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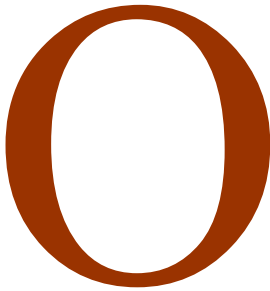
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FOREWORD BY MEMBER OF THE EXECUTIVE COUNCIL



ur presentation of this Annual Report for the 2006/07 to the Free State Legislature and the people of the Free State Province is a reflection of our commitment to good governance. This report should be seen as a tool for reflection on the services rendered by our Department during the year under review. It is intended to give a picture of how the Department strived to achieve its measurable objectives as stated in our Annual Performance Plan. The Annual Report is the most important tool to measure the performance of the Department and is critical for holding the government accountable to the Legislature and the public.

This report presents us as the department with yet another opportunity to report to the Free State Legislature and by extension the people of the Free State on the activities of this department during the period under review. All our efforts, time and allocated resources were dedicated to broadening economic participation towards shared growth in the Free State.

We are proud to report that the long hours of hard dedicated work in improving systems and process for service excellence is evident in the results as demonstrated in the performance and the financial report of the department for the 2006/07 financial year. Indeed we were, rightfully so, preoccupied with improving corporate governance so as to minimize if not eradicate any bottlenecks found in the operations of this department in its execution of its mandate of creating much needed jobs, poverty eradication and ensuring access to a better life for all.

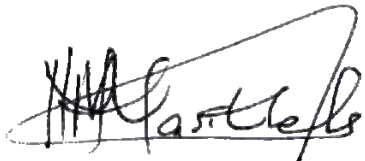
We are convinced that more than ever before the foot soldiers in our department have understanding of the Free State Growth and Development Strategy and are geared towards its implementation. To this end, the department resolved to review its Mission and Vision and strategic goals to align them to the FSGDS.

The period under review is further characterised by enhanced coordination and streamlining of the operations of public entities accountable to the department. This has contributed significantly towards intensifying our efforts towards improving economic growth, job creation, SMME development and Broad Based Black Economic Empowerment.

Central to our activities and operations, is the impact made by this department and its entities on the lives of the people of the Free State, particularly blacks and Africans in particular. We wish to demonstrate through this report that significant milestones have been achieved through, effective tourism support, efficient environmental management and coordinated economic development in lifting from the shoulders of our people the heavy burden of poverty and underdevelopment.

Pursuant to all these gains and corresponding challenges, we continue to place high on our priority list, the leadership of the Economic, Employment and Investment Cluster. This we do within the realm of co-operative governance and the maximization of the government's programme of action. There is one common goal of reversing the debilitating effect of poverty and unemployment on the majority of our people.

May this report serve as yet another evidence of our firm commitment to participatory democracy and renewed pledge towards intensifying our struggle against poverty.

A handwritten signature in black ink, appearing to read 'N. H. Masithela', with a large, sweeping flourish extending downwards and to the right.

N. H. Masithela
MEC for Tourism, Environmental and Economic Affairs.

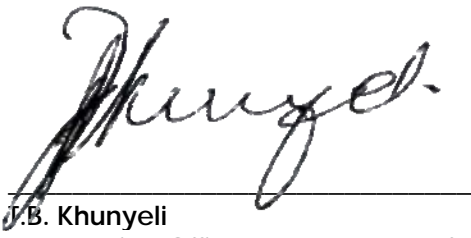
DATE SIGNED: 31 August 2007



1. PART ONE: GENERAL INFORMATION

1.1 Submission of the Annual Report to the Executive Authority

I, Thabo B. Khunyeli, have the honour of submitting the 2006/07 Annual Report of the Department of Tourism, Environmental and Economic Affairs in terms of the Public Finance Management Act 1 of 1999 section 40 (1) (d) (i) as amended by Act 29 of 1999.



T.B. Khunyeli

Accounting Officer: Department of Tourism, Environmental and Economic Affairs

Signed on this day 31 August 2007

1.2 Introduction by the Head of Department

The details, facts and statistics contained in the pages of this report are an account of the priorities and emphasis of the activities and operations of this department during the period under review. It is humble submission through this report that we have covered significant area of operational shortcomings experienced by this department in the past.

High on our priority list was addressing the organisational deficiencies particularly in the finance and human resources management. These deficiencies posed serious corporate governance challenges which raised the risk 'temperature' in the department tremendously. We can report with confidence that risk profile of the department has improved remarkable and we are on course in delivering on our mandate.

The department conducted a frank introspection and assessment of the impact of its operations during this financial year. This process inevitably, placed in sharp context, our ability to implement the Free State Growth and Development Strategy through the three core functions of the department. As a results the vision, mission and strategic goals were reviewed and realigned. The review and realignment, we believe, has placed us in a better if not best position to address the needs of the people of the Free State.

The fresh strategic thrust for the department has therefore been constructed as follows:

VISION

A prosperous Free State through sustainable economic growth and a healthy environment for all.

MISSION

To improve socio-economic livelihoods through economic and environmental programmes as well as governance system to ensure job creation and poverty reduction within the Free State.

STRATEGIC GOALS

1. To stimulate integrated sustainable economic development within the province.
2. To ensure sustainable environmental conservation within the province.
3. To ensure the departmental business process excellence

STRATEGIC OBJECTIVES

Programme 1: Administration

- Provide political and strategic leadership
- Enhance the effectiveness and efficiency of the
- Establish, maintain and extend monitoring and evaluation

Programme 2: Tourism

- The promotion and expansion of tourism in the province,
- The conservation of biodiversity,
- The management of provincial Protected Areas and resorts in the Free State,
- Transformation of the tourism and game industries in the province.

Programme 3: Environmental Management.

- Planning, Impact, Pollution and waste Management
- Environmental Management and sustainable Development Policy, legislation, Coordination and Monitoring
 - Ecosystem, Biodiversity and Natural Heritage Management
 - Environmental Compliance and Monitoring

Programme 4: Economic Development

- SMME development
- Industry / sector development
- Investment promotion
- Trade promotion
- Regulatory services for :
 - Consumer protection
 - Liquor trade registration and compliance

This exercise, undoubtedly brought urgency and deeper understanding of our institutional and personal responsibility towards the people of the Free State. With everybody on board, we believe we are on track in meeting our mandate. We have during this period plugged most of policy gaps in our department and stabilised the operational environment greatly.

This reviewed strategic thrust necessitated the re-look of the public entities and how they individually and collectively fit into the new line of march. A CEO's forum was established with the main purpose of coordinating and aligning the activities of these entities. The Free State Development Corporation (FDC), The Free State Racing and Gambling Board (FSRGB), the Free State Tourism Authority (FSTA) are fully operational and their annual reports are tabled separately to the legislature. The Free State Investment Agency (FIPA) has recently been inaugurated and spend the latter part of this reporting period familiarising members of the board with its mandate.

We believe we were correct when in the conclusion of our last annual report said, "We have no doubt that our experiences and lessons from that year will make current financial year become one of the even greater achievements in pursuit of a better life for all". That is indeed so, as the Irish proverb goes "lack of resources hanged many a man"

In conclusion, I wish to express my thanks to the responsible Member of the Executive Council, my colleagues the Heads of other departments in the EEI Cluster, as well as the management and staff of the Department of Tourism, Environmental and Economic Affairs. Without the support and dedication of all, our achievements would not have been possible.

1.3 Information on the Department

The Member of the Executive Council is the political head of the Department and serves in the Provincial Executive Council. He ensures that appropriate implementation of legislative practices as guided by respective and relevant Acts are in place. Ascertains that, the departmental Annual Performance Plan is in line with the Free State Growth and Development Strategy. Furthermore the MEC ensures that departmental operations help the department to realize the Provincial Growth and Development Strategic goals. Most importantly the Member of the Executive Council, signagises the policies of the ruling party with that of the government.

Public Entities reporting to the Executive Authority:

- Free State Development Corporation
- Free State Gambling and Racing Board
- Free State Tourism Authority
- Free State Investment Promotion Agency

Bills submitted to the Legislature during the financial year

1. Free State Liquor Bill
2. Investment Free State Agency Amendment Act, 2006
3. Free State Development Corporation Amendment Act,2006

Ministerial visits abroad

<i>Place</i>	<i>Date</i>	<i>Purpose</i>
Finland & Sweden	16 – 23 / 01/ 2006	Participation at MATKA international tourism trade fair and exploration of the Nordic Region for possible investments and twinning or other arrangements
Thailand, Malaysia and Singapore	27 / 05 / 2006 – 10 / 06 / 2006	To undergo a course on Good Urban Governance and Financing Infrastructure
Lesotho	08 – 09 / 09 / 2006	Co-hosting of the two nations activities between the Free State and Lesotho
Germany	10 – 18 / 10 / 2006	Explore areas of collaboration in education, sport, arts, crafts and potential investments.
People's Republic of China	15 – 21 / 12 / 2006	Explore opportunities in: Automobiles industry; Construction and cement; Tourism marketing and Establishment of development hubs
Germany	07 – 11 / 03 / 2007	International Tourism Berne (ITB), to expose Free State ETEYA Finalist

Mission statement

To improve socio-economic livelihoods through economic and environmental programmes as well as governance system to ensure job creation and poverty reduction within the Free State.

This mission will be attained through the following strategic goals:

- *To stimulate integrated sustainable economic development within the province.*
- *To ensure sustainable environmental conservation within the province.*
- *To ensure departmental business process excellence.*

Legislative mandate

The core business of the department emanates from the following pieces of legislation:

- Constitution of the Republic of South Africa
- Public finance management Act 1 of 1999 (as amended by Act 29 of 1999)
- Division of revenue Act 2006 (Act 2 of 2006)
- Environmental management Act 107 of 1998
- Environmental conservation Act of 1989
- Consumer Affairs Act 5 of 1998
- Liquor Act 27 of 1989
- Bio-diversity white paper
- Environmental management white paper

The department is also responsible for the following public entities:

- Free State Development Corporation was established in terms of the Free State development Act, 1995 Act (no.6 of 1995). The aim is to finance and advance economic growth and development, black economic empowerment and SMME development.
- Free State gambling and racing Board was established in terms of the Free State Gambling and Racing Act, 1996 Act (no.6 of 1996). The aim is to regulate the gambling and racing industry in the province.
- Free State tourism authority was established in terms of the Free State tourism Act, 2005 (no.3 of 2005). The aim is to market the Free State domestically and at international level. It is promoting tourism and thereby increasing our market share as a province.
- Free State investment promotion agency was established in terms of the investment Free State agency amendment Act, 2006. The aim is to promote both domestic and foreign investment in the province.



PART TWO – PROGRAMME PERFORMANCE

Voted funds

Appropriation	Main appropriation	Adjusted appropriation	Actual amount spent	(Over) /under expenditure
	R229, 805, 000	R229, 805, 000	R226, 696, 000	R3, 109, 000
Responsible MEC	MEC of Tourism, Environmental and Economic affairs			
Administering Department	Department of Tourism, Environmental and Economic affairs			
Accounting officer	Head of Department for the Department of Tourism, Environmental and Economic affairs.			

Aim of the vote

To improve socio-economic livelihoods through economic and environmental programmes as well as governance system to ensure job creation and poverty reduction within the Free State Province.

Key measurable objectives, programmes and achievements

Key measurable objectives

- To promote and expand tourism in the Free State.
- To ensure a healthy environment, bio-diversity conservation and compliance with environmental legislation.
- To promote business development and ensure effective regulatory framework for economic activity.

Programmes

Programme 1: Administration

Purpose: To provide the department with political and strategic leadership so as to enhance the broader government delivery mandate as enshrined in relevant policy documents.

Programme 2: Tourism

Purpose: To facilitate tourism development, manage and conserve bio-diversity in the Free State Province.

Programme 3: Environmental Affairs

Purpose: To ensure compliance to environmental legislation and healthy environment.

Programme 4: Economic Development

Purpose: To provide leadership in economic development, job creation and poverty reduction.

Programme 5: Transversal functions

Purpose: To provide transfer payments to public entities that account to our Department.

Achievements

- Game management plan is in place
- 18 staff members trained in hospitality management.
- Commercialization strategy completed.
- Capture game for BEE game farmers was done. 21 springbok, 6 zebras and 22 blesbok were delivered to two black farmers.
- A successful business week was held in February.
- The board members of Free State Investment Promotion Agency were successfully inaugurated.
- Revenue collection exceeded the budgeted targets by 13%.
- Premier export excellence awards.

Overview of the service delivery environment for 2006/07

This overview indicates the progress that has been made in achieving the priorities outlined in the Annual Performance Plan. The progress made with respect to core functions such as Eco-Tourism, Environmental Development and Economic Development indicates the extent to which the Department has performed with respect to the Free State Growth and Development Strategy as well as the Programme of Action of the Economic, Employment and Investment Cluster.

The relocation of the conservation function from the Environmental Development Chief Directorate to the Eco-Tourism Chief Directorate in the previous financial year has proved to have been a necessary decision. This move has greatly enhanced the capacity of the Department to manage the protected areas and resorts as tourism products in order to optimise tourism opportunities in the province. In order to develop resorts and natural reserves as tourism products, the departmental infrastructure plan was revised in order to provide for the extensive upgrading of all the resorts and reserves by 2009. The first phase of the upgrading of the Phillip Sanders Resort at the estimated amount of R30 million was due for completion before the end of the year under review. This project was 95% complete at the end of March 2007. This will be followed by the commencement of the second phase. Similarly, the building of abattoir, stores and entrance gate at the Gariiep Nature Reserve was scheduled for completion by the end of the 2006/07 financial year. The project was 60% complete by the end of March 2007.

The other important development in this regard has been the finalisation of the commercialization strategy for all the resorts and reserves. Presentations about the refurbishment of our resorts were made by several companies.

The most important issue in the management of environmental development has been the implementation of the new regulations regarding environmental impact assessments.

During its Annual Performance Plan review session in November 2006, the department revised its mission and vision statements as well as strategic goals and objectives for implementation in the 2007/08 financial year.

Overview of the organisational environment for 2006/07

The successful filling of nine critical posts, mostly in the Chief Directorates of Cooperate Services and Financial Management has immensely improved the capacity of these support services. The organisational structure of the department is under review. The Chief Financial

Officer was re-instated as per Bargaining Council Arbitration award and he commenced with work from the 8 September 2006.

Strategic overview and key policy developments for 2006/07 financial year

The department has revised its vision, mission, strategic goals and strategic objectives during its strategic planning session during November 2006. The Free State Investment promotion agency Act was passed during the year.

Departmental revenue, expenditure and other specific topics

Collection of departmental revenue

	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/007 Target	2006/07 Actual	%Deviation from target (-)/+
Tax revenue	17,698	16,204	18,753	24,829	24,688	(0, 58%)
Casino taxes	10,818	8,716	11,243	16,985	16,130	
Horse racing	4,574	5,036	5,090	5,322	5,854	
Liquor licenses	2,306	2,452	2,420	2,522	2,702	
Non-tax revenue	24,002	13,092	16,992	8,038	12,863	60%
Sales of goods and services	11,578	12,401	16,930	8,038	12,535	
Transfers received	2,257					
Interest, dividends & rent	99	18	14		29	
Recoverable revenue(RCVD)	10,068					
Sales of capital assets(capital revenue)						
Financial transactions(recovery of loans and advances)		673	48		299	
Total departmental receipts	41,700	29,296	35,745	32,867	37,551	14,24%

Departmental expenditure

Programmes	Voted for 2006/07	Roll-overs and adjustments	Virement	Total voted	Actual expenditure	Variance
Administration	48,119		1,861	49,980	52,744	(2,764)
Tourism	77,270		(1,861)	75,409	74,860	549
Environmental Affairs	20,585			20,585	21,696	(711)
Economic Development	13,955			13,955	14,064	(109)
Transversal functions	69,876			69,876	63,126	6,750
Theft and losses					606	(606)
Total	229,805			229,805	226,696	3,109

Transfer payments

The department budget for transfer payments that made to the public entities that are accountable to the Executive Authority. Compliance that governs transfer of funds is prescribed in Part 2 of chapter 5 of PFMA, section 38 (1) (i), (j) where the transfer of funds must comply with terms and conditions of the Division of Revenue Act. The entity to which funds are being transferred must submit to the transferring department written assurance that the entity implements effective, efficient and transparent financial management and internal control systems and financial report.

The department made the following transfers in 2006/07 financial year:

NAME OF THE ENTITY	AMOUNT TRANSFERRED	ACTUAL EXPENDITURE
Free State Development Corporation	24,500	24,500
Free State Gambling and Racing Board	14,252	14,252
Free State tourism Authority	21,474	21,474

Capital investment, maintenance and asset management plan

This department plays a major role in the tourism industry in the province. To improve our local tourism products, the department has embarked upon a massive refurbishment of our resorts and reserves to be ready for 2010 world cup. This has resulted in the development of a commercialization strategy. Due to the backlog and inadequate funding, the following nature reserves have no or inadequate visitor facilities: Koppiesdam, Erfenisdam, Kalkfontein, Seekoeivlei, Soetdoring and Rustfontein. The need for infrastructure development is derived from the requests made by visitors. The demand for accommodation in these places is high.

Capital investment

The department has invested in the following projects:

Project name	Budget	Progress(31 March 2007)
Gariiep nature reserve	7 million	Big storeroom completed The entrance gate 85% completed The abattoir 80% completed Office block 40% completed Sewerage works 85% completed
Phillip sanders(phase 1)	18,992 million	12 contractors were awarded contracts. 6 of them have completed their project segments.2 contractors completed 90% of their projects. 1 contractor completed 60% of his project segment.
Total	25,992 million	

Maintenance plan

A maintenance plan targets larger maintenance projects, resorts and reserves that are the busiest first before other routine maintenance are done. The maintenance team addresses all problems associated with all structures when they are on site and they do not concentrate on visitor facilities only. The standard of materials used during project maintenance, is normally higher than that of the materials originally used during the construction of the buildings.

Asset management

The status of departmental asset register as per asset register minimum requirements is 95% compliant. Assigning of asset unique numbers to departmental asset register through bar-coding of assets was at 40% at the end of March 2007. We still have to load these asset unique numbers onto the asset register.

Physical asset verification, at 64 chief users, was successfully completed by the end of March 2007. What is still outstanding is the capturing of discrepancies discovered during the stock taking.

The department held a game auction during April 2006 where game to the value of R 6,530 million was auctioned. The department has prioritized Phillip Sanders resort and Gariep nature reserve as key projects for the 2007/08 financial. Phase one of Phillip Sanders was 95% complete by the end of 2006/07. Twelve contractors were awarded contracts and started with the work in September 2006. The budget allocated for this project was R18, 992 million and overspend by R2, 746 million. Gariep project was 60% complete. The store room is complete and the following are still in progress: The entrance gate is 85% complete. The abattoir is 80% complete. Office block is 40% and sewerage works is 85% complete.

