economic Development Services	16,565	5,953	6	0	35.94	283.47	21
Pr:3 Trade& Industry Development	19,806	25,809	21	0	130.31	165.44	156
Pr: 4 Business Regulation & Governance	14,796	9,927	27	0	67.09	291.97	34
Pr: 5 Economic Planning	14,984	3,787	11	0	25.27	291.31	13
Z=Total as on Financial Systems (BAS)	118,319	74,183	180	0	57.81	217.55	341



HUMAN RESOURCE OVERSIGHT

Personnel Expenditure

TABLE 1.2 Personnel costs by Salary band

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
Lower skilled (Levels 1-2)	9,399	15.4	671,357	61,104	14
Skilled (Levels 3-5)	3,616	5.9	200,889	61,104	18
Highly skilled production (Levels 6-8)	14,947	24.5	154,093	61,104	97
Highly skilled supervision (Levels 9-12)	35,232	57.7	550,500	61,104	64
Senior management (Levels 13-16)	8,378	13.7	465,444	61,104	18
Other		0	0		0
Contract (Levels 1-2)		0	0		
Contract (Levels 3-5)		0	0		0
Contract (Levels 6-8)		0	0		0
Periodical Remuneration	2,611	0	0		
TOTAL	74,183	0	351,578	0	211



HUMAN RESOURCE OVERSIGHT Personnel Expenditure

TABLE 1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Programme (R'000)
Prog:1: Administration	26,079	93.41	822	1.61	636	1.22	1,170	4.1	28,707
Prog:2 Intergrated Economic Development Services	5,807	97.55	0	0	9	0.15	137	2.3	5,953
Prog:3 Trade and Industry Development	24,953	96.00	554	2.14	51	0.19	251	0.97	25,809
Prog:4 Business Regulation	8,703	87.66	460	0	447	4.5	317	3.2	9,927
Prog:5 Economic Planning	3,654	96.48	0	0	97	2.56	36	1	3,787
TOTAL	69,196	95.68	1,836	19.6	1,240	1.67	1,911	1.23	74,183



HUMAN RESOURCE OVERSIGHT

Personnel Expenditure

TABLE 1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Programme (R'000)
Lower skilled (Levels 1-2)	8,814	94.08	297	2.97	224	2.24	64	0.64	9,399
Skilled (Levels 3-5)	2,822	78	385	10.6	281	7.8	128	3.5	3,616
Highly skilled production (Levels 6-8)	13,736	91.9	735	4.9	309	2.1	167	1.1	14,947
Highly skilled supervision (Levels 9-12)	33,424	94.9	419	1.2	426	1.2	963	2.7	35,232
Senior management (Levels 13-16)	7,789	93	0	0	0	0	589	7	8,378
Other	0	0	0	0	0	0	0	0	0
Periodical Remuneration	2,611	100	0	0	0	0	0	0	2,611
TOTAL	69,196	93.27	1,836	2.5	1240	1.7	1911	2.6	74,183



HUMAN RESOURCE OVERSIGHT Employment and Vacancies

TABLE 2.1 Employment and Vacancies by Programme

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Prog:1 Administration, Permanent	154	106	46	21
Prog:2 Intergrated Economic Development Services, Permanent	53	21	32	0
Prog:3 Trade and Industry Development, Permanent	37	14	23	121
Prog:4 BusinessRegulation, Permanent	66	45	21	0
Prog:5 Economic Policy and Planning, Permanent	31	13	18	0
TOTAL	341	199	41.6	142

TABLE 2.2 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	18	14	77.8	97
Skilled (Levels 3-5), Permanent	33	17	51.5	30
Highly skilled production (Levels 6-8), Permanent	137	89	65	12
Highly skilled supervision (Levels 9-12), Permanent	123	61	49.6	3
Senior management (Levels 13-16), Permanent	30	18	60	0
TOTAL	341	199	58.4	142



