

Report of the Accounting Officer for the year ended 31 March 2006.

Report by the Accounting Officer to the Executive Authority and the Provincial Legislature of Mpumalanga Province as at 31 March 2006.

1. General review of the state of financial affairs.

1.1 Important policy decisions and strategic issues facing the department.

The mandate and strategic role of the Office of the Premier is to co-ordinate, facilitate, advise, support, monitor and evaluate provincial performance. This is achieved through providing strategic leadership, management and executive decision-making intelligence.

The Office of the Premier went through a restructuring process and this resulted in the establishment of units such as Cluster Management and Provincial Government Information Technology. The re-organisation of the Office also resulted in the decrease of the programmes from seven to five. Peral Management unit, which was a sub-programme under Management Services, was transferred to the Department of Finance. The new organisational establishment of the Office of the Premier has been developed and is currently being implemented.

1.2 Significant events that have taken place during the year.

Besides the annual Premier' Service Excellent Awards event, the Office of the Premier also hosted the first Senior Management Service conference in the Province. The aim of the conference was to focus on challenges that the Province faces and exchange some ideas and advice on how to overcome the challenges.

1.3 Major projects completed during the year.

The skills audit project which commenced in 2004/05 financial year was completed in this reporting period. The Office of the Premier, through its Accelerate Capacity Building Initiative will roll out a comprehensive programme to build capacity of both senior and middle management. This will include programmes targeting senior and middle management. Another important initiative, as part of capacity building will be the implementation of the Executive Management Development Programme directed at senior managers in the Provincial Administration.

1.4 Spending trends.

The appropriated budget for 2005/06 financial year was R107, 208 million and total expenditure amounted to R100, 902 million. The under expenditure of R6, 306 million is attributed to the re-organisation of the Office which resulted in funded vacant posts not filled. The Office advertised senior and middle management posts and these posts are being filled.

1.5 Unauthorised expenditure.

Approval was obtained from the Select Committee on Public Accounts (SCOPA) to write off the unauthorised expenditure of R1, 178 million for 2002/2003 financial year.

2. Services rendered by the Office of the Premier.

2.1 A list of services rendered.

A detailed report on the services rendered by the Office of the Premier are discussed in full in the Annual Report. The following are broad strategic objectives of the Office of the Premier:

- Overall effective and efficient administrative management of the Office and all the Provincial Departments.
- Alignment of Strategic Plans with the Provincial Growth and Development Strategy.
- Enhancement of good Governance and Service delivery
- Co-ordination implementation, monitoring and evaluation of gender, disability and children's rights.

2.2 Tariff Policy.

The Office of the Premier does not charge for service rendered in a form of advice to Departments.

2.3 Inventories.

Inventories on hand at year-end were as follows:

1. Stationery	R 80 712.41
2. Cartridges	R 295 500.99
3. Refreshments	R 3 502.02
4. Cleaning Materials	<u>R 1 565.07</u>
TOTAL	<u>R 381 280.49</u>

Inventory is valued using the Weighted Average method.

3. Capacity Constraints

Critical funded vacant posts were not filled on time and this resulted in the Office experiencing capacity constraints. Key posts were advertised and are currently being filled.

4. Utilisation of donor funds.

The Office received an amount of R640 000 from First National Bank for the Provincial Heritage Project. This amount was paid to a service provider to conduct an Academic Study into the History and Past of the Province and to subsequently produce a Book containing the finding in this regard. A further amount of R300 000 was received from the National Heritage Council to market the Project.

5. Trading entities and public entities.

There were no trading or public entities during the reporting period. However the Office is intending to register the Youth Commission and the House of Traditional Leaders as public entities.

6. Organisation to whom transfer payments have been made.

The Office of the Premier did not make any transfer payments during the year under review.

7. Public private partnership (PPP).

The Office does not have a Public Private Partnership.

8. Corporate Governance Arrangements.

The Office has an Internal Audit section, which is shared with three other Departments.

8.1 Risk Management approach.

Internal Audit section facilitates a risk assessment exercise where management identifies all the risks in the department under specific focus areas. A risk management document is compiled and used by management to address the risks.

8.2 Fraud prevention policies.

The Internal Audit section in the Office of the Premier drew up a fraud prevention plan for all cluster departments. The section has a directorate that focuses on fraud prevention and fraud investigations.

8.3 Effectiveness of Internal Audit and Audit Committees.

Internal Audit works according to the operational audit plan, as approved by the Audit Committee for the cluster departments. The Audit Committee functions very well and meets on a quarterly basis.

8.4 Implementation of a code of conduct.

A workshop on code of conduct was conducted to all employees and new employees received a copy of the Public Service Code of Conduct booklet that requires them to act with utmost good faith in all transactions and with all parties with whom they interact. All senior managers annually declare their financial interests in order to minimize conflict of interest.

9. Discontinues activities/activities to be discontinued.

There were no activities to be discontinued during the reporting period.

10. New/ proposed activities.

The Cluster Management and Provincial Government Information Technology (PGITO) unit were established. The aim of Cluster Management is to provide administrative support to the Executive Committees while PGITO promotes effective management of information technology as enabler and as strategic resource.

The Medium Term Expenditure Framework allocations for the two units is as follows:

Unit	2006/07	2007/08	2008/09
Cluster Management	4,636	4,601	4,674
PGITO	971	1,008	1,047

11. Asset Management.

11.1 Progress with regard to capturing of assets in the register.

All assets have been captured in the asset register and all assets were numbered for identification purposes. All assets were reconciled.

11.2 Establishment of asset management units and asset management teams.

The Asset Management section has been established in 2005/06 financial year and the section is fully functional.