Movement in tangible capital assets per asset register

	Opening balance	Current year adj. to prior year balances	Additions	disposals	Closing balance
	Cost R`000	Cost R`000	Cost R`000	Cost R`000	Cost R`000
Buildings and other fixed structure	96	-	-	-	96
Other fixed structures	96	-	-	-	96
Machinery and equipment	26,440	8,079	3,629	22,553	15,595
Transport assets	14,467	7,797	435	19,562	3,137
Specialized military assets	463	97	54	-	614
Computer equipment	2,778	(15)	1,703	-	4,466
Furniture & office equipment	676	703	823	-	2,202
Other machinery and equipment	8,056	(503)	614	2,991	5,176
Cultivated & biological assets	12,256	22,437	-	379	34,314
Biological assets	12,256	22,437	-	379	34,314
Total tangible assets	38,792	30,516	3,629	22,932	50,005

Programme Performance

Programme 1: Administration

Purpose: To provide the department with political and strategic leadership so as to enhance the broader government delivery mandate as enshrined in relevant policy documents.

To help the department to accomplish its objectives by putting systems in place and regularly monitoring the effectiveness of internal controls.

Service delivery objective and indicators

Sub-programme: Strategic financial Management

The sub-programme was successful in implementing the supply chain management policies. All payments to suppliers were paid within 30 days from October 2006.

Our asset register was also successfully completed.

The budget statement was completed in time and submitted to treasury.

The data base for expenditure was also complemented in time. The annual performance plan was revised from November 2006 and completed in the second week of January 2007. The vision, mission, strategic goals and strategic objectives of the department were revised going forward. The In-year monitoring report was submitted in time.

Sub-programme: Corporate Services

All human resource policies were successfully developed. The overtime policy was also developed and approved. The implementation of internship programme in the department was very successful. Most of our interns managed to secure permanent jobs at the end of their contracts. The personal assistants and secretaries were also trained. The project management and management development were offered to senior managers.

Sub-programme: Internal Audit

The internal audit unit managed to appoint additional staff to ease their work load. The risk assessment was successfully completed. The auditing of all our pay points for liquor licenses came up with very valuable information on SARS and how they handle returns.

Sub-programme: Communication and ICT

Communication and ICT managed to inform the department about both positive and negative press releases that had direct impact on the department's image.

Sub-programme: Security services

The security services managed to launch Broader Provincial Security Managers Forum. The security tender was awarded to Katyusha Security Company for 24 months.

Sub-programme: Special programme

Draft policies were presented to human resource development. Women information sessions were held.

Service delivery achievements for 2006/07

Sub-programmes: Strategic financial management Service delivery achievements for 2006/07

Sub-programmes: Strategic Financial Management

Sub-programmes	Output	Output performance measures / delivery indicators	Actual performance against targets	
			Target	Actual
<i>Strategic financial management</i>	Regular department-wide finance meetings	Monthly expenditure and revenue meetings	12 meetings	Finance and risk management committee operational
		Submission of IYM / early warning report to Provincial Treasury	12 reports, by the 15 th of each month	Full compliance
		Quarterly finance report presented to MEC.	Quarterly	Done
		Annual Financial meeting to present and Discuss the draft AFS.	During May	AFS presented to Auditor-General & Audit committee
	Co-ordination of Annual performance plans	Annual performance plan compiled Full implementation of the MEC's budget speech commitments	Annual performance plan printed. Co-ordination of reporting of achievements made by the Dept. on the MEC's budget speech to the Premier's office on quarterly basis or whenever requested	Annual performance plan tabled in 3/2007. All deadlines met
	Effectively addressing informal and formal audit queries	Meetings held with the OAG during the audit period.	All audit queries were answered.	100%
	Effectively addressing Propac resolutions	Clearing all outstanding resolutions	Resolving 100% of all resolutions	100%

Sub-programmes	Output	Output performance measures / delivery indicators	Actual performance against targets	
			Target	Actual
	Continuous Improvement in the quarterly financial management normative measures	Quarterly financial management normative measures	Improvement on previous year as measured by Provincial Treasury comments on reports submitted	All comments from Treasury have been attended to.
	Preparation and monitoring of credible budget for the Department Information sessions with chief users.	Alignment of budget with strategic plan	Full alignment	Full alignment attained
		Timely submission of budget to Treasury	Submission of budget at the date determined by Provincial Treasury	Dead line met
		Capturing of the approved budget	End-Feb	Target met
		Review of captured budget	31 st March	Target met
		Well informed stakeholders Timeous reporting of SCM information	Full compliance Full compliance	Full compliance Full compliance
	Expenditure and revenue control	Develop improved S&T process.	Processing of S & T claims within 30 days	Target met
		Develop a system to ensure timely recovery & payment of interdepartmental claims.	recovery & payment of interdepartmental claims processed within applicable prescripts	Full compliance
		Correct allocation of expenditure.	100% of revenue correctly allocated	Target met
		Design a new process for RD cheques.	Approved debt Management guideline	Guidelines approved
		Improved control over petty cash and advances to resorts.	Approved cash management and petty cash guideline	Guidelines approved

Sub-programmes	Output	Output performance measures / delivery indicators	Actual performance against targets	
			Target	Actual
		Banking of Cash	Daily	Compliance achieved, but isolated cases of non-compliance reported and corrective measures implemented
		Journalizing direct deposits	Daily	Target met
		Annual revision of revenue tariffs.	Before Oct of each year for the next budget year.	Done
		Compliance to month-end closing requirements.	> 90% average score for the year as measured by Provincial Treasury Monitoring tool	On target
		Collection of revenue through all sources	Full compliance	On target
	Implementation of Supply Chain Management policies	Developed demand and acquisition plan.	Complete implementation of a plan	75% achieved. 25% deviation due to the review of the budget for the lat quarter.
		Timely processing of requisitions	100% timely processing of requisitions within 3 days from the date of receipt of a complete set.	Full compliance
		Timely placing of orders	100% accuracy and timely placing of orders with different suppliers.	Full compliance
		Timely payment of invoices	Payment of invoices within 30 days from receiving of the invoice.	95% achieved
		Effective contract management.	100% Implementation of the SCM policies	SCM policies were fully implemented

Sub-programmes	Output	Output performance measures / delivery indicators	Actual performance against targets	
			Target	Actual
		Maintain an accurate supplier database.	Quarterly update of the supplier database.	Not achieve due to centralization process of Provincial data base.
		Follow-up of all outstanding commitments.	Within 1 month resolved	Fully achieved
	Link all asset to supporting documents	All assets on asset register traced to supporting documentation	100% traced to supporting documents	100% achieved
	Coding of all assets	Unique location bar-code number included	100%	40% achieved
	All purchases of assets through LOGIS reconciled with payments through BAS	Monthly reconciled BAS and LOGIS transactions on purchase of assets	100% of all purchases of assets through LOGIS reconciled with payments through BAS	84% achieved. However, there were some discrepancies.
	Stock taking to be done at all chief users sites	Annual stock taking reports	Stock taking to be completed and reports submitted for 64 chief users.	100% achieved
	Disposed of obsolete items	Effective disposal management	All identified disposal items physically inspected and HOD's approval obtained	HOD's approval obtained and game auction took place.
	Finalize cases of loss	Resolving cases of losses and theft.	60% of the cases should have been finalized	50% approved however, not effected on BAS
	Inspection on all vehicles being done	Fleet inspection reports	100% inspection on Departmental Fleet	100% achieved

Sub-programmes: Corporate Services

Sub-programmes	Output	Output performance measures / delivery indicators	Actual performance against targets	
			Target	Actual
Corporate Services	Approved Draft Policies	HR Policies approved	20 HR Policies approved and operational	3 policies approved
	To develop and implement recruitment strategy	Recruitment Strategy and implemented	Approved and implemented recruitment and selection guidelines	Recruitment and Selection guidelines approved
	To develop and implement a retention strategy	Retention Strategy developed and implemented	Approved retention strategy by end of October 2006	Retention Strategy not yet developed
	To develop HR Management policies	All legislated policies to be developed	Special leave Policy	Approved interim special leave measures available
			Overtime Policy	Approved interim overtime measures available
	Appointment of Training and Development Committee by HOD by October 2006 HR Plan operational by October 2006 with approved operational T&D Committee operational by end October 2006	Committee meets once per quarter and submits quarterly reports Approved HR Plan in operation by end October 2006 and T&D Committee submits Quarterly Reports	All appointments in line with Equity Plan and Workplace Skills Plan supportive of internal training and development HR Plan fully operational by end March 2006	Done Dependent on the finalization of Macro-structure

	All critical macro structure posts job evaluated and advertised by end November 2006	Complete Macro Structure by August 2006 Complete Micro Structure by November 2006 All critical Job Evaluations identified by HOD to be complete by March 2007	Fully functional Macro and Micro structure Structure 100% compatible with PERSAL All critical vacancies and posts job evaluated	Revision of the structure still under way Done Done
	Ensure the filling of vacancies	Vacancies filled per set audit and legal prescripts per Macro structure by end November 2005	62 posts	70 posts were advertised. Of these, 40 Posts were advertised in August 2006 : 20 of them filled. Other posts were re-advertised. Filling of other posts was delayed due to various reasons. The other thirty (30) posts were advertised towards the end of the financial year (2006/2007) as follows: 9 advertised in February and 21 in March 2007.
	EE Plan, Skills Audit, Training Report etc. submitted at required times	All mandatory reports submitted per the set times without deviation	100% compliance	Achieved
	Skills Development Audit & Service Delivery Plan completed by end of financial year 06/07	Skills Audit completed by September 2006	100% compliance	Survey on skills gap conducted
	Workplace Skills Plan implemented	Quarterly and Annual Progress Reports on implementation Workplace Skills Plan.	Workplace Skills Plan implemented as approved to train 370 employees	254 employees trained in various short courses

	Awarding of 10 full-time Bursaries and 20 part-time Bursaries	Annual awarding of part-time and full-time bursaries	Promote educational Growth and development	13 full-time bursaries awarded 32 part-time bursaries awarded
	Implementation of PMDS	PMDS monitoring programme in place by 30 August 2006	Continuous monitoring of PMDS implementation	Monitoring schedule circular issues on 27 September 2006 4 major training sessions were conducted
	Learnership Programme Policy developed by November 2005	10 to 20 learners identified in Conservation and Tourism for training by end November 2005	10 to 20 learnerships in Conservation and Tourism to be conducted	16 beneficiaries on Conservation and Tourism Learnerships recruited from June 2006.
	Annual Implementation of Internship Programme	Quarterly and Annual Progress Reports on implementation of Internship Programme	40 graduate interns to be recruited for Internship programme	36 graduate interns recruited during May 2006
	Development and implementation of EHWP Policy and Strategy	EHWP rollout throughout the Department	A developed EHWP Policy and Strategy	First Draft on EHWP Policy and Strategy completed and circulated for comments.
	Implementation of the PERSAL System by users	Daily implementation of personnel information on the PERSAL system	All PERSAL reports 100% correct	Achieved
	Proper record keeping of officials from point of appointment up to service termination	All officials records kept 100% correct and safe	Records 100% in place	Achieved
	Realignment of wrong structure and PERSAL placement	All out of adjustment, wrongly placed and contract worker officials' are effectively placed by December 2005	Structure and PERSAL system 100% in sync	Achieved

	Attending to disputes, investigations, grievances and arbitration within the prescribed timeframes.	Solving of grievances and disputes within timeframes.	As received	4 Disciplinary hearings. 8 Grievances finalized. 5 Disputes resolved 1 Suspended 1 Conciliation 11 Investigations
	Arrange or conduct training for managers, supervisors and officials on Labour Relations in the Department	Capacitate managers and supervisors, reduction of grievances and disputes.	100%	283 were trained and 60 received Code of Conduct.
	Monitor industrial action/labour relations in the department	Report back to the office of the Premier within set time frame.	Time frame for industrial action was met. 100% monitoring	100% Compliance
		Handling of employer and employee relationship and work related conflict in a conciliatory manner.	Provision of continuous advice.	Continuous advice given to employees.
	Provide legal advice to the MEC, Public Entities and the Department.	Reduction of litigation and sound decision making.	As requested	Provided as was requested
	Handling litigation against and for the Department/ Public Entities	Adhere to increase number of cases lost on non-compliance with procedure.	As received	38 cases
	Draft and edit legislation and contracts for the Department and Public Entities	Binding and effective agreements, constitutional complaint legislation.	As requested	Liquor Bill, Conservation Bill. 70 contracts on Macufe and 20 others for Vredefort Dome.

Sub-programmes: Internal audit unit

Sub-programmes	Output	Output performance measures / delivery indicators	Actual performance against targets	
			Target	Actual
<i>Internal audit unit</i>				
	To evaluate (Assurance) and improve (Consult and Advice) the effectiveness of risk management, controls and governance processes.(as per plan approved audit	50 Internal Audit Reports to be issued. (Consultation and Assurance reports)	16 audit reports issued	4 audit reports were issued as per amended audit plan
		Risk management assessment report	Complete reassessment of risks	Achieved
		Follow ups to the implementation of assurance and consultative recommendation	Full follow-ups to the implementation of assurance and consultative recommendation	Two follow-ups and two consultative reports were issued
	To ensure that professional standard are met by Internal Auditors	Audit Committee report	Professional Standards will be met by Internal Auditors	Achieved
		Internal quality assurance report	Quality assurance to be reviewed in full by the audit committee	Achieved
		External quality report	Quality assurance will be fully reviewed by the external assessors	To be done in 2008

Sub-programmes: Communication and ICT

Sub-programmes	Output	Output performance measures / delivery indicators	Actual performance against targets	
			Target	Actual
<i>Communication and ICT</i>				
	To ensure effective stakeholder management	Disseminating accurate and updated information about the operations and activities of DTEEA	Produce corporate profile publication	A hugely successful publication produced and distributed to all relevant stakeholders
		Develop a stakeholder directory	A comprehensive directory in place by 2007	Information from line functions being collated
	Develop and implement effective media relations strategy	Raising the public and media profile of DTEEA	Holding road shows Media day and regular media releases and penetration of national media	A successful media day held. Presence in national media improved drastically in both electronic and print media. e.g. City Press coverage of Small Business Week and Budget vote covered in Lekgotleng le Modise SABC 2
	Effective internal communication	Enhanced Access to information	Establishment of effective information hub	Started a photo gallery as a means of enhancing information flow
	Enhance the image of the DTEEA	Ensure corporate identity	Develop and maintain Departmental corporate Identity Strategy	Developed and implemented guidelines for corporate events
		Develop and maintain a professional DTEEA's website	Reconstruct and activate DTEEA's current website	Encountered contractual dispute with service provider

		Effective and efficient call centre	Revamp the call centre	Engaged the service provider with the aim of resolving problems affecting uninterrupted service
	Provide efficient and efficient Information Communication technology services to DTEEA	Developed and implemented Master System Plan (MSP)	Conducted a full IT audit and conceptualized the disaster recovery plan	Signed a contract with SITA by December 2006
		Established an effective IT help desk	Improved response time to IT problems	Response time deteriorated due to loss of IT technicians

Sub-programmes: Security services

Sub-programmes	Output	Output performance measures / delivery indicators	Actual performance against targets	
			Target	Actual
<i>Security services</i>				
	Enhance the development and implementation of policies	Decrease in levels of crime incidents	Adoption and approval	Achieved
	Development of Security awareness Programme for the department.	Acceptance of the security measures in the department.	Conduct of awareness sessions	Achieved
	Development of a crime risk analysis information capacity	Risk exposure and management.	Implementation of the prevention plan	Done
	Listing of crime risks	Ability to predict, prevent, reduce or recover future crime related losses.	Establishment of crime risk analysis committee	Not achieved
	Provision of access control	24 hourly patrolling of departmental premises	Awarding of Tender	Tender awarded for 24 months

Sub-programmes: Special programme

Sub-programmes	Output	Output performance measures / delivery indicators	Actual performance against targets	
			Target	Actual
<i>Special programme</i>				
	Co-ordinate and monitor the implementation of strategic plan commitments with regard to people with disabilities	Approved Departmental Disability Policy	Draft policies presented to management for inputs	Achieved
	Departmental Disability Awareness Programmes	Well informed Departmental Officials on Disability issues	Four awareness programmes to be conducted	Done
	Consultative Meetings with organizations of people with disabilities	Positive impact on the lives of people with disabilities	One meeting per quarter with forum of people with disability	Achieved
	Meetings with programme managers	Consultations reports	5 reports	5 done
	Meetings with FEDERAL COUNCIL	Consultation reports	4 reports	1 Meeting with FEDERAL Council, 1 with APD and 2 with DPSA
	Meetings with Office on the Status of Disabled People (OSDP)	Consultations reports	4 reports	4 done
	To promote social integration and economic empowerment of women and support of economic networks/ initiatives	Plan of Number of awareness and information sessions	Policy developed & managers trained	Policy still under consideration
	To advocate for Gender balance and initiate programmes that caters for the needs and development of	Gender disaggregated data barometer	30%	26% achieved

Sub-programmes	Output	Output performance measures / delivery indicators	Actual performance against targets	
			Target	Actual
	women in the Department			
	Promote Provincial Business women networks and organizations	Mobilized women to join and participate in established networks (SAWIMA, SAWEN, WOMEN IN TOURISM INDUSTRY)	Establish Forum in 5 District	4 Districts established

Programme 2: Tourism

Purpose: The programme is aimed at the management, development, implementation, evaluation and maintenance of national as well as provincial policies, programmes and systems of tourism development, promotion and marketing.

Measurable objectives

- To ensure bio-diversity conservation
- To provide support per provincial development initiatives
- Ensure compliance with hospitality management principles
- Ensure a high standard of facilities in resorts
- Implement game management plan
- Implement infrastructure plan
- Develop and implement policy on game industry transformation
- Regulate and co-ordinate professional hunting

Service delivery objectives

- Tourism quality assurance and standards
- Tourism programmes development
- Tourism safety awareness
- Facilitate broad based black economic empowerment in the tourism industry
- Monitoring and supporting the tourism authority

Service delivery achievements

Sub-programmes	Output	Output performance measures / delivery indicators	Actual performance against targets	
			Target	Actual
<i>Tourism Support</i>	Coordinate Grading Workshops	5(five) Grading Workshops	5(five) Grading Workshops	3(three) Grading Workshops were coordinated in the following districts <ul style="list-style-type: none"> ✓ Thabo – Mofutsanyane (Bethlehem) ✓ Lejweleputswa (Welkom) ✓ Xhariep (Trompsburg)
	Expand base of graded establishments	Ensure grading of all resorts	Coordinate grading of seven resorts	Three resorts were graded Assessors representing TGCSA evaluated facilities. <ul style="list-style-type: none"> • Gariep resort- 3Xstars • TDR resort- 3Xstars • WPR- 2Xstars

				<ul style="list-style-type: none"> Phillip sanders-under construction
		Ensure grading of tourism facilities	Grade 15(fifteen) Tourism facilities	56 accommodation were graded in a joint initiative with TGCSA
		Ensure grading of tourism facilities	Grade 15(fifteen) Tourism facilities	56 accommodation were graded in a joint initiative with TGCSA
		Coordinate route auditing workshops	5(five) routes auditing workshops.	Due to lack of capacity within the Directorate route auditing workshops could not be implemented in the financial year and the process is planned for the next financial year
		Coordinate bird and heritage routes	5(five)routes auditing workshops	Due to lack of capacity within the Directorate route auditing workshops could not be implemented in the financial year and the process is planned for the next financial year
		Coordinate hospitality training for tourism SMME's	Train 50 Tourism SMME'S	50 Tourism SMME'S were trained in hospitality management at Mamello Hotel in Bloemfontein(Motheo)
		Facilitate exhibition training for pre and post Indaba	25 Tourism SMME'S trained	27 Tourism SMME'S were trained at Tapestry Guesthouse in Bloemfontein jointly with Tourism Enterprise Programme in preparation for participation at Tourism Indaba in Durban.