HUMAN RESOURCE OVERSIGHT

Employment and Vacancies

TABLE 2.3 Employment and Vacancies by Critical Occupation

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administrative related, Permanent	31	23	25.8	13
Cleaners in offices workshops hospitals etc., Permanent	15	13	13.3	127
Communication and information related, Permanent	18	9	50	0
Economists, Permanent	54	18	66.7	2
Financial and related professionals, Permanent	31	29	6.5	0
Financial clerks and credit controllers, Permanent	0			
General legal administration & rel. professionals, Permanent	3	3	0	0
Historians and political scientists, Permanent	1	1	0	0
Human resources & organisat developm & relate prof, Permanent	24	15	37.5	0
Legal related, Permanent	1	1	0	0
Light vehicle drivers, Permanent	3	3	0	0
Messengers porters and deliverers, Permanent	1	1	0	0
Other administrative policy and related officers, Permanent	17	8	52.9	0
Regulatory inspectors, Permanent	25	19	24	0
Risk management and security services, Permanent	4	1	75	0
Secretaries & other keyboard operating clerks, Permanent	38	18	52.6	0
Senior managers, Permanent	30	18	40	
Trade/industry advisers & other related profession, Permanent	45	19	57.8	0
TOTAL	341	199	41.6	142



HUMAN RESOURCE OVERSIGHT Job Evaluation

TABLE 3.1 Job Evaluation

Programme	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	18	0	0	0	0	0	0
Contract (Levels 1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	33	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	137	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	123	0	0	0	0	0	0
Senior Management Service	30	5	16.7	0	0	0	0
TOTAL	341	5	1.5	0	60	0	0

3.2 Profile of employees whose positions were upgraded due to their post being upgraded.

None

3.3 Employees whose salary level exceed the grade determined by job evaluation [i.t.o. PSR 1. V.C.3]

None



HUMAN RESOURCE OVERSIGHT Job Evaluation

TABLE 3.4 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	1	0	0	0	1
Male	0	0	0	0	0
Total	1	0	0	0	1
Employees with a Disability	0	0	0	0	0



HUMAN RESOURCE OVERSIGHT Employment Change

TABLE 4.1 Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period (April 2006)	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	139	0	2	1.4
Skilled (Levels 3-5), Permanent	18	5	4	22.2
Highly skilled production (Levels 6-8), Permanent	95	16	13	13.7
Highly skilled supervision (Levels 9-12), Permanent	76	3	6	7.9
Senior Management Service Band A, Permanent	11	2	2	18.2
Senior Management Service Band B, Permanent	1	1	1	100
Senior Management Service Band C, Permanent	1	0	1	100
Contract (Levels 1-2), Permanent	0	13	0	0
Contract (Levels 3-5), Permanent	0	1	0	0
Contract (Levels 6-8), Permanent	0	0	0	0
TOTAL	341	41	29	8.5



