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## FOREWORD BY MEMBER OF THE EXECUTIVE COUNCIL

At the beginning of this financial year, 2009/2010, we made a commitment to forge partnerships to ensure that the poor and vulnerable were protected as far as possible from the impact of the global economic downturn.

Of critical importance has been the involvement of the private sector in working together with this department to enable the Free State economy to withstand the impact of the world economic crisis.

This Annual Report will shed light on the programmes we have put in place as government to address the many constraints to growth and development. The report on these programmes will show how far we have come to strengthen the capacity of the Free State economy. Our resources have been carefully allocated to priority areas that have been identified by the provincial government.

Our commitment to the people of the Free State during the period under review was to use all state resources at our disposal to transform the Free State economy to enable it to create decent jobs for sustainable livelihoods. This we have to do so that we could avoid an unfortunate situation of creating unsustainable dependence for our people on the state. The state, we believe should create a conducive environment from which the private sector could identify opportunities that would grow the economy and change the lives of our people.

The new ANC government, made an in-depth assessment of service delivery and resolved to configure government departments to enable them to meet the government's public mandate. This department was configured such that economic development champions the fight for poverty and unemployment in this province. In its assessment the ANC was convinced that the following critical factors are necessary to turn the economic situation in the Free State around;

- Identification of specific intervention programmes and projects that would address the growth and development challenges facing our province.
- Collation and analysis of the Free State economy and identification of the competitive and comparative advantage in our area.
- Ensuring continuous economic analysis
- Assess, establish and strengthen functional LED structures and forums where necessary.
- Effective engagement with financial Institutions for funding.
- Using tourism as an alternative to the declining economy
- Effectively using our academic institutions for research purposes

**Guided by these principles, we executed our mandate and responsibility with the aim of reaching the following strategic goals;**

- Accelerating economic growth rate
- Creating new employment opportunities and
- Reduction of economic inequalities.

The report we are presenting here, is our own assessment of our achievements and challenges. Acknowledging these achievements, we also accept our weaknesses and make a firm

commitment to correct them in the best interest of the people we serve.



Mxolisi Dukwana

MEC ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

Signed on this day 31 May 2010

## ACRONYMS

APP	Annual Performance Plan
ASGISA	The Accelerated and Shared Growth Initiative of South Africa
ASP	Africa Stockpile Programme
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
BPO&O	Business Processing Outsourcing and Offshoring
CAES	Compliance and Enforcement Sub-committee
CCTV	Closed Circuit Television
CMZ	Cape Mountain Zebra
CTC	Cleanest Town Campaign
DWEA	Department of Water and Environmental Affairs
DCC	Departmental Consultative Committee
DEAT	Department of Environmental Affairs and Tourism
DMP	Disease Management Plan
DOE	Department of Education
DPSA	Department of Public Service and Administration
DETEA	Department of Economic Development, Tourism and Environmental Affairs
DTI	Department of Trade and Industry
EHWP	Employee Health & Wellness Programme
EIA	Environmental Impact Assessment
EMC	Environmental Management Committee
EMF	Environmental Management Framework
EMIS	Environmental Management Impact
EPWP	Expanded Public Works Programme
ETEYA	Emerging Tourism Entrepreneur of the Year Awards
FDC	Free State Development Corporation
FIPA	Free State Investment Promotion Agency
FS PSCBC-	Free State Public Service Coordinating Bargaining Council
FSDP	Free State Development Programme
FSGRB	Free State Gambling and Racing Board
FSGDS	Free State Growth and Development Strategy
FSLA	Free State Liquor Authority
FSPG	Free State Provincial Government
FSTA	Free State Tourism Authority
FSWIT	Free State Women In Tourism
FSYC	Free State Youth Commission
HOD	Head of Department
HRA	Health Risks Assessment

