

# OFFICE OF THE PREMIER VOTE 1

## Management Report for the year ended 31 March 2004

*Report by the Accounting Officer to the Executive Authority and the Legislature on the financial performance, financial position as well as the activities of the Office of the Premier for the financial year ended 31 March 2004 submitted in terms of section 40(1)(c)(i) of the Public Finance Management Act, Act No. 1 of 1999.*

### 1. General review of the state of financial affairs

The Office of the Premier was allocated a total budget of R 113, 902 million for the 2003/2004 Financial Year. The Office spent R 114, 507 million, which is R605 000 more than the allocated budget. The over expenditure is attributed to the backdated allowances for Traditional Leaders as well as the additional expenditure incurred relating to the three provincial events namely, Youth Day, Women's Day and International Day of Disabled Persons. These events were budgeted as Provincial but were later during the year changed to National events.

#### 1.1 Important policy decisions and strategic issues facing the Office.

The Office is responsible for monitoring and coordinating the implementation of policies as well as provincial priorities that are set out by the Executive Council.

Strategic issues facing the Office of the Premier are as follows:

- Ensuring integrated planning and alignment
- Coordinated social services delivery between the different spheres of Government
- Compliance of sector departments to the priorities of the Province
- Retention of scarce skills
- Implementation of Performance Management Framework

### 2. Services rendered by the Office

2.1 The services rendered by the Office are discussed elsewhere in the Annual Report but the broad objectives as outlined in the Strategic Plan document are:

- Provision of private secretariat and administrative services to the Premier and the Director-General.
- Co-ordination of policy processes within the Provincial Government.
- Rendering of corporate services functions such as Labour Relations, Human Resource Development, Workstudy and Job Evaluation as well as Human Resource Policy Co-ordination.
- Management of intra and intergovernmental as well as international relations and protocol.
- Management of a coherent and co-ordinated Government communication service.
- Rendering of Legal Advisory Services to the Provincial Government.
- Improvement of financial management and internal controls to ensure good governance.
- Development and maintenance of Provincial macro policies and strategies.
- Facilitation, monitoring and evaluation of the implementation of national transformation frameworks and policies.

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2.2. Tariff Policy

The tariff for the advertisement in the Government Gazette was last revised in January 2003 and it is still in line with tariffs charged by other Provinces.

2.3. Free Services

The Office offers no free services.

**3. Capacity Constraints**

The Office of the Premier as the co-ordinating centre does not have capital projects or programmes. Furthermore the Office experienced minimal capacity constraints during the reporting period.

**4. Utilization of donor funds**

The Office utilised donor funding for the development of the Provincial Human Resource Strategy, the reviewal of the Provincial Growth and Development Strategy and the Performance Management and Development System and the roll-out plan of Multi Purpose Community Centres (MPCCs) in the reporting period.

**5. Trading entities/public entities**

The Mpumalanga Youth Commission resorts, for budgetary purposes, under the Office of the Premier.

**6. Other organizations to whom transfer payments have been made**

The Office transferred an amount of R1, 039 million to 51 Traditional Authorities in the Province. These funds are for the administration of the Traditional Authorities. There is a policy in place, which is in line with the Public Finance Management Act, setting out the reporting requirements by the Traditional Authorities.

A list of the Traditional Authorities is attached as Annexure 1B in the Annual Financial Statements.

**7. Public Private Partnerships (PPP)**

The Office has no public private partnership agreements with any organisation.

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**8. Corporate governance arrangements**

The Office has an Internal Audit Section, which is shared with four other Departments.

**8.1 Risk Management approach**

Internal Audit facilitates a risk assessment exercise where management identifies all the risks in the department under specific focus areas, for example human resource management. This information is used to compile a risk management document used by management to address the risks. Internal Audit uses the information to draw up a three-year roll-out audit plan and operational audit plan.

**8.2 Fraud prevention policies**

The Internal Audit Section in the Office of the Premier has a directorate that focuses on fraud prevention and fraud investigations. The hotline of the Provincial Administration reports to this Section and all reported cases of fraud are being investigated. The Internal Audit Section drew up a fraud prevention plan for all the cluster departments.

**8.3 Effectiveness of Internal Audit/Audit Committees**

Internal Audit works according to the operational audit plan, as approved by the Audit Committee for the cluster departments (Office of the Premier, Safety & Security, Sport, Recreation, Arts and Culture, Housing and Land Administration and Local Government, Traffic Control and Traffic Safety). The Audit Committee functions very well and meets on a bi-monthly basis. Internal Audit reports of cluster departments are discussed at Audit Committee meetings. Internal Audit also delivers consultation services to Departments.

**8.4 Implementation of a Code of Conduct**

All employees have received a copy of the Public Service Code of Conduct booklet that requires them to act with the utmost good faith in all transactions and with all parties with whom they interact. All employees are required to annually declare their financial interests in order to minimize conflict of interest.

**9. Discontinued activities/activities to be discontinued**

There were no activities discontinued or to be discontinued.

**10. New/Proposed activities**

The following Sections were established during the reporting period:

- Office on the Status on the Child;

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- Directorate: Transversal Services; and
- Directorate: Human Resources Policy Co-ordination.

**11. Events after the reporting date**

The functions, roles and responsibilities of the Directorate: Traditional Leadership and Institutions were transferred to the Department of Local Government and Housing with effect from 1 April, 2004. In addition the functions, roles and responsibilities of the House of Traditional Leaders were transferred from the Provincial Legislature to the Office of the Premier, also with effect from 1 April, 2004.

**12. Progress with financial management improvements**

The Office is complying with the requirements of the Public Finance Management Act and Treasury Regulations, however, the area of payments to creditors within the 30-day required period is currently receiving special attention to be improved upon.

**13. Performance information**


The Office ensures that financial information is supplied to all responsibility managers on a monthly basis to facilitate objective corrective decisions where activities are not in line with the budget. Proper systems, processes and procedures are in place to ensure effective, efficient and transparent utilization of resources.

**14. Other**

There are no other material issues which I am aware of that may have an effect on the understanding of the financial state of affairs of the Office.

**Approval**

The annual financial statements set out on pages 124 to 160 have been approved by the Accounting Officer.



**ADV. M.S. SOKO  
DIRECTOR-GENERAL**

31 May 2004