		Participate in a training programme offered by Singapore Training Institute	Coordinate participation of two SMMES in hospitality training	Thuthukani guest house and Siyaya travel tours participated in a two weeks hospitality training programme offered by Singapore Training Institute focused on business management skills
		Facilitated participation of Provincial ETEYA winner at the International Trade Faire in Germany	Coordinate participation at ITB.	Thuthukani guest house declared a Provincial ETEYA winner participated in showcasing of their products at ITB in Germany in March 2006
	Align Tourism Investment with Tourism Business	Implementation of an integrated development plan in conjunction with delivery on the investment strategy	Finalize Strategy development process	The strategy was completed in March 2007 in a process led by Grant Thornton consultants commissioned by DTEEA. The Strategy document will be used by FSTA as a bases for envisaged Marketing Plan
	Implement responsible Tourism campaign	Train public sector officials and community members in responsible tourism	15 Government Officials trained	15 Public sector trained in responsible tourism by the University of the Free State over 25 days at Sterkfontein and Willem Pretorius resort Plans are in place to cascade the training process to cover community members
	Enhance specialist skills for tour guides and operators	Train tour guide in use of French language	13 Tour guides	13 tourist guides completed two training sessions locally and after the assessment one trainee was nominated to undergo further

				training in use of the French language in France for one month in partnership wholly funded by DTEEA, DEAT and French Embassy
	Free State tourism product development strategy finalized	Enhance Tourism product in Free State	Coordinate development of tourism product development strategy	The strategy was completed in March 2007 in a process led by Grant Thornton consultants commissioned by DTEEA
	Promote Tourism Safety and Awareness	Launch of tourism safety brochure	Facilitate and coordinate the launch of the tourism safety brochure	The brochure was launched and distributed on the 25 th August 2006 during the campaign tourism launch tourism safety awareness in the province. Road shows were conducted covering Mangaung, Welkom, Virginia and Odendaalsrus
	Schools tourism awareness programmes implemented	Coordinate schools tourism awareness competition	Awareness Programmes implemented in Free State schools	The schools competition on tourism awareness coordinated jointly by DTEEA, DEAT and NBI (National Business Initiative) was initiated. Witterberg school won the nation competition and participated in STUDENT FAIRE in Germany.
	Facilitate broad based BEE in the tourism industry	Ensure procurement of tourism services from BEE compliant establishment	Compile quarterly procurement report on tourism services.	Four quarterly reports indicative of procurement of tourism services from BEE compliant providers were submitted to DEAT

			Coordinate 5 BEE workshops	Launch of the tourism BEE Charter occurred on the 13 th September 2006 at the President Hotel to create awareness around transformation of tourism industry
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Sub-programmes	Output	Output performance measures / delivery indicators	Actual performance against targets	
			Target	Actual
Conservation and Eco-tourism	Develop Integrated Management Plans [IMP] for Protected Areas	All plans implemented.	All IMP documents compiled and approved	13 IMPs have been completed
	Implement Game Management Plan	Maintain viable game populations in the PA's	100% compliance with game management plan	Achieved
	Full participation in Provincial projects implementation	Participate in Maloti Drakensberg Transfrontier Park developments	Active participation	Made inputs into strategic plan
		Participate in Eco-Park developments	Implementation plan approved by DEAT	Implementing agent appointed
		Participate in Vredefort Dome meetings	Regular reports generated	Achieved
	Review of proclamation of all protected areas	Ensure proclamation of all provincial PA's	10%	90% of all proclamations reviewed.
	Implement Infrastructure Plan	Submit Quarterly Reports per Service Level Agreement	100%	100% Construct temporary holding pens for Buffalo at Tussen die Riviere.
	Ensure compliance with hospitality management principles.	Train all Resort Managers and front line staff in hospitality management	Train staff in all resorts in hospitality management	18 staff members trained in hospitality management
	Infrastructure Plan developed and approved for implementation by PWRT	Complete Philip Sanders by end March 2007	100% completion of phase 1 and all chalets taken over from contractors. Phase 2 planning complete.	Contractors not on target. 15 chalets handed over. Some contractors removed from site. Sites taken by other contractors. Estimated completion end of April. Tenders for furniture

		Refurbish Sterkfontein Dam Resort chalets internal facilities	30%	allocated. Await delivery. New carpets installed. Old malfunctioning equipment replaced.
	Develop Commercialisation Strategy (PPP Toolkit)	Full Strategy implementation	Strategy consultations 100% done	Strategy approved
	Transformation of the Game Industry	Establish BEE Game Farmers	4 game farmers to be established	2 black farmers received game.
	Increase land area under voluntary informal protection	Establish rural conservancies and Private N/R's	4 Conservancies established	Target no reached
			Compile database of existing private nature reserves	Achieved
	Management of Problem Animals	Training of farmers and farm workers	40 Farm workers to be trained.	10 farm workers trained.
		Elimination of problem animals in Protected areas	Incidents dependent	35 black backed jackal killed at TDR and WPR and 1 caracal at TDR killed.
	Regulate and co-ordinate Prof. Hunting	Issue permits and conduct quality inspections	100% Compliance	Target reached
		Do inspections on professional hunting	30 inspections per annum	Completed
		Evaluation and training of students at Professional Hunting schools	30 students per annum	13 students evaluated

Programme 3: Environmental Affairs

Purpose: To provide a sound provincial environmental management system towards sustainable environmental conservation.

Measurable objectives

- Bio-diversity monitoring on provincial nature reserves
- Monitoring of mammal species and research
- Monitoring of bird species and research
- Wetland monitoring and research
- Veterinary research
- Alien and invasive species research
- Enforcement and monitoring of permits conditions and game movement on provincial nature reserves
- Prosecute perpetrators according to applicable environmental legislation
- Investigate environmental impact assessment compliance, waste and pollution crimes.
- Issue permits for all game and animal movements
- Provide solid waste disposal authorizations and permits
- Implementation of section 28 of NEMA

Service delivery objectives and indicators

- Waste management and pollution control
- Environmental awareness and capacity building
- Provide scientific support for the branch
- Develop environmental policies
- Participate in national and international initiatives
- Ensure sustainable development through environmental impact assessment.

Sub programme	Outputs	Performance Measure Indicator	Actual performance against targets	
			Target	output
Environmental quality	Review and evaluate Environmental assessment application	Environmental Management Committee meetings to evaluate EIAs collectively	24	Achieved
		Issue authorized record of decisions	130	223 authorisations and ROD issues
	Facilitate the completion of State of Environment Report	State of Environment Report	70%	30%
	Facilitate compilation of 2 nd Edition Environmental Implementation Plan (EIP)	State of Environment Report finalized	70%	30%
	Ensure clean and healthy environment through integrated environmental management	Implementation of the Polokwane Declaration	55%	Target met
		Ensuring the participation of all municipalities in the Cleanest town Competition on an annual basis	80%	Achieved
		Development of an Air Pollution management strategy	20%	Not achieved
		Development of a provincial Waste management implementation plan within the NWMS.	2 municipalities	Achieved
		Development of a Policy for hazardous materials management in the Free State	60%	Not achieved
		Conservation of indigenous plants	Plant 20 000 indigenous plants per year in	100%

Sub programme	Outputs	Performance Measure Indicator	Actual performance against targets	
			Target	output
		landscapes.		
		Cultivate 30 000 plants per year	50%	Achieved
	Enhance biodiversity and food security to the Free State	Breed 80 000 indigenous fish per year and distribute	10%	Achieved
		20 new gardens per year	100%	Achieved
	Environmental Educational programmes	120 programmes per year	80%	Achieved
		250 schools visited per year.	50%	Achieved
		50 existing ENVIRO clubs assisted and monitored per year. Establish enviro-clubs at all schools	100%	Achieved
		Ten new activities per year and five new brochures and pamphlets per year	100%	Achieved
		Awareness campaigns and celebrations per environmental week per year.	80%	Achieved
		Promote and establish eco-schools 10 schools per year	5 schools	Achieved
		Establish 5 conservancies in townships and 1 industrial conservancy	3	Achieved
	Biodiversity monitoring on provincial nature reserves	Monitoring of vegetation	100%	Achieved
		Monitoring of habitat utilisation by species of special concern	100%	Achieved
		Game monitoring	100%	Achieved
		Monitoring the translocation and distribution of herbivores in the	10%	Achieved

Sub programme	Outputs	Performance Measure Indicator	Actual performance against targets	
			Target	output
		Free State		
	Wetland monitoring	Monitoring the state of wetlands	10%	Achieved
		Periodic monitoring of wetland rehabilitation projects	100%	Achieved
	Biodiversity research and scientific investigations	Inventories of small mammals in nature reserves	ongoing	Achieved
		Effect of fire on small mammal populations in the Drakensberg (MDTP)	10%	Achieved
		Delimitation of one of the bat species and comparison of different populations of a bat species	20%	Achieved
		Investigating the potential for hybridisation between Tsessebe / Red Hartebeest / Blesbok	50%	Agriculture Research Council dependent
	Monitoring, Enforcement and application of all Environmental Legislations and Ordinances.	Monitoring and ensure compliance with Environmental Legislations and Permit conditions.	100% compliance	Achieved
		Designation and training of EMIs	12	Achieved
		Enforcement and monitoring of permits conditions and game movement on Provincial Nature Reserves.	100% compliance	Achieved

Programme 4: Economic Development

Purpose: To provide a leadership role in economic development, job creation and poverty alleviation.

Measurable objectives

- Provide business support to SMMEs
- Facilitate the establishment of cooperatives
- Elimination of unfair business practices.
- Enhancement of consumer awareness
- Expansion of advocacy for consumer purposes
- Ensuring access to consumer protection information
- Formulate new liquor legislation for Free State Province
- Development of trade promotional programmes
- Dissemination of economic policy information
- Expansion of export markets

Service delivery objectives and indicators

- To promote business development
- To ensure an effective regulatory framework for economic activity
- To strengthen the Free State province's economic competitiveness.

Service delivery achievements

Sub-programmes	Output	Output performance measures / delivery indicators	Actual performance against targets	
			Target	Actual
Liquor authority and consumer protection	Public participation on the drafting of the liquor bill	Facilitation of successful public participation for comments on the new liquor legislation	5 regions	Achieved
	To ensure an effective regulatory framework for economic activity	Elimination of unfair business practices. Acceleration of complaints mechanism strategies	80% 100%	92% - 520 Consumer complaints processed. 78% - 15 Consumer Court Hearings held
		Expansion of advocacy of consumerism	60% implementation of support programme to consumer fora	The directorate held workshops with related NGO's in the province in support of their initiatives.
		Efficient and effective processes within the Liquor Board	120 meetings	58% - 70 Board meetings held
		Ensure compliance with the provisions of the Liquor legislation	100%	Moratorium placed on new applications and raids conducted at selective outlets
Trade promotion and development				
	Strengthen the competitiveness of the province	ROI on investment promotion activities undertaken	The extent of progress made against ROI	1. Participated in the Premier led investment mission to Belgium in June 2006 2. Participated in the DTI-led investment mission to the USA in March 2007

				3. Organized the Premier's Awards for Export excellence held in December 2006
		Provision of relevant business development information	100% of people looking for information should find information	1. 2 x Business information seminars were held in May and August 2006 where 90 entrepreneurs participated. 2. Arrange a RIDS Workshop in February 2007 where 50 stakeholders participated.
	To facilitate access to markets	Increased number of Free State participants in Local and International Exhibitions	30 companies	1. Participated in export Africa exhibition where products from 22 companies were showcased and 7 companies exhibited. 2. Participated at the SAITEX in October 2006 where products from 22 companies were exhibited whilst 10 companies held exhibition stalls.
		Increased participation in inward buying and outward selling missions	4 mission	Undertook an exploratory visit to Belgium in September 2006. 2. Participated in the Premier led investment mission to Belgium in June 2006 3. Participated

				in the DTI-led investment mission to the USA in March 2007 4. Held an EMIA Workshop in February 2006 where 100 exporters participated.
SMME Development				
	Facilitate establishment of business Coops	Provision of relevant business development information	5 workshops	1. 5 x workshops held where a combined 1340 participants attended. 2. The department assisted with the registration of 14 cooperatives in the province. 3. Hosted and participated in the ITG, One of a kind and Macufe Crafts exhibitions where 105 SMMEs were supported to participate.
		Signing MOU with National Cooperatives Association of South Africa (NCASA)	100%	MoU was not signed because NCASA has ceased to exist.
	Facilitate and improve access to funding sources	Facilitate access for Free State SMME's to DFI <ul style="list-style-type: none"> • NEF • IDC • TEO • KHULA • APEX Fund • MAFISA • FDC Relevant business development	All available funding information made available to SMMEs	1. Hosted a Small Business Week Summit where 350 enterprises attended. 2. 5 workshops were held in municipal districts where 905 SMMEs attended.

		information required versus available		
	Develop a M&E system to monitor SMME development across all sectors	Monitor procurement of goods and services from SMMEs by government institutions in the Province	100%	Organized the accreditation of BEE verification agencies work where 70 participants attended including SCM Managers in the province.

PART THREE

REPORT OF THE AUDIT COMMITTEE

Overview

We are pleased to present our report for the financial year ended 31 March 2007.

AUDIT COMMITTEE MEMBERSHIP AND ATTENDANCE OF MEETINGS

The Audit Committee consists of 3 (three) members and according to the approved terms of reference the Audit Committee should at least be constituted by 3 but not more than 5 members. It will meet at least 4 times per annum. For the year ended 31 March 2007, the committee held eight meetings.

Members and their meeting attendance details during the 2006/2007 financial year were as follows:

Member	Number of meeting attended
Mrs. JH Van Wyk (Chairperson)	8
Mr. FP Moloi	8
Mr. MP Molotsi	8

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has updated its terms of reference (charter). The Audit Committee further reports that the committee has regulated its affairs in accordance with the approved Audit Committee charter.

EFFECTIVENESS OF INTERNAL CONTROLS

The Internal Audit Directorate is independent of management and reports directly to the Audit Committee. A three year rolling plan and risk based annual operational plans were prepared by the Internal Audit Directorate and approved by the Audit Committee. The Audit Committee is of the opinion that the control environment needs improvement to provide reasonable assurance that the major inherent risks are appropriately managed and that applicable legislation is adhered to. Management had implemented corrective action where possible to ensure that the controls are in place and operating as intended.

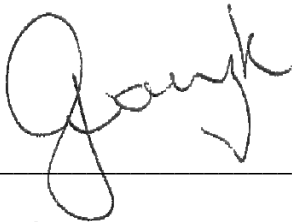
The Internal Audit section of the department facilitated risk assessment exercise where risks were identified, their impact and likelihood assessed. The risk register was then updated. Four meetings of risk committee took place where management was assigned to come up with the system of managing risks.

EVALUATION OF FINANCIAL STATEMENTS

The Audit Committee was presented with and discussed the annual financial statements with the Accounting Officer and the Auditor-General. The committee had the presentation of the draft audit report from the Office of the Auditor General. The Audit Committee recommends for acceptance of the annual financial statements and this be subject to the corrections on issues raised by the office of the Auditor General.

MATTER OF PARTICULAR CONCERN

None

A handwritten signature in black ink, appearing to read 'JH Van Wyk', is written above a horizontal line.

JH Van Wyk
Chairperson of the Audit Committee
31 August 2007



FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS VOTE 3
REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007

4.1 Report by the Accounting Officer to the Executive Authority and Provincial Legislature of the Free State Province.

4.1.1 General review of the state of financial affairs

The objective of the Department of Tourism, Environmental and Economic Affairs is to facilitate economic growth and development in the Free State province by creating an environment that promotes investment by the private sector.

The annual performance plan of the department spells out the vision, mission, strategic goals and strategic objectives of the department. The strategic goals of our department are informed directly by the Free State growth and development strategy. The strategic objectives of the department are linked to service delivery programmes in terms of the guideline as provided by National Treasury. So, the annual performance plan is linked to the Free State growth and development strategy.

The department successfully relocated the conservation function from the Environmental Affairs programme to the Eco-Tourism programme in the previous financial year. This has proved to be a good decision that was necessary. This move has greatly enhanced the capacity of the Department to manage the protected areas and resorts as tourism products in order to maximize tourism opportunities in the province. In order to develop resorts and natural reserves as tourism products, the departmental infrastructure plan was revised to make provision for the extensive upgrading of all the resorts and reserves by 2009.

The first phase of the upgrading of Phillip Sanders Resort was estimated at R30 million for the year 2006/07. By the 31 March 2007, Phillip Sanders Resort was 95% complete. Gariep nature reserve was budgeted at R7 million for the year 2006/07. The project at Gariep nature reserve entails the building of the abattoir, stores and entrance gate. By the end of March 2007, the project at Gariep nature reserve was 60% complete.

The other important development in this regard has been the finalisation of the commercialisation strategy for all the resorts. The strategy will form the basis for the possibility of the implementation of the Public Private Partnership model for improving our infrastructure.

After the successful implementation of the Free State Tourism Authority in the current financial year, good progress has been made to make the structure functional. The CEO was appointed in June 2006 and the CFO was appointed in October of the same year. Other senior managers were appointed in December 2006. In order to market Free State as a tourist destination, the Authority has already been involved in events such as the tourism indaba, the tourism month program and the Mangaung Cultural Festival.

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS VOTE 3
REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007

The most important issue in the management of the environmental development has been the implementation of the new regulations regarding environmental impact assessments. The successful filling of twenty two critical posts, mostly in corporate services and finance has immensely improved their capacity.

The Free State investment promotion agency was successfully established and the board members were inaugurated in November 2006.

4.1.2 Service rendered by the department

The department focuses on the following three strategic goals:

- To stimulate integrated sustainable economic development within the province.
- To ensure sustainable environmental conservation within the province.
- To ensure the departmental business process excellence.

To achieve the above goals the following service programme categories were identified that will enable the department to achieve its mission:

- **Administration.** This programme encompasses all business support functions.
- **Tourism.** Tourism is regarded as an important driver of sustainable economic development within the Free State province; as such tourism support, tourism development and resort management are under this function.
- **Economic development** focuses on Consumer and Liquor Affairs, Trade and Investment Promotion and SMME Development.
- **Environmental Affairs.** To ensure sustainable environmental development within the Free State province four functionalities are included under this programme. These are: Planning, Impact, Pollution and Waste Management; Environmental Management and Sustainable Development: Policy, Legislation and Coordination; Ecosystem, Biodiversity and Natural Heritage Management and Environmental Management and Sustainable Enterprise.