HUMAN RESOURCE OVERSIGHT Employment Change

TABLE 4.2 Annual Turnover Rates by Critical Occupation

Salary Band	Employment at Beginning of Period (April 2006)	Appointments	Terminations	Turnover Rate
Administrative related, Permanent	24	7	0	0
Building and other property caretakers, Permanent	2	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	25	0	2	8
Communication and information related, Permanent	7	1	0	0
Conservation labourers, Permanent	2	0	0	0
Economists, Permanent	47	7	0	0
Farm hands and labourers, Permanent	46	0	0	0
Finance and economics related, Permanent	11	1	0	0
Financial and related professionals, Permanent	5	2	3	60
Financial clerks and credit controllers, Permanent	12	4	0	0
Forestry labourers, Permanent	57	0	0	0
Geologists geophysicists hydrologists & relat prof, Permanent	1	0	0	0
Head of department/chief executive officer, Permanent	1	0	1	100
Household and laundry workers, Permanent	2	0	0	0
Human resources clerks, Permanent	6	13	1	16.7
Human resources related, Permanent	6	0	0	0
Legal related, Permanent	4	0	0	0
Light vehicle drivers, Permanent	3	1	0	0
Material-recording and transport clerks, Permanent	1	0	0	0
Messengers porters and deliverers, Permanent	3	0	0	0
Other administrat & related clerks and organisers, Permanent	5	0	0	0
Other administrative policy and related officers, Permanent	4	0	0	0
Other occupations, Permanent	6	0	0	0
Regulatory inspectors, Permanent	14	0	0	0
Risk management and security services, Permanent	1	0	0	0
Secretaries & other keyboard operating clerks, Permanent	16	4	2	12.5
Senior managers, Permanent	6	1	3	50
Statisticians and related professionals, Permanent	1	0	0	0
Trade labourers, Permanent	1	0	0	0
Trade/industry advisers & other related profession, Permanent	22	0	17	77.3
TOTAL	341	41	29	8.5



HUMAN RESOURCE OVERSIGHT

Employment Change

TABLE 4.3 Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment	Resignations as % of Employment
Death, Permanent	6	20.7	1.8	29	341	
Resignation, Permanent	17	58.6	5	29	341	
Expiry of contract, Permanent	0	0	0	29	341	
Retirement, Permanent	2	6.9	0.6	29	341	
Other, Permanent	4	13.8	1.2	29	341	
TOTAL	29	100	8.5	29	341	47.6

Resignation as % of Employment

46.6 %



HUMAN RESOURCE OVERSIGHT

Employment Change

TABLE 4.4 Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2007)	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	24	1	4.2	15	62.5
Building and other property caretakers	2	0	0	1	50
Cleaners in offices workshops hospitals etc.	25	0	0	11	44
Communication and information related	7	1	14.3	5	71.4
Conservation labourers	2	0	0	0	0
Economists	47	9	19.1	22	46.8
Farm hands and labourers	46	0	0	27	58.7
Finance and economics related	11	3	27.3	8	72.7
Financial and related professionals	5	0	0	1	20
Financial clerks and credit controllers	12	4	33.3	11	91.7
Forestry labourers	57	0	0	44	77.2
Geologists geophysicists hydrologists & relat prof	1	0	0	1	100
Head of department/chief executive officer	1	0	0	0	0
Household and laundry workers	2	0	0	1	50
Human resources clerks	6	1	16.7	5	83.3
Human resources related	6	3	50	6	100
Legal related	4	0	0	1	25
Light vehicle drivers	3	0	0	2	66.7
Material-recording and transport clerks	1	0	0	1	100
Messengers porters and deliverers	3	0	0	2	66.7
Other administrat & related clerks and organisers	5	0	0	4	80
Other administrative policy and related officers	4	0	0	1	25
Other occupations	6	1	16.7	3	50
Regulatory inspectors	14	0	0	4	28.6
Risk management and security services	1	0	0	0	0
Secretaries & other keyboard operating clerks	16	4	25	5	31.3
Senior managers	6	1	16.7	1	16.7
Statisticians and related professionals	1	0	0	1	100
Trade labourers	1	0	0	1	100
Trade/industry advisers & other related profession	22	1	4.5	7	31.8
TOTAL	341	29	8.5	191	56



HUMAN RESOURCE OVERSIGHT

Employment Change

TABLE 4.5 Promotions by Salary Band

Occupation	Employment at Beginning of Period (April 2007)	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	139	0	0	87	62.6
Skilled (Levels 3-5), Permanent	18	1	5.6	9	50
Highly skilled production (Levels 6-8), Permanent	95	10	10.5	63	66.3
Highly skilled supervision (Levels 9-12), Permanent	76	14	18.4	31	40.8
Senior management (Levels 13-16), Permanent	13	4	30.8	1	7.7
Contract (Levels 6-8), Permanent	0	0	0	0	0
TOTAL	341	29	8.5	191	56