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS VOTE 3
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for the year ended 31 March 2007

4.1.3 Tariff policy

The tariffs for the 2006/07 financial year were prepared in accordance with the requirements of the Public Finance Management Act, Section 38(1) (c) (i) and Treasury Regulation 7.3.

Departmental tariffs are reviewed annually. The determining factors are:

- Market value of services rendered;
- Inflation rate;
- Public demand for each service type;
- Historical information;
- Strategic objectives; and
- Environmental impact.

4.1.4 Free services

The Department issued permits, authorising free entrance into Sterkfontein reserve for swimming in the past financial year. The total Rand value amounts to R4,000.00 Live game to the value of R36,000.00 was donated to black game reserve owners, 247 game carcasses to the value of R139,000.00 were contributed to several social welfare institutions.

4.1.4 Inventories

The department does not have stores for keeping any stock, be it at head office or in any of its regional offices.

4.1.5 Capacity constraints

The capacity constraints experienced and reported on during the previous year surrounding strategic vacant posts were addressed during the 2006/07 financial year.

The structure was finalised and critical posts were identified. Most of these posts were filled during the 2006/07 financial year.

4.1.6 Utilisation of donor funds

The department does not receive direct donor funding from, but participates in the Maloti Drakensberg Transfrontier Project (MDTP), which is funded by the World Bank.

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS VOTE 3
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4.1.7 Public entities

Public Entities controlled by the department are funded via transfer payments from the department's equitable share. Transfer payment agreements are in place between the respective public entities and the department. These agreements forms the basis of the monitoring and evaluation framework put in place to effect the requirements of the PFMA.

Free State Development Corporation

The purpose of the Free State Development Corporation (FDC) is to develop business enterprise to promote urban and rural economic development in line with the Free State Development Corporation Amendment Act No 9 of 1999. Transfer payments to the value of R24.5 million were made during the financial year (2005/06: R30 million).

Free State racing and gambling board

The purpose of the Free State Racing and Gambling Board (FSRGB) is to promote the economy of the Free State through gambling and racing. Transfer payments to the value of R14.252 million were made during the financial year (2005/06: R9.9 million).

Free State Tourism Authority

The purpose of the Tourism Marketing Authority is to promote tourism in the Free State province through undertaking advertising promotions and planning tourism events. Transfer payments to the value of R21.474 million were made during the financial year (2005/06: R2 million).

4.1.8 Organisations to whom transfer payments have been made

Transfer payments were made to Public Entities, to households and municipalities during the financial year. Annexures 1C and 1D show the detail to these expenses.

Reasons for transfer payments

Public Entities	Objectives agreed and documented in annual performance plans.
Households	Employee's social benefit.
Municipalities	RSC levies transferred to municipalities.

Accounting arrangements

Public Entities	In terms of Transfer payment agreement.
Households	None
Municipalities	None

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4.1.9 Public private partnerships (PPP)

There were no PPP entered into during the last financial year.

4.1.10 Corporate governance arrangements

Both the Audit Committee and Internal Audit Unit have been functional during the financial year under review.

The department has implemented a system to manage the conflict of interest of employees by annually requesting senior managers to declare their business interest.

4.1.11 Discontinued activities/activities to be discontinued

No activities were discontinued during the year.

4.1.12 New/proposed activities

There are no new/proposed activities.

4.1.13 Asset management

For the period prior to 31 March 2007, 95% of all our assets physically verified included in the asset register. The coding of these assets have started in earnest.

The correct procedure (compilation of assets list before the transferring of functions) was not followed before the Economic Affairs function was transferred to this Department from the then Department of Finance. Supporting documentation seems to be very difficult to find in relation to these assets.

4.1.14 Events after the reporting date

No reportable events after the reporting date occurred.

4.1.15 Performance information

On a monthly basis In-Year Monitoring reports are generated to compare actual with expected financial performance. Any variances are explained including the impact on program outcomes. On a quarterly basis non-financial performance is measured against the annual performance plan of the department. These plans include expected deliverables and timeframes. A quarterly review meeting is held to assess the performance of every component.

4.1.16 Propac resolutions

Management report on Propac resolutions. The table should conform to the following format:

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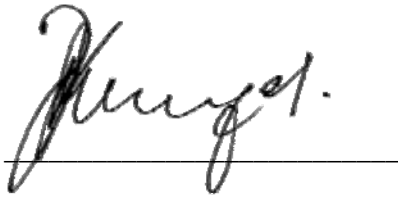
Reference to Propac resolutions	Subject	Findings on Progress
Resolution 6/2004 Par 1	Recovery of the claims amounting to R324,210.	The matter was investigated and the amount will be written-off in the 2007/08 financial year. The debt is prescribed.
Resolution 6/2004 Par 5	Recovery of fruitless and wasteful expenditure amounting to R327,795.	The matter was investigated. The expenditure will be condoned in 2007/08.
Resolution 13/2004 Par 2	Results of the charge sheets prepared by the State Law Advisors.	The CFO was reinstated from 8 September 2006. The case of the other official is referred to the labour court.
Resolution 13/2004 Par 3	Results of the investigation by the Public Service Commission.	Report was handed to the HOD and will be going through it. He will report later.
Resolution 13/2004 Par 5	Recovery of monies indicated in the forensic report.	The money was recovered from employees concerned.
Resolution 13/2004 Par 6	Investigation of vehicles rented by former accounting officer, and recovery of amounts.	The amount for rented vehicle was R13,482.40. The claim and all supporting documents were sent to the Premier's office on the 14 th April 2005.
Resolution 13/2004 Par 7	The department is required to provide the Provincial Treasury with a list of all legal costs relating to the Forensic Investigation.	A list of the legal costs was provided to Office of the Premier and Treasury with full explanation.
Resolution 3/2005 Par 2	Provide all approved financial policies to Treasury.	Details provided as requested. Resolution resolved per evaluation report of 24 May 2006.
Resolution 3/2005 Par 8	Provide Provincial Treasury with the anticipated date of filling the Deputy Director post within the Internal Audit Unit.	The post was filled in 2006/07.
Resolution 10/2005	Liquor licenses- computerized	The physical access control was

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Reference to Propac resolutions	Subject	Findings on Progress
	system.	upgraded. The password with control features has been implemented.
Resolution 64/2005 Par 2	Fruitless, Wasteful and Irregular expenditure.	The department is has investigated all these cases and decided to condone expenditure.
Resolution 64/2005 Par 3	Resolutions of PROPAC.	Only one resolution is outstanding.
Resolution 90/2005	Payment within 30 days.	Suppliers were paid within 30 days from October 2006.

Approval

The Annual Financial Statements set out on pages 65 to 117 have been approved by the Accounting Officer.



TB KHUNYELI
ACCOUNTING OFFICER
31 May 2007



4.2 REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE 3 – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS FOR THE YEAR ENDED 31 MARCH 2007

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Tourism, Environmental and Economic Affairs which comprise the statement of financial position as at 31 March 2007, appropriation statement, statement of financial performance, statement of changes in net assets/equity 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 65 to 117.

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 accounting policy 1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). 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), 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 647 of 2006*, issued in *Government Gazette* No. 29919 of 25 May 2007. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and

disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's 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 accounting policy 1 to the financial statements.

Opinion

9. In my opinion the financial statements present fairly, in all material respects, the financial position of the Department of Tourism, Environmental and Economic Affairs as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy 1 to the financial statements and in the manner required by the PFMA.

Emphasis of matter

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

10. Highlighting of a matter affecting the financial statements, which is included in a note to the financial statements

Irregular expenditure amounting to R965 080 as disclosed in note 25 to the financial statements was incurred as the tender process was not followed for two payments that exceeded R200 000, made on behalf of the Tourism Authority.

OTHER MATTERS

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

11. Internal control

- **Control activities**

Control activities to ensure that the financial statements are compiled correctly and accurately are not in place.

Policies and procedures to ensure that the department complies with laws and regulations were not functioning effectively.

- **Control environment**

The entity did not establish key elements of a control environment to achieve sound financial management. This resulted in an inadequate level of skills and knowledge to enable the financial statements to be accurately prepared in accordance with the applicable basis of accounting. This gave rise to numerous corrections made to the financial statements resulting from matters identified during the audit.

12. Material non-compliance with applicable legislation

Treasury Regulations

- Treasury Regulations, paragraph 15.5.1, stipulates that banking should be done daily and amounts less than R500 should be banked as soon as practicable. It was found that this was not always done correctly at the different cash points. At one reserve it was found that the last bank deposit was made on 21 November 2006, which indicated a fraud risk. This resulted in a cash shortage of R8 350.
- Payrolls were not always timeously and correctly signed and certified as required by Treasury Regulation 8.3.4 and 8.3.5.
- According to Treasury Regulation 8.2.3 and section 38(1)(f) of the PFMA the accounting officer of an institution must, unless determined otherwise in a contract or other agreement, settle all payments due to creditors within 30 days from receipt of an invoice. For payments amounting to R456 351 it could not be confirmed whether the accounts had been settled within 30 days of the date of the receipt, as the date on which the invoice had been received could not be determined.
- Treasury Regulation 15.8.1 states that at the end of each financial year and after the books of account of a department have been closed, the accounting officer must surrender to the relevant treasury any unexpended voted money, for re-depositing into the exchequer bank account of the relevant revenue fund. During the audit it was found that an amount of

R9 114 497 from prior years still had to be surrendered to the provincial treasury. This amount includes funds from the 2003-04 and 2004-05 financial years. It was noted that the monies had been surrendered to the provincial treasury during July 2007.

13. Material corrections made to the financial statements submitted for audit

The financial statements, approved by the accounting officer as submitted for auditing on 31 May 2007 have been significantly revised in respect of the following misstatements identified during the audit:

- (a) Virements amounting to R1 861 000 were not disclosed in the appropriation statement.
- (b) The final appropriation for current payments was understated by R9 789 000 and the final appropriation for capital assets was overstated by R9 740 000 in the appropriation statement.
- (c) Departmental revenue was understated by R20 093 000 in the statement of financial performance.
- (d) Expenditure was understated by R3 513 000 in the statement of financial performance.
- (e) Unauthorised expenditure was understated by R11 785 000. This was due to the first set of financial statements being incorrectly added together and this mistake was corrected in the second set of financial statements.
- (f) Voted funds to be surrendered to the revenue fund were understated by R11 692 000.
- (g) Net cash generated by operating activities was understated by R1 609 000 in the cash flow statement.
- (h) Net cash flows from investing activities were overstated by R877 000 in the cash flow statement.
- (i) Accruals were understated by R2 562 000 in note 21 to the financial statements.
- (j) Operating leases for the 2006-07 financial year were understated by R830 000 in note 23.1 to the financial statements.
- (k) Operating leases for the 2005-06 financial year were overstated by R3 513 000 in the notes to the financial statements.
- (l) Finance leases for the 2006-07 financial year were understated by R3 409 000 in note 23.2 to the financial statements.
- (m) Finance leases for the 2005-06 financial year were understated by R2 429 000 in note 23.2 to the financial statements.
- (n) Irregular expenditure was understated by R965 000 in note 25 to the financial statements.
- (o) Tangible capital assets were understated by R2 292 000 in note 29 to the financial statements.
- (p) Additions to tangible capital assets were overstated by R27 526 000 in note 29.1 to the financial statements.
- (q) Disposals of tangible capital assets were overstated by R25 145 000 in note 29.2 to the financial statements.

14. **Special investigation**

According to a resolution of the Public Accounts Committee of the Free State Legislature, it was recommended that the Auditor-General should conduct a special investigation into certain possible irregularities identified at resorts and reserves. This special investigation is currently under way and has not yet been finalised and therefore the effect on the financial statements could not be determined.

15. **Value for money matters**

Contrary to the requirements of the Public Service Regulations an approved human resource plan could not be submitted for audit purposes as the structure and staff establishment has not yet been finalised.

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

16. I have audited the performance information as set out on pages 11 to 46.

Responsibility of the accounting officer

17. 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

18. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with *General Notice 647 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007*.

19. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate audit evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

20. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings

21. Objectives not aligned

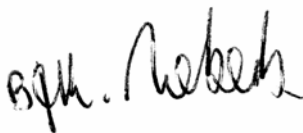
Attention is drawn to the fact that the measurable objectives reported in the annual report are materially inconsistent when compared with the predetermined objectives according to the annual performance plan. If measurable objectives are not aligned it would not be possible for the department to measure their actual performance against predetermined objectives and to take timely corrective measures. Due to the aforementioned, reasons for the differences between the actual performance and targeted performance for each indicator/measure were not given in the annual report.

22. Specific objectives not identified

Several objectives as set out in the annual report were not specific and measurable.

APPRECIATION

23. The assistance rendered by the staff of the department during the audit is sincerely appreciated.



B J K van Niekerk *for* Auditor-General

Bloemfontein

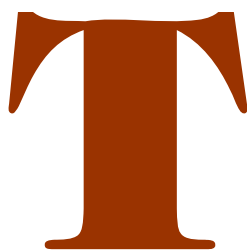
31 July 2007



AUDITOR - GENERAL



ACCOUNTING POLICIES
for the year ended 31 March 2007



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.

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

1.5 Comparative figures - Appropriation Statement

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

2. Revenue

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2007**

2.1 Appropriated funds

Appropriated and adjusted 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 Departmental revenue

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.2.1 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.

2.2.2 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.

2.2.3 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.

2.2.4 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.

2.2.5 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.

ACCOUNTING POLICIES
for the year ended 31 March 2007

2.2.6 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.

2.2.7 Gifts, donations and sponsorships (transfers received)

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 the annexures to the financial statements.

2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised as revenue 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 recognised 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.

3. Expenditure

3.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the 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.

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VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2007**

All other payments are classified as current expense.

Social contributions include the employer's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the statement of financial performance when the payment is effected on the system.

3.1.1 Short term employee benefits

Short term employee benefits comprise of leave entitlements (including capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

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.

3.1.2 Long-term employee benefits

3.1.2.1 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 payment is effected on the system (by no later than 31 March of each year).

3.1.2.2 Post employment 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 to the fund are expensed when the 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 National/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 the payment to the fund is effected on the system (by no later than 31 March of each year).

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 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 R5,000 or more is purchased. All assets costing less than R5,000 will also be reflected under goods and services.

ACCOUNTING POLICIES
for the year ended 31 March 2007

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the 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.

3.4 Financial transactions in assets and liabilities

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

Forex losses are recognised on payment of funds.

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

3.5 Unauthorised expenditure

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

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

3.6 Fruitless and wasteful expenditure

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

3.7 Irregular expenditure

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

3.8 Transfers and subsidies

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

ACCOUNTING POLICIES
for the year ended 31 March 2007

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

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 Prepayments and advances

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

4.3 Receivables

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

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.4 Inventory

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

4.5 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 may 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 29 and 30 reflect the total movement in the asset register for the current financial year.

ACCOUNTING POLICIES
for the year ended 31 March 2007

5. Liabilities

5.1 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.

5.2 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 position as a liability or as expenditure 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 disclosure notes to the financial statements.

5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

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.

5.4 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or

A contingent liability is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure notes.

5.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

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.

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2007**

6. Net Assets

6.1 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.

7. Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department.

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

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3
APPROPRIATION STATEMENT
for the year ended 31 March 2007

Appropriation per programme									
	2006/07							2005/06	
	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	47,388	-	1,406	48,794	50,966	(2,172)	104,5%	38,016	36,762
Transfers and subsidies	17	-	-	17	17	-	100,0%	22	58
Payment for capital assets	714	-	455	1,169	1,761	(592)	150,6%	2,148	832
2. Tourism									
Current payment	57,561	-	(1,406)	56,155	48,855	7,300	87,0%	22,687	17,097
Transfers and subsidies	194	-	-	194	77	117	39,6%	33	187
Payment for capital assets	19,515	-	(455)	19,060	25,928	(6,868)	136,0%	500	28
3. Environmental Affairs									
Current payment	20,305	(45)	-	20,260	20,160	100	99,5%	56,866	51,205
Transfers and subsidies	13	-	-	13	62	(49)	476,7%	145	208
Payment for capital assets	267	45	-	312	1,074	(762)	344,3%	12,889	7,544
4. Economic Affairs									
Current payment	13,709	-	-	13,709	14,037	(328)	102,4%	19,174	15,624
Transfers and subsidies	8	-	-	8	16	(8)	200,0%	20	29
Payment for capital assets	238	-	-	238	11	227	4,7%	606	85
5. Transversal Functions									
Current payment	2,904	-	-	2,904	2,901	3	99,9%	7,997	4,825
Transfers and subsidies	60,335	-	-	60,335	60,225	110	99,8%	48,977	39,897
Payment for capital assets	6,637	-	-	6,637	-	6,637	0,0%	-	-
6. Thefts and Losses									
Current payment	-	-	-	-	606	(606)	0,0%	-	167

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3
APPROPRIATION STATEMENT
for the year ended 31 March 2007

Subtotal	229,805	-	-	229,805	226,696	3,109	98,6%	210,080	174,548
Statutory Appropriation									
Current payment									
Transfers and subsidies									
Payment for capital assets									
TOTAL	229,805			229,805	226,696	3,109	98,6%	210,080	174,548
Reconciliation with Statement of Financial Performance									
Add:									
Prior year unauthorised expenditure approved with funding				-				-	
Departmental receipts				28,651				26,945	
Local and foreign aid assistance received				3				300	
Actual amounts per Statements of Financial Performance (Total revenue)				258,459				237,325	
Add:									
Prior year unauthorised expenditure approved									
Actual amounts per Statements of Financial Performance (Total expenditure)					226,696				174,548

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3
APPROPRIATION STATEMENT
for the year ended 31 March 2007

Appropriation per economic classification									
	2006/07							2005/06	
	*	Shifting of		Final	Actual		Expenditure	Final	Actual
	R'000	Funds	Virement	Appropriation	Expenditure	Variance	as % of final appropriation	Appropriation	expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	91,868	(1,839)	-	90,029	83,204	6,825	92,4%	90,444	77,987
Goods and services	50,061	1,794	-	51,855	53,716	(1,861)	103,6%	54,296	47,526
Financial transactions in assets and liabilities	-	-	-	-	606	(606)	0,0%	-	167
Transfers and subsidies									
Provinces and municipalities	66	-	-	66	67	(1)	101,6%	143	255
Departmental agencies and accounts	35,835	-	-	35,835	35,725	110	99,7%	-	-
Public corporations and private enterprises	24,500	-	-	24,500	24,500	-	100,0%	48,977	39,897
Households	104	-	-	104	104	-	100,0%	77	227
Payments for capital assets									
Buildings and other fixed structures	18,799	-	(455)	18,344	25,145	(6,802)	137,1%	10,817	6,091
Machinery and equipment	1,935	45	455	2,435	3,629	(1,193)	149,0%	5,326	2,398
Land and subsoil assets	6,637	-	-	6,637	-	6,637	0,0%	-	-
Total	229,805	-	-	229,805	226,696	3,109	98,6%	210,080	174,548

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3
APPROPRIATION STATEMENT
for the year ended 31 March 2007

PROGRAMME 1 - ADMINISTRATION

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the MEC									
Current payment	2,718		381	3,099	3,356	(257)	108,3%	3,014	2,829
Transfers and subsidies	2			2	2	-	100,0%	-	5
Payment for capital assets	120		60	180	214	(34)	118,8%	516	507
1.2 Office of the HOD									
Current payment	4,532			4,532	4,587	(55)	101,2%	5,022	4,926
Transfers and subsidies	2			2	2	-	100,0%	7	7
Payment for capital assets	61		170	231	56	175	24,1%	527	14
1.3 Office of the COO									
Current payment	878		228	1,106	1,094	12	99,0%	-	-
Transfers and subsidies	-			-	2	(2)	0,0%	-	-
Payment for capital assets	60			60	40	20	66,7%	-	-
1.4 Security Services									
Current payment	580		270	850	991	(141)	116,6%	733	338
Transfers and subsidies	1			1	-	1	0,0%	-	1
Payment for capital assets	56			56	22	34	39,3%	17	-
1.5 Special programmes Unit									
Current payment	1,091			1,091	969	122	88,8%	1,448	1,054
Transfers and subsidies	-			-	-	-	0,0%	-	2
Payment for capital assets	155			155	132	23	85,4%	352	96
1.6 Internal Audit									
Current payment	1,571		304	1,875	1,982	(107)	105,7%	2,351	1,040
Transfers and subsidies	1			1	2	(1)	200,0%	8	3
Payment for capital assets					225	(225)	0,0%	241	58
1.7 Executive Management									
Current payment	2,524		223	2,747	2,453	294	89,3%	1,870	1,997
Transfers and subsidies	-			-	-	-	0,0%	7	5
1.8 Financial Management									
Current payment	13,061			13,061	16,780	(3,719)	128,5%	12,106	11,524
Transfers and subsidies	10			10	5	5	50,0%	-	17
Payment for capital assets	97			97	533	(436)	549,7%	185	61
1.9 Corporate Services									
Current payment	20,433			20,433	18,755	1,678	91,8%	11,472	13,054
Transfers and subsidies	1			1	4	(3)	400,0%	-	18
Payment for capital assets	165		225	390	538	(148)	137,9%	310	96
TOTAL	48,119		1,861	49,980	52,744	(2,764)	105,5%	40,186	37,652

Economic Classification	2006/07							2005/06	
	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	25,614	(50)	1,406	26,970	23,916	3,054	88,7%	23,909	17,270
Goods and services	21,774	50		21,824	27,050	(5,226)	123,9%	14,107	19,492
Transfers and subsidies to:									
Provinces and municipalities	17			17	17	-	100,0%	22	58
Payment for capital assets									
Machinery and equipment	714		455	1,169	1,761	(592)	150,6%	2,148	832
Total	48,119		1,861	49,980	52,744	(2,764)	105,5%	40,186	37,652

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3
APPROPRIATION STATEMENT
for the year ended 31 March 2007

PROGRAMME 2 - TOURISM

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Management									
Current payment	1,200	200		1,400	1,114	286	79,6%	1,105	832
Transfers and subsidies	3			3	1	2	33,1%	-	2
Payment for capital assets	19			19	19	-	100,0%	15	15
2.2 Tourism Support Services									
Current payment	3,509	(200)	(230)	3,079	3,075	4	99,9%	3,817	1,843
Transfers and subsidies	-			-	5	(5)	0,0%	4	2
Payment for capital assets	61			61	-	61	0,0%	235	-
2.3 Eco-Tourism & Conservation									
Current payment	52,852		(1,176)	51,676	44,666	7,010	86,4%	-	-
Transfers and subsidies	191			191	71	120	37,4%	-	-
Payment for capital assets	19,435		(455)	18,980	25,909	(6,929)	136,5%	-	-
2.4 Tourism Development									
Current payment								3,976	2,661
Transfers and subsidies								7	88
Payment for capital assets								211	-
2.5 Resort Management									
Current payment								13,789	11,761
Transfers and subsidies								22	95
Payment for capital assets								39	13
TOTAL	77,270		(1,861)	75,409	74,860	549	99,3%	23,220	17,312

Economic Classification	2006/07							2005/06	
	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	42,678	(1,700)	(1,406)	39,572	34,572	5,000	87,4%	16,500	13,337
Goods and services	14,945	1,700		16,645	14,283	2,362	85,8%	6,187	3,760
Transfers and subsidies to:									
Provinces and municipalities	28			28	29	(1)	103,6%	33	43
Households	104			104	48	56	46,5%		144
Payment for capital assets									
Buildings and other fixed structures	18,799		(455)	18,344	25,146	(6,802)	137,1%		
Machinery and equipment	716			716	782	(66)	109,4%	500	28
Total	77,270		(1,861)	75,409	74,860	549	99,3%	23,220	17,312

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3
APPROPRIATION STATEMENT
for the year ended 31 March 2007

PROGRAMME 3 – ENVIRONMENTAL AFFAIRS

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Administration									
Current payment	921			921	1,064	(143)	115,6%	890	1,059
Transfers and subsidies					1	(1)	0,0%	-	3
Payment for capital assets	104	45		149	372	(223)	249,8%	10	1
3.2 Planning Impact Pollution & Waste Management									
Current payment	3,861			3,861	3,601	260	93,3%	4,903	2,668
Transfers and subsidies					3	(3)	0,0%	4	5
Payment for capital assets	22			22	326	(304)	1481,8%	32	29
3.3 Environ Mgmt & Sus Dev: Pol, Leg Co Mon									
Current payment	7,393			7,393	7,688	(295)	104,0%	6,354	5,297
Transfers and subsidies	13			13	52	(39)	399,8%	11	14
Payment for capital assets	90			90	74	16	82,2%	189	187
3.4 Ecosystem Biodiversity & Natural Heritage Man									
Current payment	8,130	(45)		8,085	7,792	293	96,4%	8,190	8,785
Transfers and subsidies					6	(6)	0,0%	13	24
Payment for capital assets	51			51	302	(251)	592,1%	118	8
3.5 Environ Mng and Sustainable Enterprise									
Current payment					15	(15)	0,0%	36,529	33,396
Transfers and subsidies								117	162
Payment for capital assets								12,540	7,319
TOTAL	20,585			20,585	21,296	(711)	103,5%	69,900	58,957

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3
APPROPRIATION STATEMENT
for the year ended 31 March 2007

Economic Classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	15,909	(89)		15,820	15,689	131	99,2%	40,969	38,085
Goods and services	4,396	44		4,440	4,471	(31)	100,7%	15,897	13,120
Transfers and subsidies to:									
Provinces and municipalities	13			13	13		100,0%	68	125
Households					49	(49)	0,0%	77	83
Payment for capital assets									
Buildings and other fixed structures								10,817	6,091
Machinery and equipment	267	45		312	1,074	(762)	344,2%	2,072	1,453
Total	20,585			20,585	21,296	(711)	103,5%	69,900	58,957

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3
APPROPRIATION STATEMENT
for the year ended 31 March 2007

PROGRAMME 4 – ECONOMIC AFFAIRS

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Management									
Current payment	277			277	47	230	17,0%	1,400	250
Payment for capital assets	99			99	2	97	2,2%	100	
4.2 Consumer & Liquor Affairs									
Current payment	5,755			5,755	6,479	(724)	112,6%	5,455	4,994
Transfers and subsidies	5			5	12	(7)	240,0%	14	14
Payment for capital assets	52			52		52		132	71
4.3 Trade & Investment Promotion									
Current payment	4,650			4,650	4,565	85	98,2%	7,994	6,332
Transfers and subsidies	1			1	2	(1)	200,0%	6	7
Payment for capital assets	51			51		51	0,0%	200	
4.4 SMME Development									
Current payment	3,027			3,027	2,946	81	97,3%	4,325	4,048
Transfers and subsidies	2			2	2	-	100,0%		8
Payment for capital assets	36			36	9	27	25,0%	174	14
TOTAL	13,955			13,955	14,064	(109)	100,8%	19,800	15,738

Economic Classification	2006/07							2005/06	
	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	7,667			7,667	9,022	(1,355)	117,7%	9,066	9,295
Goods and services	6,042			6,042	5,016	1,026	83,0%	10,108	6,329
Transfers and subsidies to:									
Provinces and municipalities	8			8	8	-	100,0%	20	29
Households					7	(7)	0,0%		
Payment for capital assets									
Machinery and equipment	238			238	11	227	4,6%	606	85
Total	13,955			13,955	14,064	(109)	100,8%	19,800	15,738

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2007

PROGRAMME 5 – TRANSVERSAL FUNCTIONS

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Free State Development Corp									
Transfers and subsidies	24,500	-	-	24,500	24,500	-	100,0%	32,000	30,000
5.2 Free State Gambling Board									
Transfers and subsidies	14,557	-	-	14,557	14,252	305	97,9%	11,900	9,897
5.3 Tourism Marketing Authority									
Current payment		-	-	-	(4)	4	-	3,903	3,017
Transfers and subsidies	21,278	-	-	21,278	21,473	(195)	100,9%	5,077	-
5.4 Xhariep									
Payment for capital assets	6,637	-	-	6,637	-	6,637	-	-	-
5.5 Vredefort Dome									
Current payment	2,900	-	-	2,900	2,901	(1)	100,0%	-	-
5.6 MTDP									
Current payment	4	-	-	4	-	4	0,0%	-	-
5.7 Skills Levy									
Current payment	-	-	-	-	-	-	-	1,030	729
5.8 HIV/AIDS									
Current payment	-	-	-	-	-	-	-	1,014	15
5.9 Internship Programme									
Current payment	-	-	-	-	-	-	-	1,000	27
5.10 Bursaries External									
Current payment	-	-	-	-	-	-	-	1,050	1,037
5.11 Free State Liquor Authority									
Current payment					4	(4)	0,0%	-	-
TOTAL	69,876	-	-	69,876	63,126	6,750	90,3%	56,974	44,722

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3
APPROPRIATION STATEMENT
for the year ended 31 March 2007

PROGRAMME 5 – TRANSVERSAL FUNCTIONS

Economic Classification	2006/07							2005/06	
	Adjusted	Shifting of		Final	Actual		Expenditure	Final	Actual
	Appropriation	Funds	Virement	Appropriation	Expenditure	Variance	as % of final	Appropriation	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	-	-	-	-	5	(5)	0,0%		
Goods and services	2,904	-	-	2,904	2,896	8	99,7%	7,997	4,825
Transfers and subsidies to:									
Departmental agencies and accounts	35,835	-	-	35,835	35,725	110	99,7%		
Public corporations and private enterprises	24,500	-	-	24,500	24,500		100,0%	48,977	39,897
Payment for capital assets									
Land and subsoil assets	6,637	-	-	6,637		6,637	0,0%		
Total	69,876	-	-	69,876	63,126	6,750	90,3%	56,974	44,722

FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3
APPROPRIATION STATEMENT
for the year ended 31 March 2007

PROGRAMME 6 – THEFT AND LOSSES

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Special Functions									
Current payment					606	(606)	0,0%		167
TOTAL					606	(606)	0,0%		167

Economic Classification	2006/07							2005/06	
	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									
Financial transactions in assets and liabilities					606	(606)	0,0%		167
Total					606	(606)	0,0%		167

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2007**

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

Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 (A-D) 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 6 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement): R'000

4.1	Per Programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
	Administration	49,980	52,744	(2,764)	(5,53)
	Tourism	75,409	74,860	549	0,73
	Environmental	20,585	21,296	(711)	(3,45)
	Economic Affairs	13,955	14,064	(109)	(0,78)
	Transversal Functions	69,876	63,126	6,750	9,66
	Theft and Losses	-	606	(606)	

The total amount of R6.4m was transferred to the other programmes. An amount of R2.1m was transferred to Program two for the completion of phase one of Phillip Sanders Resort. An amount of R4.2m was transferred to the Tourism Marketing Authority for their operational activities.

Per Economic classification	2006/07 R'000	2005/06 R'000
Current payment:		
Compensation of employees	83,204	77,987
Goods and services	53,716	47,526
Financial transactions in assets and liabilities	606	167
Transfers and subsidies:		
Provinces and municipalities	67	255
Departmental agencies and accounts	35,725	-
Public corporations and private enterprises	24,500	39,897
Households	104	227
Payments for capital assets:		
Buildings and other fixed structures	25,145	6,091
Machinery and equipment	3,629	2,398

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2007**

	<i>Note</i>	2006/07 R'000	2005/06 R'000
REVENUE			
Annual Appropriation	1	229,805	210,080
Departmental revenue	2	28,651	26,945
Local and foreign aid assistance	3	3	300
TOTAL REVENUE		258,459	237,325
EXPENDITURE			
Current expenditure			
Compensation of employees	4	83,204	77,987
Goods and services	5	53,716	47,526
Financial transactions in assets and liabilities	6	606	167
Total current expenditure		137,526	125,680
Transfers and subsidies	7	60,396	40,379
Expenditure for capital assets			
Buildings and other fixed structures	8	25,145	6,091
Machinery and equipment	8	3,629	2,398
Total expenditure for capital assets		28,774	8,489
TOTAL EXPENDITURE		226,696	174,548
SURPLUS		31,763	62,777
Add back unauthorised expenditure	9	3,811	-
SURPLUS FOR THE YEAR		35,574	62,777
Reconciliation of Surplus for the year			
Voted Funds	13	6,920	35,532
Departmental Revenue	14	28,651	26,945
Local and foreign aid assistance	3	3	300
SURPLUS FOR THE YEAR		35,574	62,777

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**STATEMENT OF FINANCIAL POSITION
at 31 March 2007**

	<i>Note</i>	2006/07 R'000	2005/06 R'000
ASSETS			
Current assets		17,919	44,848
Unauthorised expenditure	9	15,461	11,650
Cash and cash equivalents	10	15	30,734
Prepayments and advances	11	-	20
Receivables	12	2,443	2,444
TOTAL ASSETS		<u>17,919</u>	<u>44,848</u>
LIABILITIES			
Current liabilities		16,956	44,510
Voted funds to be surrendered to the Revenue Fund	13	15,947	44,647
Departmental revenue to be surrendered to the Revenue Fund	14	13	(437)
Bank overdraft	15	989	-
Payables	16	4	
Local and foreign aid assistance unutilised	3	3	300
TOTAL LIABILITIES		<u>16,956</u>	<u>44,510</u>
NET ASSETS		<u>963</u>	<u>338</u>
Represented by:			
Recoverable revenue		963	338
TOTAL		<u>963</u>	<u>338</u>

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
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**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2007**

	<i>Note</i>	2006/07 R'000	2005/06 R'000
Recoverable revenue			
Opening balance		338	525
Transfers		625	(187)
Irrecoverable amounts written off	6.2	(173)	(5)
Debts recovered (included in departmental revenue)		(378)	(214)
Debts raised		1,176	32
Closing balance		963	338
TOTAL		963	338

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**CASH FLOW STATEMENT
for the year ended 31 March 2007**

	<i>Note</i>	2006/07 R'000	2005/06 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		259,665	246,125
Annual appropriated funds received	1.1	222,411	210,080
Departmental revenue received		37,251	35,745
Local and foreign aid assistance received	3.1	3	300
Net (increase)/decrease in working capital		(3,786)	602
Surrendered to Revenue Fund		(65,327)	(36,183)
Current payments		(137,526)	(125,680)
Unauthorised expenditure – current payment		3,811	-
Transfers and subsidies paid		(60,396)	(40,379)
Net cash flow available from operating activities	17	(3,559)	44,485
 CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(28,774)	(8,489)
Net cash flows from investing activities		(28,774)	(8,489)
 CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in net assets		625	(187)
Net cash flows from financing activities		625	(187)
Net increase/(decrease) in cash and cash equivalents		(31,708)	35,809
Cash and cash equivalents at the beginning of the period		30,734	(5,075)
Cash and cash equivalents at end of period	18	(974)	30,734

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted funds) and Provincial Departments :**

	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation received 2005/06 R'000
Administration	49,980	46,706	3,274	40,186
Tourism	75,409	75,620	(211)	23,220
Environmental	20,585	20,017	568	69,900
Economic Affairs	13,955	13,345	610	19,800
Transversal	69,876	66,723	3,153	56,974
Total	229,805	222,411	7,394	210,080

1.2 Conditional grants

	<i>Note</i>	2006/07	2005/06
Total grants received	<i>Annex 1A</i>	10,000	10,000
Provincial grants included in Total Grants received		10,000	10,000

2. Departmental revenue

	<i>Note</i>	2006/07	2005/06
Tax revenue		24,688	18,753
Sales of goods and services other than capital assets	2.1	12,535	16,930
Interest, dividends and rent on land and buildings	2.2	29	14
Financial transactions in assets and liabilities	2.3	299	48
Total revenue collected		37,551	35,745
Less: Departmental revenue budgeted	14	8,900	8,800
Departmental revenue collected		28,651	26,945

The comparative figures have been restated for Departmental revenue budgeted from R27.591m to R8.8m. Due to the amount that did not correspond with the budget statement.

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

2.1 Sales of goods and services other than capital assets

	2006/07	2005/06
Sales of goods and services produced by the department	12,535	16,930
Administrative fees	676	614
Other sales	11,859	16,316
Total	12,535	16,930

2.2 Interest, dividends and rent on land and buildings

	2006/07	2005/06
Interest	29	14
Total	29	14

**2.3 Financial transactions in assets and liabilities
Nature of recovery**

	2006/07	2005/06
Loans and advances	299	-
Receivables	-	42
Other Receipts including Recoverable Revenue	-	6
Total	299	48

3. Local and foreign aid assistance

3.1 Assistance received in cash: Other

	2006/07	2005/06
Local		
Opening Balance	300	-
Revenue	-	300
Expenditure - Current	297	-
Closing Balance	3	300

Total assistance		
Opening Balance	300	-
Revenue	-	300
Expenditure - Current	297	-
Closing Balance	3	300

Analysis of balance

Local and foreign aid unutilised	3	300
Closing balance	3	300

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

4. Compensation of employees

4.1 Salaries and Wages

	2006/07	2005/06
Basic salary	57,211	51,445
Performance award	167	796
Service Based	154	43
Compensative/circumstantial	1,485	2,316
Periodic payments	1,488	4,044
Other non-pensionable allowances	12,207	9,769
Total	72,712	68,413

4.2 Social contributions

	2006/07	2005/06
4.2.1 Employer contributions		
Pension	7,325	6,607
Medical	3,147	2,946
Bargaining council	20	19
Insurance	-	2
Total	10,492	9,574
Total compensation of employees	83,204	77,987
Average number of employees	690	693

5. Goods and services

	<i>Note</i>	2006/07	2005/06
Advertising		2,112	1,881
Attendance fees (including registration fees)		526	107
Bank charges and card fees		37	55
Bursaries (employees)		1,027	1,206
Communication		4,123	4,936
Computer services		252	57
Consultants, contractors and special services		13,506	18,087
Courier and delivery services		70	334
Drivers' licences and permits		145	234
Entertainment		199	807
External audit fees	5.1	2,396	2,342
Equipment less than R5000		1,260	436
Inventory	5.2	10,372	8,228
Legal fees		627	231
Maintenance, repair and running costs		46	
Finance leases		4,664	1,563

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VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

Plant flowers and other decorations		44	
Printing and publications		125	15
Resettlement costs		102	108
School & boarding fees		6	
Subscriptions		-	6
Translations and transcriptions		-	16
Travel and subsistence	5.3	9,920	6,800
Venues and facilities		2,157	67
Protective, special clothing & uniforms		-	10
Total		<u>53,716</u>	<u>47,526</u>

5.1 External audit fees

	2006/07	2005/06
Regulatory audits	2,396	1,761
Other audits	-	581
Total	<u>2,396</u>	<u>2,342</u>

5.2 Inventory

	2006/07	2005/06
Domestic consumables	1,450	1,175
Agricultural	499	570
Fuel, oil and gas	4,091	3,165
Other consumables	56	74
Parts and other maintenance material	2,066	1,460
Stationery and printing	1,930	1,486
Veterinary supplies	280	298
Total	<u>10,372</u>	<u>8,228</u>

5.3 Travel and subsistence

	2006/07	2005/06
Local	9,920	6,768
Foreign	-	32
Total	<u>9,920</u>	<u>6,800</u>

6. Financial transactions in assets and liabilities

	<i>Note</i>	2006/07	2005/06
Material losses through criminal conduct			
-Theft	6.3	-	162
Other material losses written off	6.1	433	-
Debts written off	6.2	173	5
Total		<u>606</u>	<u>167</u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Debts were written off in terms of the following prescripts:

- FSTEEA: Management of Debtors, Debt Recovery and Write-off of Irrecoverable Debt – FP10; and
- Provincial Accountant General Circular: Writing-off of Bad Debts by Departments – Accounting A8 of 2004/05.