HUMAN RESOURCE OVERSIGHT Employment Equity

TABLE 5.1 Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent	14	0	2	16	0	4	0	0	4	0	32
Professionals, Permanent	41	0	0	41	0	21	0	0	21	1	63
Clerks, Permanent	39	1	0	40	0	86	1	0	87	1	128
Service and sales workers, Permanent	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
Elementary occupations, Permanent	0	0	0	0	0	0	0	0	0	0	0
TOTAL	94	1	2	97	0	111	1	0	112	2	211

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disability	4	0	0	4	0	0	0	0	0	0	4



HUMAN RESOURCE OVERSIGHT Employment Equity

TABLE 5.2 Total number of Employees (incl. Employees with disabilities) per Occupational Bands

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	14	0	2	16	0	4	0	0	4	0	20
Professionally qualified and experienced specialists and mid-management, Permanent	41	0	0	41	0	21	0	0	21	1	63
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	39	1	0	40	0	86	1	0	87	1	128
Semi-skilled and discretionary decision making, Permanent	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making, Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Unskilled), Permanent	0	0	0	0	0	0	0	0	0	0	0
TOTAL	94	1	2	97	0	111	1	0	112	2	211



HUMAN RESOURCE OVERSIGHT

Employment Equity

TABLE 5.3 Recruitment

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent Professionally qualified and experienced specialists and mid-management,	7	0	0	7	0	1	0	0	1	0	8
Permanent	2	0	0	2	0	2	0	0	2	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	6	0	0	6	0	0	1	0	1	0	7
Semi-skilled and discretionary decision making, Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Semi-skilled), Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Unskilled), Permanent	0	0	0	0	0	0	0	0	0	0	0
TOTAL	16	0	0	16	0	3	3	1	4	0	20



HUMAN RESOURCE OVERSIGHT

Employment Equity

TABLE 5.4 Promotions

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	2	0	0	2	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management, Permanent	24	0	0	24	0	20	0	0	20	1	45
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	26	2	0	28	0	44	0	0	44	1	73
Semi-skilled and discretionary decision making, Permanent	3	0	0	3	0	7	0	0	7	0	10
Unskilled and defined decision making, Permanent	59	0	0	59	0	28	0	0	28	0	87
TOTAL	114	2	0	116	0	99	0	0	99	2	217



HUMAN RESOURCE OVERSIGHT Employment Equity

TABLE 5.5 Terminations

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	0	0	0	0	0	1	0	0	1	0	1
Senior Management, Permanent	2	0	0	2	0	1	0	0	1	0	
Professionally qualified and experienced specialists and mid-management, Permanent	6	0	0	6	0	5	0	0	5	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2	0	0	2	0	9	0	0	9	0	11
Semi-skilled and discretionary decision making, Permanent	0	0	0	0	0	1	0	0	1	0	11
Unskilled and defined decision making, Permanent	0	0	0	0	0	2	0	0	2	0	1
Contract (Skilled technical), Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Semi-skilled), Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Unskilled), Permanent	0	0	0	0	0	0	0	0	0	0	0
TOTAL	10	0	0	10	0	19	0	0	19	0	29

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	1	0	0	1	0	0	0	0	0	0	1



HUMAN RESOURCE OVERSIGHT Employment Equity

5.6 Disciplinary Action

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



HUMAN RESOURCE OVERSIGHT Performance Reward

TABLE 6.1 Performance Rewards by Race, Gender and Disability

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	135	173	50,7	657	2508
African, Male	129	165	48,4	630	2360
Asian, Male		0	0	0	0
Coloured, Female		0	0	0	0
Coloured, Male	1	0	0,3	4	4
Total Blacks, Female					
Total Blacks, Male					
White, Female	2	2	0,6	26	98
Employees with a disability					
TOTAL	267	341	100	1317	4970

TABLE 6.2 Performance Rewards by Salary Band for Personnel below Senior Management Service