6.1 Other material losses written off

	2006/07	2005/06
Nature of losses		
Claims irrecoverable	116	-
Irregular expenditure	317	-
Total	433	-

6.2 Irrecoverable amounts written off

	2006/07	2005/06
Breach of contract	21	-
Cellphone	7	-
Employee	37	-
Ex-employee	69	5
Supplier	7	-
Telephone	32	-
Total	173	5

6.3 Detail of theft

	2006/07	2005/06
Detail of theft	-	162
Total	-	162

7. Transfers and subsidies

		2006/07	2005/06
Provinces and municipalities	<i>Note Annex 1B</i>	66	255
Departmental agencies and accounts	<i>Annex 1C</i>	35,726	-
Public corporations and private enterprises	<i>Annex 1D</i>	24,500	39,897
Households	<i>Annex 1E</i>	104	227
Total		60,396	40,379

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

8. Expenditure for capital assets

		2006/07	2005/06
Buildings and other fixed structures	29	25,145	6,091
Machinery and equipment	29	3,629	2,398
Total		<u>28,774</u>	<u>8,489</u>

9. Unauthorised expenditure

9.1 Reconciliation of unauthorised expenditure

		2006/07	2005/06
Opening balance		11,650	11,967
Unauthorised expenditure – current year		3,811	-
Transfer to receivables for recovery (not approved)		-	(317)
Unauthorised expenditure awaiting authorisation		<u>15,461</u>	<u>11,650</u>

9.2 Analysis of Current Unauthorised expenditure

Incident	Disciplinary steps taken/criminal proceedings	2006/07
overspending vote	2003/04 no action taken	9,440
overspending vote	2004/05 no action taken	2,210
overspending	2006/07 Administration no action taken	2,764
overspending	2006/07 Economic Affairs no action taken	711
overspending	2006/07 Economic Development no action taken	336
Total		<u>15,461</u>

10. Cash and cash equivalents

	2006/07	2005/06
Consolidated Paymaster General Account	-	30,719
Cash on hand	15	15
Total	<u>15</u>	<u>30,734</u>

11. Prepayments and advances

	2006/07	2005/06
Travel and subsistence	-	20
Total	<u>-</u>	<u>20</u>

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

12. Receivables

		Less than one year	One to three years	Older than three years	2006/07 Total	2005/06 Total
	<i>Note</i>					
Staff debtors	<i>12.1</i>	72	64	410	546	753
Other debtors	<i>12.2</i>	695	623	314	1,632	1,271
Intergovernmental receivables	<i>Annex 4</i>	88	177	-	265	420
Total		855	864	724	2,443	2,444

12.1 Staff Debtors

	2006/07	2005/06
S&T Debt	40	88
Tel/Cell phone debt	179	250
Other(employee debt)	318	415
State guarantee	9	-
Total	546	753

12.2 Other debtors

	2006/07	2005/06
Supplier	88	82
Ex-employee	707	653
Breach of contract (bursaries)	965	139
Disallowed damages and losses		207
Salary ACB recall and reversal	3	(4)
Salary tax debt	17	1
Debt receivable interest	(148)	(124)
Irregular expenditure	-	317
Total	1,632	1,271

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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13. Voted funds to be surrendered to the Revenue Fund

	2006/07	2005/06
Opening balance	44,647	12,883
Transfer from Statement of Financial Performance	6,920	35,532
Voted funds not requested/not received	13.1 (7,394)	-
Paid during the year	<u>(28,226)</u>	<u>(3,768)</u>
Closing balance	<u>15,947</u>	<u>44,647</u>

	2006/07	2005/06
13.1 Voted funds not requested/not received		
Funds not to be requested	<u>(7,394)</u>	<u>-</u>
	<u>(7,394)</u>	<u>-</u>

14. Departmental revenue to be surrendered to the Revenue Fund

	2006/07	2005/06
Opening balance	(437)	(3,767)
Transfer from Statement of Financial Performance	28,651	26,945
Departmental revenue budgeted	2 8,900	8,800
Paid during the year	<u>(37,101)</u>	<u>(32,415)</u>
Closing balance	<u>13</u>	<u>(437)</u>

15. Bank overdraft

	2006/07	2005/06
Consolidated Paymaster General Account	<u>989</u>	<u>-</u>
Total	<u>989</u>	<u>-</u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

16. Payables - Current

Description	Notes	2006/07		2005/06
		30 Days	30+ Days	2005/06 Total
Other payables	16.1	4	-	-
Total		4	-	-

16.1 Other payables

	2006/07	2005/06
Other payables	4	-
Total	4	-

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

17. Net cash flow available from operating activities

	2006/07	2005/06
Net surplus as per Statement of Financial Performance	35,574	62,777
Add back non cash/cash movements not deemed operating activities	(39,133)	(18,292)
Decrease in receivables – current	1	62
Decrease in prepayments and advances	20	223
(Increase)/decrease in other current assets	(3,811)	317
Increase in payables – current	4	-
Expenditure on capital assets	28,774	8,489
Surrenders to Revenue Fund	(65,327)	(36,183)
Voted funds not requested/not received	(7,394)	-
Other non-cash items	8,600	8,800
Net cash flow generated by operating activities	(3,559)	44,485

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

	2006/07	2005/06
Consolidated Paymaster General account	(989)	30,719
Cash on hand	15	15
Total	(974)	30,734

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

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

19. Contingent liabilities

		<i>Note</i>	2006/07	2005/06
Liable to	Nature			
Housing loan guarantees	Employees	<i>Annex 3A</i>	410	439
Inter-Government Payables	Payables	<i>Annex 5</i>	-	154
Total			410	593

20. Commitments

	2006/07	2005/06
Current expenditure		
Approved and contracted	257	2,436
Approved but not yet contracted	12	215
	<u>269</u>	<u>2,651</u>
Capital expenditure		
Approved and contracted	29	782
Approved but not yet contracted	22	68
	<u>51</u>	<u>850</u>
Total Commitments	320	3,501

21. Accruals

Listed by economic classification	2006/07			2005/06
	30 Days	30+ Days	Total	Total
Compensation of employees: Overtime		1,026	1,026	-
Goods and services	33	389	422	109
Transfers and subsidies		1	1	-
Buildings and other fixed structures	666	447	1,113	35
Total	699	1,863	2,562	144

Listed by programme level

Administration	336	23
Tourism	2,111	58
Environmental Affairs	106	45
Economic Affairs	9	18
	<u>2,562</u>	<u>144</u>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

22. Employee benefits

	2006/07	2005/06
Leave entitlement	-	5,003
Thirteenth cheque	2,581	2,192
Capped leave commitments	6,402	1,099
Total	8,983	8,294

23. Lease Commitments

23.1 Operating leases

	Land	Buildings and other fixed structures	Machinery and equipment	Total
2006/2007				
Not later than 1 year	-	-	1,255	1,255
Later than 1 year and not later than 5 years	-	-	1,860	1,860
Total present value of lease liabilities	-	-	3,115	3,115

23.2 Finance leases

	Land	Buildings and other fixed structures	Machinery and equipment	Total
2006/2007				
Not later than 1 year	-	-	1,338	1,338
Later than 1 year and not later than 5 years	-	-	2,071	2,071
Total present value of lease liabilities	-	-	3,409	3,409
Analysis				
Condoned	-	-	3,409	3,409
Not condoned	-	-	-	-
Total	-	-	3,409	3,409

	Land	Buildings and other fixed structures	Machinery and equipment	Total
2005/2006				
Not later than 1 year	-	-	591	591
Later than 1 year and not later than 5 years	-	-	2,525	2,525
Total present value of lease liabilities	-	-	3,116	3,116
Analysis				
Condoned	-	-	3,116	3,116
Not condoned	-	-	-	-
Total	-	-	3,116	3,116

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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24. Receivables for departmental revenue

	2006/07	2005/06
Tax revenue	24,688	18,753
Sales of goods and services other than capital assets	12,535	16,930
Interest, dividends and rent on land	29	14
Financial transactions in assets and liabilities	299	48
Total	<u>37,551</u>	<u>35,745</u>

25. Irregular expenditure

25.1 Reconciliation of irregular expenditure

	2006/07	2005/06
Opening balance	5,130	4,522
Add: Irregular expenditure – current year	965	608
Irregular expenditure awaiting condonement	<u>6,095</u>	<u>5,130</u>

25.2 Irregular expenditure

		2006/07	2005/06
Incident	Disciplinary steps taken/criminal proceedings		
Exceeding budget – compensation of employees	None	-	229
Finance lease agreement	None	-	229
Salary increase not authorised	None	-	12
Tender process not followed	None	965	138
		<u>965</u>	<u>608</u>

26. Related party transactions

Information about related party transactions is required for accountability purposes and to facilitate a better understanding of the financial position and performance of the department. The principle issues in disclosing information about related parties is identifying which parties control or significantly influence the department and determining what information should be disclosed about transactions with those parties.

Disclosure of:

- The types of the related party relationship
- The types of transactions that have occurred
- The elements of the transactions necessary to clarify the significance of these transactions to its operations and sufficient to enable the Annual Financial Statements to provide relevant and reliable information for decision-making and accountability purposes.

The above excludes transfer payments and subsidies, as that is disclosed in the annexures to the Financial Statements.

In terms of the Accounting policies there are no related parties.

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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27. Key management personnel

	No. of Individuals	2006/07	2005/06
Political office bearers (provide detail below)	1	763	591
Officials			
Level 15 to 16	2	1,484	730
Level 14 (including CFO)	4	1,803	1,381
Total		<u>4,050</u>	<u>2,702</u>

The prior year figures were rectified due to prior years financial statements not corresponding with allowances actually paid.

28. Provisions

	2006/07	2005/06
Potential irrecoverable debts		
Staff debtors	422	466
Other debtors	-	867
Claims recoverable	-	48
Total	<u>422</u>	<u>1,381</u>

29. Tangible Capital Assets

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	Cost R'000	Cost R'000	Cost R'000	Cost R'000	Cost R'000
BUILDING AND OTHER FIXED STRUCTURES	96	-	-	-	96
Other fixed structures	96	-	-	-	96
MACHINERY AND EQUIPMENT	26,440	8,079	3,629	22,553	15,595
Transport assets	14,467	7,797	435	19,562	3,137
Specialised military assets	463	97	54	-	614
Computer equipment	2,778	(15)	1,703	-	4,466
Furniture and office equipment	676	703	823	-	2,202
Other machinery and equipment	8,056	(503)	614	2,991	5,176
CULTIVATED AND BIOLOGICAL ASSETS	12,256	22,437	-	379	34,314
Biological assets	12,256	22,437	-	379	34,314
TOTAL TANGIBLE ASSETS	38,792	30,516	3,629	22,932	50,005

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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NOTES ON OPENING BALANCE

The following closing balances for assets were omitted in the financial statements of 2005/2006. They were reinstated as the opening balances for 2006/2007.

	31 March 2006	Reinstated amount
Other Fixed structures	-	96
Transport assets	-	14,467
Specialised military assets	-	463
Computer equipment	1,280	2,778
Furniture and office equipment	603	676
Other machinery and equipment	1,457	8,056
Cultivated assets	12,256	-
Biological assets	-	12,256
	15,596	38,792

Machinery and equipment has been adjusted by R788 000 because of the stock taking that was completed after closing of the financial year ended 31 March 2007.

Biological assets amounting to R379 000 have been destroyed/burnt during the current financial year. This was not captured on BAS.

29.1

ADDITIONS TO TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	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 R'000	Cost R'000	Cost R'000	Cost R'000
BUILDING AND OTHER FIXED STRUCTURES	25,145	-	(25,145)	-	-
Non-residential buildings	25,145	-	(25,145)	-	-
MACHINERY AND EQUIPMENT	3,629	-	-	-	3,629
Transport assets	435	-	-	-	435
Specialised military assets	54	-	-	-	54
Computer equipment	1,703	-	-	-	1,703
Furniture and office equipment	823	-	-	-	823
Other machinery and equipment	614	-	-	-	614
TOTAL	28,774	-	(25,145)	-	3,629

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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29.2

DISPOSALS OF TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Sold (Cash)		Non-Cash	Total Cost	Cash Received
	Cost R'000	Fair Value R'000	Fair Value R'000	Cost R'000	Actual Cost R'000
MACHINERY AND EQUIPMENT	-	22,553		22,553	-
Transport assets	-	19,562		19,562	-
Other machinery and equipment	-	2,991		2,991	-
CULTIVATED AND BIOLOGICAL ASSETS	-	379		379	-
Biological assets	-	379		379	-
TOTAL	-	22,932		22,932	-

29.3

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	96	6,091	6,091	96
Other fixed structures	96	6,091	6,091	96
MACHINERY AND EQUIPMENT	15,872	10,568	-	26,440
Transport assets	14,467	-	-	14,467
Specialised military assets	463	-	-	463
Computer equipment	738	2,040	-	2,778
Furniture and office equipment	93	583	-	676
Other machinery and equipment	111	7,945	-	8,056
CULTIVATED AND BIOLOGICAL ASSETS	12,256	-	-	12,256
Biological assets	12,256	-	-	12,256
TOTAL TANGIBLE ASSETS	28,224	16,659	6,091	38,792

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

30. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	Cost R'000	Cost R'000	Cost R'000	Cost R'000	Cost R'000
COMPUTER SOFTWARE	47	(47)	-	-	-
OTHER INTANGIBLES	6	(6)	-	-	-
TOTAL INTANGIBLE ASSETS	53	(53)	-	-	-

30.1

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	47	-	-	47
OTHER INTANGIBLES	6	-	-	6
TOTAL	53	-	-	53

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**ANNEXURES
for the year ended 31 March 2007**

**ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS RECEIVED**

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2006/07	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provincial Grant	10,000	-	-	-	10,000	10,000	10,000	100,0%	10,000	6,091
	10,000	-	-	-	10,000	10,000	10,000	100,0%	10,000	6,091

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**ANNEXURES
for the year ended 31 March 2007**

**ANNEXURE 1B
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2006/07
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Motheo	186	-	-	186	49	26,3%	49	-	73,7%	137
Northern Free State	1	-	-	1	1	100%	1	-	100,0%	-
Eastern Free State	6	-	-	6	6	100%	6	-	100,0%	-
Lejweleputs wa Xhariep	5	-	-	5	5	100%	5	-	100,0%	-
	203	-	-	203	66	32,5%	66	-	75,9%	137

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**ANNEXURES
for the year ended 31 March 2007**

**ANNEXURE 1C
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2006/07
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Free State Gambling Board	14,557	-	-	14,557	14,252	97,9%	11,900
Tourism Marketing Authority	21,278	-	-	21,278	21,474	100,9%	7,070
	<u>35,835</u>	<u>-</u>	<u>-</u>	<u>35,835</u>	<u>35,726</u>	<u>99,7%</u>	<u>18,970</u>

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**ANNEXURES
for the year ended 31 March 2007**

**ANNEXURE 1D
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2006/07
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
Free State Development Corporation	24,500	-	-	24,500	24,500	100%	-	-	32,000
	24,500	-	-	24,500	24,500	100%	-	-	32,000

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**ANNEXURES
for the year ended 31 March 2007**

**ANNEXURE 1E
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	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Employee	104	-	-	104	104	100	77
Social Benefit							
	104	-	-	104	104	100	77

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**ANNEXURES
for the year ended 31 March 2007**

ANNEXURE 1F

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07	2005/06
		R'000	R'000
Received in cash Free State Development Corporation	Cheque for Premier's Export Awards	15	-
		15	-
Received in kind CHW Vuwani	Soccer kit for departmental soccer team	5	-
Subtotal		5	-
TOTAL		20	-

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**ANNEXURES
for the year ended 31 March 2007**

ANNEXURE 1G

STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	CLOSING BALANCE R'000
Received in cash					
National Department of Environment Affairs of Application Expenses		300	-	297	3
Subtotal		300	-	297	3

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**ANNEXURES
for the year ended 31 March 2007**

ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2007

NATURE OF GIFT, DONATION OR SPONSORSHIP <small>(Group major categories but list material items including name of organisation)</small>	2006/07 R'000	2005/06 R'000
Paid in cash		
Bethlehem air show	-	50
Gala dinner for Tourism month	-	33
Two nations marathon advertising campaign	-	55
Sponsorship for marathon at the Game Auction	7	-
TOTAL	7	138
Made in kind**		
Game Butchery meat to Social Welfare	124	164
Office equipment to Trinity Closed Corporation	7	-
15 Beds and 15 Mattresses to Uniting for cure	21	-
Live game to BEE	136	-
Free entrance - Sterkfontein swimming	4	-
	292	164
TOTAL	299	302

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**ANNEXURES
for the year ended 31 March 2007**

**ANNEXURE 2A
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC
ENTITIES AS AT 31 MARCH 2007**

Name of Public Entity	State Entity's PFMA Schedule type (state year end if not 31 March)	% Held 06/07	% Held 05/06	Number of shares held		Cost of investment		Net Asset value of investment		Profit/(Loss) for the year		Losses guaranteed
				2006/07	2005/06	R'000		R'000		R'000		
				2006/07	2005/06	2006/07	2005/06	2006/07	2005/06	2006/07	2005/06	
National/Provincial Public Entity												
FS Development Corp	Schedule 3	0%	100%	-	100	-	-	-	-	-	-	No
Total		0%	100%	-	100	-	-	-	-	-	-	

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**ANNEXURES
for the year ended 31 March 2007**

**ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2007 – LOCAL**

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 1 April 2006 R'000	Guarantees draw downs during the year R'000	Guarantees repayments/ cancelled/ reduced/ released during the year R'000	Currency revaluations R'000	Closing balance 31 March 2007 R'000	Guaranteed interest for year ended 31 March 2007 R'000	Realised losses not recoverable R'000
	Housing								
Standard Bank		49	49	-	-	-	49	-	-
Firststrand FNB		185	105	-	29	-	76	-	-
ABSA		229	26	-	-	-	26	-	-
People Bank		30	6	-	-	-	6	-	-
First National Bank		63	51	-	-	-	51	-	-
Old mutual		240	177	-	-	-	177	-	-
FDC		46	8	-	-	-	8	-	-
Nedbank		17	17	-	-	-	17	-	-
	Total	859	439	-	29	-	410	-	-

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**ANNEXURES
for the year ended 31 March 2007**

**ANNEXURE 4
INTER-GOVERNMENT RECEIVABLES**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Western Cape- Dept of Economic Affairs	-	-	71	-	71	-
Gauteng-Dept Environmental Affairs	-	-	14	-	14	-
FS – Office of the Premier	-	-	3	-	3	-
	-	-	88	-	88	-
Other Government Entities						
Public Entities	-	-	89	136	89	136
Western Cape	-	-	71	71	71	71
Gauteng	-	-	14	-	14	-
Free State	-	-	3	210	3	210
Pension Recoverable	-	-	-	3	-	3
TOTAL	-	-	177	420	177	420

Include all amounts owing by National and Provincial Departments as well as all Public Entities, Constitutional Institutions and Trading Entities.

**FREE STATE – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**ANNEXURES
for the year ended 31 March 2007**

**ANNEXURE 5
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000

OTHER GOVERNMENT ENTITY

Current

National Dept of Environmental Affairs & Tourism	-	-	-	5	-	5
National Dept of Justice & Constitutional Development	-	-	-	114	-	114
Free State Dept of Education	-	-	-	12	-	12
Free State Dept of Premier	-	-	-	23	-	23
Total	-	-	-	154	-	154

<p>Include all amounts owing to National and Provincial Departments as well as all Public Entities, Constitutional Institutions and Trading Entities.</p>
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TRUST FUND NATURE CONSERVATION

MANAGEMENT REPORT for the year ended 31 March 2007

Mandate or purpose of the entity

The trust account was opened on 31 March 1984. The initial balance consisted of a donation made to the Provincial Government. No additional money were invested in the trust, any subsequent increases are the result of accumulated interest. Money was donated for the establishment and development of Provincial nature reserves for the Free State.

Legislative framework or Act within which the entity operates

Nature conservation, (Ordinance 8 of 1969).

Future strategic direction

The total balance (capital + interest) will be used to purchase land for the development of the Xhariep reserve. The proposed Xhariep reserve, a Transfrontier Park involving the Eastern Cape, will ultimately be the largest nature reserve in central South Africa. The amount available (R 359,909.25 on 2006/03/31) is insufficient, as a result the largest portion of the estimated purchase price would be budgeted funds. A total of +/- R 6 million was budgeted from the Department's equitable share for this purpose. The transaction is expected to occur during the 3rd quarter of the 2006/07 financial year.

Approval

The Annual Financial Statements set out on pages 124 to 129 have been approved by the Accounting Officer.



T.B. Khunyeli
Accounting Officer
31 May 2007



REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE 3 – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS NATURE CONSERVATION TRUST FUND FOR THE YEAR ENDED 31 MARCH 2007

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Nature Conservation Trust Fund which comprise the balance sheet as at 31 March 2007, income statement, statement of changes in net assets/equity 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 124 to 129.

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 South African Statements of Generally Accepted Accounting Practice and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). 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), 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 647 of 2006*, issued in *Government Gazette* No. 29919 of 25 May 2007. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's 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

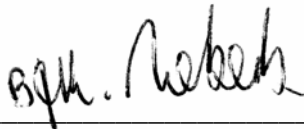
8. The entity's policy is to prepare the financial statements on the entity specific basis of accounting described in accounting policy 1 to the financial statements.

Opinion

9. In my opinion, the financial statements have been prepared, in all material respects, in accordance with the basis of accounting described in accounting policy 1 to the financial statements.

APPRECIATION

10. The assistance rendered by the staff of the department during the audit is sincerely appreciated.



B J K van Niekerk *for* Auditor-General

Bloemfontein
31 July 2007



A U D I T O R - G E N E R A L



TRUST FUNDS NATURE CONSERVATION

ACCOUNTING POLICIES for the year ended 31 March 2007



he financial statements have been, unless otherwise indicated, prepared in accordance with the following policies, which have been applied consistently in all material respects. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements. Deviances from the basis of preparation must be clearly stated and if possible the effect of non-compliance should be disclosed in the notes to the financial statements.

1. Basis of preparation

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statements. Treasury Regulations 14.3 requires the financial statements to be prepared according to general accepted accounting practice.

2. Revenue

Revenue is the gross inflow of economic benefits for services delivered during the period arising in the course of the ordinary activities of the entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants.

Revenue comprises all interest and dividend revenue received for the period under review.

3. Equity

Equity is the net difference between assets and liabilities. It is represented by Trust Fund Capital Account.

The Capital Account represents the net carrying value of assets. As such all decreases or increases with regard to assets, are to be debited or credited to this account, with a contra entry to the relevant asset accounts.

4. Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures reasonable expected to be available.

TRUST FUNDS NATURE CONSERVATION

**Statement of Financial Performance
for the year ended 31 March 2007**

		ENTITY	
		2007	2006
		Actual	Actual
Notes		R'000	R'000
	REVENUE	-	-
	EXPENDITURE	-	-
	SURPLUS/(DEFICIT) FROM OPERATIONS	-	-
	Income from investments	30	24
1	SURPLUS BEFORE TAX	30	24
	SURPLUS AFTER TAX FROM CONTINUING OPERATIONS	30	24
	SURPLUS FROM OPERATIONS	30	24
	Net asset holders of the controlling entity	30	24
	Surplus for the year	30	24

TRUST FUNDS NATURE CONSERVATION

**Statement of Financial Position as at
31 March 2007**

		ENTITY	
		2007	2006
		Actual	Actual
		R'000	R'000
ASSETS	Notes		
Current assets		392	362
Cash and cash equivalents	4	392	362
TOTAL ASSETS		392	362
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Retained Earnings	3	30	24
Other reserves	3	362	338
Total Equity		392	362
TOTAL EQUITY AND LIABILITIES		392	362

TRUST FUNDS NATURE CONSERVATION

Statement of Changes in Net assets for the year ended 31 MARCH 2007

		ENTITY	
		2007 Actual R'000	2006 Actual R'000
	Notes		
Share Capital			
Accumulated Surplus			
		-	-
Balance at 1 April as originally stated		30	24
Net profit for the year		30	24
Balance at 31 March		30	24
Other reserves			
		362	338
Balance at 1 April as originally stated		362	338
Balance at 31 March		362	338
Total Equity			
		362	338
Balance at 1 April as originally stated		30	24
Net profit for the year		30	24
Balance at 31 March		392	362

TRUST FUNDS NATURE CONSERVATION

**Cash Flow Statement
for the year ended 31 MARCH 2007**

ENTITY

	Notes	2007 Actual R'000	2006 Actual R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		30	24
Net cash inflows from operating activities		30	24
Net increase in cash and cash equivalents		30	24
Cash and cash equivalents at the beginning of the year	4	362	338
Cash and cash equivalents at the end of the year	4	392	362

TRUST FUNDS NATURE CONSERVATION

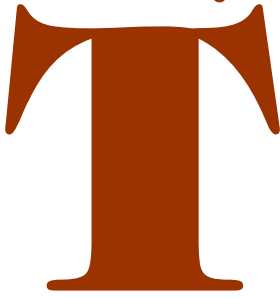
**Notes to the Annual Financial Statements
for the year ended 31 MARCH 2007**

		ENTITY	
		2007	2006
		Actual	Actual
		R'000	R'000
1	Income from investments		
	Interest income	30	24
	- Investments	30	24
2	Trade and other receivables		
	Other receivables	392	362
	Total	392	362
3	Capital and reserves		
	<u>Retained earnings</u>		
	Balance at 1 April as originally stated	30	24
	Balance at 31 March	30	24
	<u>Other reserves</u>		
	Balance at 1 April as originally stated	362	338
	Balance at 31 March	362	338
4	Cash and cash equivalents		
	Cash and cash balances with banks	392	362
	Total	392	362



PART FIVE - HUMAN RESOURCE MANAGEMENT

Public Service Regulations



The statistics and information published in this part of the annual report are required in terms of Chapter 1, Part III J.3 of the Public Service Regulations, 2002 and have been prescribed by the Minister for the Public Service and Administration for all departments within the Public Service.

The statistical tables provide high-level information on key human resource issues. The information aims to empower legislatures, the media, the public and other key stakeholders to monitor whether departments:-

- Are exercising the powers granted under Public Service and Public Finance legislation in a responsible manner,
- Are achieving national transformation priorities established by the Cabinet, for example, affirmative action.

Annual reports are produced after the end of the financial year. This is aimed at strengthening the accountability of departments to key stakeholders.

5.1 Service Delivery

All departments are required to develop a Service Delivery Improvement (SDI) Plan. The following tables reflect the components of the SDI plan as well as progress made in the implementation of the plans.

Table 1.1 – Main services provided and standards

<i>Main services</i>	<i>Actual customers</i>	<i>Potential customers</i>	<i>Standard of service</i>	<i>Actual achievement against standards</i>
SMME promotion packages	Service providers	Public	Develop investment promotion packages for SMME	Package development
Tourism	Tourists	Public	Capacity building	Training done
Promote environmental quality for the province	Stakeholders	Public	Monitor compliance	Monitoring done
Promote sustainable economic activities within the province	Service providers	Public	Monitor economic strategies	Monitoring strategies developed

Table 1.2 – Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Meetings and workshops	Service providers	Public	Meetings were held
Surveys and interviews	Service providers	Public	Interviews conducted

Table 1.3 – Service delivery access strategy

Access Strategy	Actual achievements
Establishment of website	Active

Table 1.4 – Service information tool

Types of information tool	Actual achievements
Exhibitions	Exhibitions done
Brochures & leaflets	Brochures & leaflets are available in other directorates

Table 1.5 – Complaints mechanism

Complaints Mechanism	Actual achievements
Customer care centre	Centre available
Suggestion box	No suggestion box

5.2 Expenditure

TABLE 2.1 – Personnel costs by programme, 2006/07

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
1. Administration	52,744	23,916	0	0	45.3	35
2. Tourism	74,860	34,572	0	0	46.2	51
3. Environmental Affairs	21,296	15,689	0	0	73.7	23
4. Economic Affairs	14,064	9,022	0	0	64.2	13
5. Transversal	63,126	4	0	0	0	0
Total	226,090	83,203	0	0		

TABLE 2.2 – Personnel costs by salary bands, 2006/07

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	18,142	20.6	54,645
Skilled (Levels 3-5)	7,900	9	78,218
Highly skilled production (Levels 6-8)	25,403	28.9	154, 896
Highly skilled supervision (Levels 9-12)	18,035	20.5	277.462
Senior management (Levels 13-16)	10,234	11.6	511.700
Contract (level 3-5)	87	0.1	0
Contract (level 6-8)	129	0.1	129.000
Contract (level 9-12)	719	0.8	359.500
Periodical remuneration	2,107	2.4	18.009
Total	82, 756	94.2	103.187

TABLE 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2006/07

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
1. Administration	15,454	65.1	3	0	258	1.1	796	3.4
2. Tourism	17,427	70.1	53	0.2	558	2.2	860	3.5
3. Environmental Affairs	18,125	63.2	381	1.3	429	1.5	1,061	3.7
4. Economic Affairs	5,866	58.4	0	0	71	0.7	399	4
Total	56,872	64.7	437	0.5	1316	1.5	3,116	3.5

TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2006/07

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost

Lower skilled (Levels 1-2)	13,873	75.8	93	0.5	611	3.3	506	2.8
Skilled (Levels 3-5)	5,882	72.4	66	0.8	169	2.1	451	5.5
Highly skilled production (Levels 6-8)	17,758	63	272	1	347	1.2	1,365	4.8
Highly skilled supervision (Levels 9-12)	12,624	64.7	5	0	117	0.6	581	3
Senior management (Levels 13-16)	6,104	57.7	0	0	70	0.7	201	1.9
Contract (level 3-5)	65	74.7	0	0	0	0	0	0
Contract (level 6-8)	98	76	0	0	2	1.6	0	0
Contract (level 9-12)	468	62.8	0	0	0	0	12	1.6
Periodical remuneration	0	0	0	0	0	0	0	0
Total	56,872	64.7	436	0.5	1,316	1.5	3,116	3.5

5.3 Employment and vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: - programme (Table 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). Departments have identified critical occupations that need to be monitored. Table 3.3 provides establishment and vacancy information for the key critical occupations of the department.

The vacancy rate reflects the percentage of posts that are not filled.

TABLE 3.1 – Employment and vacancies by programme, 31 March 2007

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
1. Administration	218	107	50.9	0
2. Tourism	719	426	40.8	0
3. Environmental Affairs	201	109	45.8	0
4. Economic Affairs	118	43	63.6	0
Total	1,256	685	45.5	0

TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2007

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	548	332	39.4	0
Skilled (Levels 3-5)	161	101	37.3	0

Highly skilled production (Levels 6-8)	376	164	56.4	0
Highly skilled supervision (Levels 9-12)	144	65	54.9	0
Senior management (Levels 13-16)	24	20	16.7	0
Contract (level 6-8) permanent	1	1	0	0
Contract (level 9-12) permanent	2	2	0	0
Total	1,256	685	45.5	0

TABLE 3.3 – Employment and vacancies by critical occupation, 31 March 2007

Critical Occupations	Number of posts	Number of posts filled	Vacancy rate%
Admin. Related, permanent	14	8	42.9
Agric. Animal forestry & other science, permanent	27	8	70.4
Agric. Related, permanent	30	11	63.3
Air craft pilots, permanent	1	0	100
All artisans in building etc, permanent	45	3	93.3
Auxiliary & related workers, permanent	28	24	14.3
Building & property caretakers, permanent	59	47	20.3
Bus & heavy vehicle drivers, permanent	2	2	0
Chemists, permanent	3	3	0
Cleaners in offices, permanent	68	56	17.6
Clients information clerks	1	1	0
Communication & information related , permanent	4	1	75
Conservation labourers	326	209	35.9
Finance & economic related	15	12	20
Financial & related professionals, permanent	42	9	78.6
Financial clerks & credit controller, permanent	36	19	47.2
Food services aids & waiters	10	6	40
HOD / CEO, permanent	1	1	0
Horticulturists & forestry technicians	5	5	0
Human resources & org. Development & related professions	22	15	31.8
Human resources clerks	18	9	50
Human resources related	5	4	20
Language practitioners & other communications	10	4	60

Critical Occupations	Number of posts	Number of posts filled	Vacancy rate%
Librarians & related professionals	1	1	0
Library Mail & related clerks	5	3	40
Light vehicle drivers	9	3	66.7
Material-recording & transport clerks, permanent	4	2	50
Messengers & deliverers	2	2	
Natural science related	7	2	71.4
Nature conservation & related technicians	122	71	41.8
Other admin. & related clerks	98	37	62.2
Other admin. Policy & related officers	8	4	50
Other information technology personnel	5	0	100
Other occupations	1	1	0
Regulatory inspectors	26	7	73.1
Secretaries & keyboard operating clerks	25	16	36
Security guards	82	41	50
Security officers	6	1	83.3
Senior managers	22	18	18.2
Statisticians & related professions	2	0	100
Trade / industry advisers & related professions	57	18	68.4
Veterinarians	2	1	50
Total	1,256	685	45.5

5.4 Job evaluation

TABLE 4.1 – Job Evaluation, 1 April 2006 to 31 March 2007

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (level 1-2)	548	0	0	0	0	0	0
Contract (level 6-8)	1	0	0	0	0	0	0
Contract (level 9-12)	2	0	0	0	0	0	0
Skilled (Levels 3-5)	161	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	376	7	1.9	1	14.3	5	71.4
Highly skilled supervision (Levels 9-12)	144	5	3.5	0	0	1	20
Senior Management Service Band A	17	0	0	0	0	0	0

Senior Management Service Band B	5	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	1256	12	1	1	8.3	6	50

TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2006 to 31 March 2007

Beneficiaries	African	Asian	Coloured	White	Total
Female	1	0	0	0	1
Male	1	0	0	0	1
Total	2	0	0	0	2
Employees with a disability					

TABLE 4.3 – Employees whose salary level exceed the grade determined by job evaluation, 1 April 2006 to 31 March 2007 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0			
	0			
	0			
	0			
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2004/05				
Percentage of total employment				

TABLE 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2006 to 31 March 2007 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0

[If there were no cases where the remuneration bands exceeded the grade determined by job evaluation, use the following table as TABLE 4.3]

Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2004/ 05 None

5.5 Employment changes

This section provides information on changes in employment over the financial year.

TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2006 to 31 March 2007

Salary Band	Number of employees per band as at 31 March 2007	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2) permanent	342	0	11	3.2
Skilled (Levels 3-5) permanent	104	5	5	4.8
Highly skilled production (Levels 6-8)	159	10	6	3.7
Highly skilled supervision (Levels 9-12) permanent	61	6	3	4.9
Senior Management Service Band A, permanent	11	5	1	9.1
Senior Management Service Band B permanent	2	2	0	0
Senior Management Service Band C permanent	1	0	0	0
Senior Management Service Band D permanent	1	0	0	0
Contract (level 3-5, permanent)	1	0	0	0
Contract (level 6-8, permanent)	1	0	0	0
Contract (level 9-12, permanent)	2	0	0	0
Total	685	28	26	3.8

TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2006 to 31 March 2007

Occupation:	Number of employees per occupation as 31 March 2007	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Admin. Related, permanent	14	0	0	0
Agric. Animal forestry & other science, permanent	8	0	0	0
Agric. Related, permanent	13	0	0	0
All artisans in building etc, permanent	2	0	1	50
Auxiliary & related workers, permanent	30	0	0	0

Occupation:	Number of employees per occupation as 31 March 2007	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Biochemistry pharmacol, zoology	5	0	0	0
Building & property caretakers, permanent	42	0	3	7.1
Bus & heavy vehicle drivers, permanent	2	1	0	0
Cleaners in offices, permanent	56	0	0	0
Communication & information related , permanent	3	0	1	33.3
Conservation labourers	44	0	0	0
Farm labourers	180	0	7	3.9
Finance & economics related	11	1	0	0
Financial & related professionals, permanent	5	0	0	0
Financial clerks & credit controller, permanent	21	0	2	9.5
Food services aids & waiters	6	0	0	0
Horticulturists & forestry technicians	6	0	0	0
Human resources & org. Development & related professions	9	2	1	11.1
Human resources clerks	8	3	1	12.5
Human resources related	2	0	0	0
Language practitioners & other communications	1	0	0	0
Librarians & related professionals	1	0	0	0
Library Mail & related clerks	4	0	1	25
Light vehicle drivers	2	0	0	0
Messengers & deliverers	3	0	0	0
Natural science related	0	1	0	0
Nature conservation & related technicians	56	4	1	1.8
Other admin. & related clerks	38	0	1	2.6
Other admin. Policy & related officers	6	0	0	0
Other information technology personnel	2	0	2	100
Other occupations	1	0	0	0
Photographic lithographic	1	0	0	0
Printing management	1	0	0	0
Printing planners	1	0	0	0
Regulatory inspectors	8	0	0	0

Occupation:	Number of employees per occupation as 31 March 2007	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Secretaries & keyboard operating clerks	18	1	0	0
Security guards	43	0	2	4.7
Security officers	1	0	0	0
Senior managers	12	4	1	8.3
Trade / industry advisers & related professions	18	0	2	11.1
Veterinarians	1	0	0	0
Total	685	17	26	3.8

Table 5.3 – Reasons why staff are leaving the department

Termination Type	Number	% of total resignations	% of total employment
Death	10	38.5	1.4
Resignation	9	34.6	1.3
Retirement	7	26.9	1
Total	26	100	3.8
Total number of employees who left as a % of the total employment		3.8	

Table 5.4 – Promotions by critical occupation

Occupation:	Employees as at 31 March 2007	Promotions to another salary level	Salary level promotions as a % of employees by occupation
Admin. Related, permanent	14	3	21.4
Agric. Animal forestry & other science, permanent	8	0	0
Agric. Related, permanent	13	0	0
All artisans in building etc, permanent	2	0	0
Auxiliary & related workers, permanent	30	0	0
Biochemistry pharmacol, zoology	5	0	0
Building & property caretakers, permanent	42	0	0
Bus & heavy vehicle drivers, permanent	2	0	0
Cleaners in offices, permanent	56	0	0
Communication & information related , permanent	3	0	0
Conservation labourers	44	0	0
Farm labourers	180	0	0
Finance & economics related	11	0	0
Financial & related professionals, permanent	5	0	0

Occupation:	Employees as at 31 March 2007	Promotions to another salary level	Salary level promotions as a % of employees by occupation
Financial clerks & credit controller, permanent	21	1	4.8
Food services aids & waiters	6	0	0
Horticulturists & forestry technicians	6	0	0
Human resources & org. Development & related professions	9	2	22.2
Human resources clerks	8	0	0
Human resources related	2	1	50
Language practitioners & other communications	1	0	0
Librarians & related professionals	1	0	0
Library Mail & related clerks	4	0	0
Light vehicle drivers	2	0	0
Messengers & deliverers	3	0	0
Natural science related	0	0	0
Nature conservation & related technicians	56	0	0
Other admin. & related clerks	38	2	5.1
Other admin. Policy & related officers	6	0	0
Other information technology personnel	2	0	0
Other occupations	1	0	0
Regulatory inspectors	8	0	0
Secretaries & keyboard operating clerks	18	0	0
Security guards	43	0	0
Photographic lithographic	1	0	0
Printing management	1	0	0
Printing planners	1	0	0
Security officers	1	0	0
Senior managers	12	0	0
Trade / industry advisers & related professions	18	0	0
Veterinarians	1	0	0
Total	685	9	1.3

Table 5.5 – Promotions by salary band

Salary Band	Employment at the beginning of period , April 2007	Promotion to another salary level	Salary level promotions as % of employment
Lower skilled (Levels 1-2)	342	0	0
Skilled (Levels 3-5), permanent	104	0	0
Highly skilled production (Levels 6-8) permanent	159	3	1.8
Highly skilled supervision (Levels9-12) permanent	61	4	6.6
Senior management (Levels13-16) permanent	15	2	13.3
Contract (level 3-5, permanent) permanent	1	0	0
Contract (level 6-8, permanent)	1	0	0
Contract (level 9-12, permanent)	2	0	0
Total	685	9	1.3

5.6 Employment equity

6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2007

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	12	0	0	0	4	0	0	1	17
Professionals	96	4	0	56	39	0	0	15	210
Clerks	21	1	0	1	45	2	0	18	88
Service and sales workers	33	1	0	2	6	0	0	0	42
Craft and related trades workers	2	0	0	1	0	0	0	0	3
Plant and machine operators and assemblers	5	0	0	0	0	0	0	0	5
Elementary occupations	243	4	0	1	69	3	0	0	320
Total	412	10	0	61	163	5	0	34	685
Employees with disabilities	1	0	0	1	1	0	0	1	4

6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	1	0	0	0	2
Senior Management	14	0	0	0	3	0	0	1	18
Professionally qualified and experienced specialists and mid-management	28	1	0	18	15	0	0	3	65
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	49	4	0	38	45	2	0	26	164
Semi-skilled and discretionary decision making	69	2	0	2	24	0	0	4	101
Unskilled and defined decision making	249	2	0	3	74	3	0	0	332
Contract (Professionally qualified)	2	0	0	0	0	0	0	0	2
Contract (Skilled technical)	0	0	0	0	1	0	0	0	1
Total	412	10	0	61	163	5	0	34	685

6.3 – Recruitment for the period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	4	0	0	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	1	0	0	0	1	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	4	0	0	0	6
Semi-skilled and discretionary decision making	2	0	0	0	3	0	0	0	5
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	9	0	0	0	8	0	0	0	17

6.4 – Promotions for the period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
<i>Top Management</i>	0	0	0	0	0	0	0	0	0
Senior Management	2	0	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	20	1	0	14	9	0	0	2	46
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	39	4	0	36	26	2	0	22	129
Semi-skilled and discretionary decision making	59	2	0	3	21	0	0	4	89
Unskilled and defined decision making	232	2	0	3	69	2	0	0	308
Total	352	9	0	56	125	4	0	28	574
Employees with disabilities	1	0	0	1	1	0	0	0	3

6.5 – Terminations for the period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	3	0	0	0	0	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	3	1	0	2	6
Semi-skilled and discretionary decision making	1	0	0	1	3	0	0	0	5
Unskilled and defined decision making	11	0	0	0	0	0	0	0	11
Total	16	0	0	1	6	1	0	2	26
Employees with disabilities	0	0	0	0	0	0	0	0	0

6.6 – Disciplinary action for the period 1 April 2006 to 31 March 2007

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	0	0	0	0	0	0	0	0	0

6.7 – Skills development for the period 1 April 2006 to 31 March 2007

Occupational categories	Male				Female				
		Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	14	0	0	0	4	0	0	1	19
Professionals	19	0	0	13	7	0	0	1	40
Technicians and associate professionals	10	1	0	6	4	1	0	4	26
Clerks	32	2	0	35	25	0	0	15	109
Service and sales workers	16	2	0	3	10	1	0	13	45

Skilled agriculture and fishery workers	6	0	0	0	8	2	0	2	16
Craft and related trades workers	63	2	0	0	18	2	0	0	85
Plant and machine operators and assemblers	36	0	0	0	10	2	0	0	48
Elementary occupations	229	3	0	1	56	2	0	1	292
Total	425	10	0	58	142	8	0	37	680
Employees with disabilities	1	0	0	1	1	0	0	1	4

5.7 Performance rewards

TABLE 7.1 – Performance Rewards by race, gender, and disability, 1 April 2006 to 31 March 2007

Demographics	Beneficiary Profile		
	Number of beneficiaries	Total number of employees in group	% of total within group
African, female	1	162	0.6
African, Male	11	411	2.7
Coloured, Female	0	5	0
Coloured, Male	0	10	0
Total blacks, female	1	167	0.6
Total blacks, male	11	421	2.6
White, female	0	33	0
White, male	5	60	8.3
Employees with a disability	0	4	0
Total	29	1,273	2.3

TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2006 to 31 March 2007

Salary Bands	Beneficiary Profile		
	Number of beneficiaries	Number of employees	% of total within salary bands
Lower skilled (Levels 1-2)	8	332	2.4
Skilled (Levels 3-5)	1	101	1
Highly skilled production (Levels 6-8)	4	164	2.4
Highly skilled supervision (Levels 9-12)	4	65	6.2
Contract (level 6-8)	0	1	0
Contract (level 9-12)	0	2	0
Periodical remuneration	0	117	0
Total	17	782	2.2

TABLE 7.3 – Performance Rewards by critical occupations, 1 April 2006 to 31 March 2007

Critical Occupations:	Number of beneficiaries	Total employment	% of total employment within occupation
Admin. Related, permanent	1	13	7.7
Agric. Animal forestry & other science, permanent	0	10	0
Agric. Related, permanent	3	12	25
All artisans in building etc, permanent	0	3	0
Auxiliary & related workers, permanent	0	25	0
Building & property caretakers, permanent	0	38	0
Bus & heavy vehicle drivers, permanent	0	3	0
Cleaners in offices, permanent	0	55	0
Communication & information related , permanent	0	1	0
Conservation labourers	1	47	2.1
Farm labourers	6	172	3.5
Finance & economics related	0	13	0
Financial & related professionals, permanent	0	7	0
Financial clerks & credit controller, permanent	1	19	5.3
Food services aids & waiters	2	6	33.3
Horticulturists & forestry technicians	0	6	0
Human resources & org. Development & related professions	0	15	0
Human resources clerks	0	9	0
Human resources related	0	3	0
Language practitioners & other communications	0	4	0
Librarians & related professionals	0	1	0
Library Mail & related clerks	0	3	0
Light vehicle drivers	0	2	0
Material-recording and transport clerks	0	2	0
Messengers & deliverers	0	2	0
Natural science related	0	1	0
Nature conservation & related technicians	3	70	4.3
Other admin. & related clerks	0	38	0
Other admin. Policy & related officers	0	5	0
Other occupations	0	1	0
Regulatory inspectors	0	7	0
Secretaries & keyboard operating clerks	0	17	0
Security guards	0	41	0

Critical Occupations:	Number of beneficiaries	Total employment	% of total employment within occupation
Security officers	0	1	0
Senior managers	0	16	0
Trade / industry advisers & related professions	0	16	0
Veterinarians	0	1	0
Total	17	685	2.5

TABLE 7.4 – Performance related rewards (cash bonus), by salary band, for Senior Management Service

Salary Band	Beneficiary Profile		
	Number of beneficiaries	Total employment	% of total employment
Band A	0	13	0
Band B	0	5	0
Band C	0	1	0
Band D	0	1	0
Total	0	20	0

5.8 Foreign workers

TABLE 8.1 – Foreign Workers, 1 April 2006 to 31 March 2007, by salary band

Salary Band	1 April 2006		31 March 2007		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0					
Skilled (Levels 3-5)	0					
Highly skilled production (Levels 6-8)	0					
Highly skilled supervision (Levels 9-12)	0					
Senior management (Levels 13-16)	0					
Total	0					

TABLE 8.2 – Foreign Worker, 1 April 2006 to 31 March 2007, by major occupation

Major Occupation	1 April 2006		31 March 2007		Change	
	Number	% of total	Number	% of total	Number	% change
0						
0						
0						
0						
0						
Total						

5.9 Leave utilisation for the period 1 January 2006 to 31 December 2006

TABLE 9.1 – Sick leave, 1 January 2006 to 31 December 2006

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)
Lower skilled (Levels 1-2)	1,208	92.2	184	50	7	190
Skilled (Levels 3-5)	346	90.2	52	14.1	7	74
Highly skilled production (Levels 6-8)	705	91.2	88	23.9	8	276
Highly skilled supervision (Levels 9-12)	338	95.9	33	9	10	276
Senior management (Levels 13-16)	84	96.4	9	2.4	9	169
Contract (Levels 6-8)	1	0	1	0.3	1	0
Contract (Level 9 – 12)	3	100	1	0.3	3	4
	2,685	92.3	368	100	7	969

TABLE 9.2 – Disability leave (temporary and permanent), 1 January 2006 to 31 December 2007

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave
Lower skilled (Levels 1-2)	0		
Skilled (Levels 3-5)	0		
Highly skilled production (Levels 6-8)	0		
Highly skilled supervision (Levels 9-12)	0		
Senior management (Levels 13-16)	0		
Total	0		

TABLE 9.3 – Annual Leave, 1 January 2006 to 31 December 2006

Salary Bands	Total days taken	Average per employee	Number of employees who took leave
Lower skilled (Levels 1-2)	8,371.64	25	333
Skilled Levels 3-5)	2,334	23	102
Highly skilled production (Levels 6-8)	3469	21	163
Highly skilled supervision (Levels 9-12)	1,460.28	21	68
Senior management (Levels 13-16)	299	17	18
Contract (level 6-8)	17	17	1
Contract (levels 9-12)	17	9	2
Total	15,967.92	23	687

TABLE 9.4 – Capped leave, 1 January 2006 to 31 December 2007

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2006
Lower skilled (Levels 1-2)	206	5	28
Skilled Levels 3-5)	34	4	43
Highly skilled production (Levels 6-8)	84	5	49
Highly skilled supervision(Levels 9-12)	67	10	48
Senior management (Levels 13-16)	22	11	45
Total	413	5	38

TABLE 9.5 – Leave payouts for the period 1 April 2006 to 31 March 2007

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee (R)
Capped leave payouts on termination of service for 2005/06	98	38	2579
Current leave payout on termination of service for 2006/7	43	6	7167
Total	141	44	3205

5.10 HIV and AIDS & health promotion programmes

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

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Employees at resorts and reserves who stay away from the family units	Introduction of family units and subsidized vehicle

TABLE 10.2 – Details of Health Promotion and HIV and AIDS Programmes (tick the applicable boxes and provide the 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		Responsible for HIV/AIDS programmes

<p>2. Does the department have a dedicated unit or has it designated specific staff members to promote the 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.</p>	<p>Yes</p>		<p>4 posts for the unit are still to be advertised. The budget allocation for 2006/07 is R1.2 m</p>
<p>3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.</p>	<p>Yes</p>		<p>Health promotion, wellness promotion and Occupational Health and Safety</p>
<p>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.</p>		<p>No</p>	<p>Committee nominations not done</p>
<p>5. Has the department reviewed its employment policies and practices 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.</p>	<p>Yes</p>		<p>The HIV and AIDS policy has been circulated for inputs and is ready for approval</p>
<p>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.</p>	<p>Yes</p>		<p>Maintenance of confidentiality by the EHWP Unit</p>
<p>7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.</p>	<p>Yes</p>		<p>Employees have referred for VCT sites</p>

8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	No
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5.11 Labour relations

TABLE 11.1 – Collective agreements, 1 April 2006 to 31 March 2007

Total collective agreements	None
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TABLE 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2006 to 31 March 2007

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	1	20
Suspended without pay	1	20
Fine	0	0
Demotion	0	0
Dismissal	2	40
Not guilty	0	0
Case withdrawn	1	20
Total	5	100

Disciplinary hearings – 2006/07	None
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TABLE 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
THEFT	2	40
FRAUD	3	60
Total	5	100

TABLE 11.4 – Grievances lodged for the period 1 April 2006 to 31 March 2007

	Number	% of Total
Number of grievances resolved	11	79
Number of grievances not resolved	3	21
Total number of grievances lodged	14	100

TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2006 to 31 March 2007

	Number	% of Total
Number of disputes upheld	1	25
Number of disputes dismissed	3	75
Total number of disputes lodged	4	100

TABLE 11.6 – Strike actions for the period 1 April 2006 to 31 March 2007

Total number of person working days lost	56
Total cost (R'000) of working days lost	0

Amount (R'000) recovered as a result of no work no pay	67,196.04
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TABLE 11.7 – Precautionary suspensions for the period 1 April 2006 to 31 March 2007

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	111
Cost (R'000) of suspensions	

5.12 Skills development

12.1 – Training needs identified 1 April 2006 to 31 March 2007

Occupational Categories	Gender	Number of employees as at 1 April 2006	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	5	0	2	-	2
	Male	14	0	7	-	7
Professionals	Female	8	0	0	-	0
	Male	32	0	1	-	1
Technicians and associate professionals	Female	9	0	1	-	1
	Male	17	0	3	-	3
Clerks	Female	40	0	32	1	33
	Male	69	0	28	-	28
Service and sales workers	Female	24	0	0	0	0
	Male	21	0	0	0	0
Skilled agriculture and fishery workers	Female	10	0	2	1	3
	Male	6	0	36	4	40
Craft and related trades workers	Female	20	0	0	0	20
	Male	65	0	0	0	65
Plant and machine operators and assemblers	Female	12	0	0	0	12
	Male	36	0	0	0	36
Elementary occupations	Female	59	1	45	-	46
	Male	233	7	72	22	101
Sub Total	Female	187	1	82	2	117
	Male	493	7	147	26	281
		680	8	229	28	398

12.2 – Training provided 1 April 2006 to 31 March 2007

Occupational Categories	Gender	Number of employees as at 1 April 2006	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	5	0	Management Development Project Management Financial Management	Conference/Seminars	4
	Male	14	0	Management Development Project Management Financial Management	Conference/Seminars	14
Professionals	Female	8	0	Financial Management Project	Conference/Seminars	8
	Male	32	0	Management Computer Skills Performance Courses Admin Justice Act Fire arm courses	Conference/Seminars	32
Technicians and associate professionals	Female	9	0	Financial Management		9
	Male	17	0	Management development skills Computer Skills Performance Courses		17
Clerks	Female	40	0	Financial Management Management development skills Computer Skills Performance Courses Occupational Health and safety		40
	Male	69	0			69

Service and sales workers	Female	24	0	Financial Management Management development skills Computer Skills Performance Courses Occupational Health and safety	24
	Male	21	0		21
Skilled agriculture and fishery workers	Female	10	0	Financial Management Management development skills Computer Skills Performance Courses Occupational Health and safety	10
	Male	6	0		6
Craft and related trades workers	Female	20	0	Financial Management Management development skills Computer Skills Performance Courses Occupational Health and safety	20
	Male	65	0		65
Plant and machine operators and assemblers	Female	12	0	Financial Management Management development skills Computer Skills Performance Courses Occupational Health and safety	12
	Male	36	0		36

Elementary occupations	Female	59	0	Financial Management Management development skills Computer Skills Performance Courses Occupational Health and safety	59
	Male	233	0		233
Sub Total	Female	187			187
	Male	497			497
		684			684

5.13 Injury on duty

The following tables provide basic information on injury on duty.

TABLE 13.1 – Injury on duty, 1 April 2006 to 31 March 2007

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

5.14 Utilisation of consultants

Table 14.1 – Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Review of 351 Section 24G	Enviroworks		297,092.00
Development of an Intergrated Plan for the Vredefort Heritage Site	AGES		3,800,000.00
FREE STATE TOURISM DEVELOPMENT STRATEGY PLAN	GRANT THORNTON		239,400.00
Design and Building of Exhibition Stand for SAITEX	THUSO DESIGN		490,200.00
Forensic Audit	KPMG		205,000.00
Financial statements & Budget	ERNEST & YOUNG		410,400.00
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
6	6		5,442,092

Table 14.2 – Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Review of 351 Section 24G	100	100	1
Design and Building of Exhibition Stand for SAITEX	100	100	1
Development of an Intergrated Plan for the Vredefort Heritage Site	70	70	1
Free State Tourism Development Strategy Plan			

Table 14.3 – Report on consultant appointments using Donor funds

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
None			
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
None			

Table 14.4 – Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

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