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	98	96	102,1	234	2,388
Skilled (Levels 3-5)	47	62	75,8	127	2,702
Highly skilled production (Levels 6-8)	75	110	68,2	481	6,413
Highly skilled supervision (Levels 9-12)	47	73	64,4	471	10,021
Contract (Levels 1-2)	0	0	0	0	0
Periodical Remuneration	0	0	0	0	0
TOTAL	267	341	78,3	1313	4918



HUMAN RESOURCE OVERSIGHT Performance Reward

TABLE 6.3 Performance Rewards by Critical Occupation

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	15	26	57.7	104	6,933
Cleaners in offices workshops hospitals etc.	105	105	100	254	2,419
Communication and information related	5	9	55.6	61	12,200
Economists	28	35	80	212	7,571
Farm hands and labourers	25	25	100	69	2,760
Finance and economics related	8	13	61.5	92	11,500
Financial and related professionals	3	6	50	26	8,667
Financial clerks and credit controllers	14	19	73.7	94	6,714
Forestry labourers	3	3	100	7	2,333
Geologists geophysicists hydrologists & relat prof	1	1	100	6	6,000
Household and laundry workers	1	1	100	3	3,000
Human resources clerks	4	12	33.3	30	7,500
Human resources related	8	9	88.9	53	6,625
Legal related	2	4	50	7	3,500
Light vehicle drivers	2	2	100	7	3,500
Material-recording and transport clerks	0	1	0	9	0
Messengers porters and deliverers	3	3	100	9	3,000
Other administrat & related clerks and organisers	5	6	83.3	26	5,200
Other administrative policy and related officers	3	5	60	24	8,000
Other occupations	3	5	60	14	4,667
Regulatory inspectors	6	11	54.5	37	6,167
Risk management and security services	0	1	0	0	0
Secretaries & other keyboard operating clerks	7	13	53.8	43	6,143
Senior managers	2	11	18.2	48	24,000
Statisticians and related professionals	1	1	100	11	11,000
Trade labourers	1	1	100	3	3,000
Trade/industry advisers & other related profession	12	13	92.3	113	9,417
TOTAL	267	341	78.3	1362	5101



HUMAN RESOURCE OVERSIGHT Performance Reward

TABLE 6.4 Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	1	15	6.7	24	2,400	0.3	7,623
Band B	0	3	0	24	0	2.9	829
TOTAL	1	18	5.6	48	4800	0.6	8452

HUMAN RESOURCE OVERSIGHT Foreign Workers

7.1 Foreign Workers by Salary Band

None

7.2 Foreign Workers by Major Occupation

None



HUMAN RESOURCE OVERSIGHT

Leave

TABLE 8.1 - Sick Leave for Jan 2007 to Dec 2007

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)	157	95.5	15	13.8	10	27	109	150
Skilled (Levels 3-5)	82	97.6	13	11.9	6	18	109	80
Highly skilled production (Levels 6-8)	298	94.3	44	40.4	7	117	109	281
Highly skilled supervision (Levels 9-12)	219	94.5	28	25.7	8	193	109	207
Senior management (Levels 13-16)	22	95.5	6	5.5	4	44	109	21
Contract (Levels 1-2)	7	85.7	3	2.8	2	1	109	6
TOTAL	785	94.9	109	100	7	400	109	745



HUMAN RESOURCE OVERSIGHT Leave

TABLE 8.2 Disability Leave (Temporary and Permanent) for Jan 2007 to Dec 2007

None

TABLE 8.3 Annual Leave for Jan 2007 to Dec 2007

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	2152	23	94
Skilled (Levels 3-5)	1059	18	58
Highly skilled production (Levels 6-8)	1836	17	110
Highly skilled supervision (Levels 9-12)	1301	16	80
Senior management (Levels 13-16)	267	13	20
Contract (Levels 1-2)	84	8	11
Contract (Levels 3-5)	3	3	1
TOTAL	6702	18	374



HUMAN RESOURCE OVERSIGHT Leave

TABLE 8.4 Capped Leave for Jan 2007 to Dec 2007

	Total Days Taken	Average days per Employee	Number of Employees who took leave			
Lower skilled (Levels 1-2)	6	3	93	2	3521	38
Skilled (Levels 3-5)	3	3	113	1	5210	46
Highly skilled production (Levels 6-8)	41	8	75	5	3660	49
Highly skilled supervision (Levels 9-12)	5	3	72	2	3043	42
Senior management (Levels 13-16)	7	4	63	2	631	10
TOTAL	62	5	87	12	16065	185

TABLE 8.5 Leave Payouts

Reason	Total Days Taken	Average days per Employee	Number of Employees who took leave
Capped leave payouts on termination of service for 2007/08	169	16	10563
Current leave payout on termination of service for 2007/08	139	12	11583
TOTAL	308	28	11000



HUMAN RESOURCE OVERSIGHT

TABLE 8.6 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		Teboho Chabeli, Director: Human Resource Management
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 staff members in the unit, the overall budget was R1000 000
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		Focused programmes on Well being and Financial Management
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	Staff members were used to carry out this responsibility
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.	Yes		HIV/AIDS policy was reviewed
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		HIV/AIDS programmes were implemented Employees underwent Voluntary Counselling and Testing, and also disclosed their status
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.		No	
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	Yes		No tools.However we used questionnaire and responses to develop programmes



HUMAN RESOURCE OVERSIGHT

Labour Relations

TABLE 9.1 Misconduct and Disciplinary Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total	Total
TOTAL	1	100	1

TABLE 9.2 Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	Percentage of Total	Total
TOTAL	1	100	1

TABLE 9.3 Grievances Lodged

Number of grievances addressed	Number	Percentage of Total	Total
TOTAL	2	100	2



HUMAN RESOURCE OVERSIGHT Labour Relations

TABLE 9.4 Disputes Lodged

Number of disputes addressed	Number	Percentage of Total
Upheld	1	100
Dismissed	0	0
Total	1	100

TABLE 9.5 Strike Actions

Strike Actions	-
Total number of person working days lost	52
Total cost(R'000) of working days lost	23703.8
Amount (R'000) recovered as a result of no work no pay	23703.8

TABLE 9.7 Precautionary Suspensions

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



HUMAN RESOURCE OVERSIGHT

Skills Development

TABLE 10.1 Training Needs identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	3	0	0	0	0
	Male	9	0	0	0	0
Professionals	Female	76	0	30	0	30
	Male	72	0	18	0	18
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	45	0	0	0	0
	Male	27	0	0	0	0
Service and sales workers	Female	4	0	0	0	0
	Male	10	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	2	0	0	0	0
	Male	49	0	0	0	0
Elementary occupations	Female	93	0	0	0	0
	Male	0	0	0	0	0
Gender sub totals	Female	223	0	30	0	30
	Male	167	0	18	0	18
Total		390	0	48	0	48



HUMAN RESOURCE OVERSIGHT

Skills Development

TABLE 10.2 Training Provided

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	3	0	0	0	3
	Male	9	0	0	0	9
Professionals	Female	69	0	30	0	99
	Male	67	0	18	0	85
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	39	0	0	0	39
	Male	18	0	0	0	18
Service and sales workers	Female	4	0	0	0	4
	Male	10	0	0	0	10
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	2	0	0	0	2
	Male	49	0	0	0	49
Elementary occupations	Female	93	0	0	0	93
	Male	0	0	0	0	0
Gender sub totals	Female	210	0	30	0	0
	Male	153	0	18	0	0
Total		363	0	48	0	411



HUMAN RESOURCE OVERSIGHT Injuries

TABLE 13.1 Injury on Duty

Nature of injury on duty	Number	Percentage of Total
Required basic medical attention only	0	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	1	100
Total	1	100

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