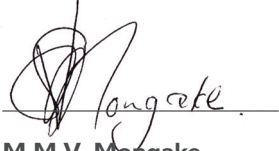
HRD	Human Resource Development
HRP	Human Resource Plan
HWMP	Hazardous Waste Management Plan
ICT	Information and Communication Technology
IDC	Industrial Development Corporation
IDP	Integrated Development Plan
IMP	Integrated Management Plan
IPAP	The Industrial Policy Action Plan
IWMS	Integrated Waste Management Strategy
LGI	Lake Gariep Initiative
LED	Local Economic Development
LUMS	Land Use Management System
MDTP	Maluti Drakensburg Transfrontier Project
MEC	Member of the Executive Council
MOU	Memorandum of Understanding
MSP	Master System Plan
MTEF	Medium Term Expenditure Framework
NAWA	National Association of Women Artists
NEMA	National Environmental Management Act No. 107 of 1998, as amended
NIPF	National Industrial Policy Framework
NSDF	National Skills Development Framework
NSDP	National Spatial Development Perspective
NSF	National Skills Fund
NSSD	National Strategy on Sustainable Development
PEC	Permit Evaluation Committee
PFMA	Public Finance Management Act 1 of 1999
PMDS	Performance Management Development System
PMG	Pay Master General
PPPF	Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
PROPAC	Provincial Public Account Committee
PSC	Public Service Commission
QAA	Quality Assurance Assessors
RIDS	Regional Industrial Development Support
ROD	Record of Decision
SAQA	South African Qualifications Authority
SAHRA	South African Heritage Resource Agency
SAPS	South African Police Services
SAWEN	South African Women Entrepreneurs' Network
SAWIMA	South African Women In Mining

SCM	Supply Chain Management
SDF	Spatial Development Framework
PSDF	Provincial Spatial Development Framework
SITA	State Information Technology Agency
SLA	Service Level Agreement
SMME	Small, Medium & Micro Enterprises
SOER	State of the Environment Report
TGCSA	Tourism Grading Council of South Africa
TWIB	Technology Women in Business
VCCT	Voluntary and Confidential Counseling and Testing
WIS	Waste Information System
WSSD	World Summit on Sustainable Development
OHSA	Organisational Health and Safety Act

## 1. PART ONE: GENERAL INFORMATION

### 1.1. SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

I, M.M.V. Mongake, have the honour of submitting the 2009/2010 Annual Report of the Department of Economic Development, Tourism and Environment Affairs in terms of the Public Finance Management Act 1 of 1999 section 40 (1) (d) (I) as amended by Act 29 of 1999.



**M.M.V. Mongake**

**ACCOUNTING OFFICER:**

**DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS**

Signed on this day 31 May 2010

### 1.2. INTRODUCTION BY THE HEAD OF THE DEPARTMENT

This annual report, the inaugural report card after the fourth democratic elections in our country, presents us with an opportunity to conduct a frank assessment of the work performed in the preceding electoral circle towards serving the people of the Free State. Ordinarily, the period under review will be dominated by assessment, realignment and reassurance that state interventions are responsive to people's needs. Our assessment confirmed that whilst this government's policies and programmes are some of the best in the world, our implementation capacity and strategies need to be beefed up.

Contained in the pages of this report including the Auditor General's report is an account of the management and staff's performance towards the goals and objectives we set for ourselves in the Annual Performance Plan (APP) for the period under review. This report will serve as a barometer of both the strengths and weaknesses of the Department in delivering its services and also provides guidance for future planning by highlighting achievements and required improvements.

The results of the operational assessment indicated revealed an urgent need to put emphasis on our primary responsibility of economic development, monitoring and evaluation as well as strategic finance. The absence of adequate research capacity and knowledge management in the department has also been identified as a serious shortcoming in enabling this department to discharge its mandate of creating an environment conducive to economic growth and job creation in the Free State. Indeed we believe that some of the achievements made are a direct reflection of efforts made in improving systems such as planning, reporting and financial management. However, we are the first to admit that there are still several challenges that persist despite all the effort made. Hence the intention is to continue refining these systems in order to improve our service delivery.

The work done by Public Entities continued to receive constant but this time added attention. The realignment and streamlining of these entities continued during this year. The legislative framework for their new role and business models have been developed, with the clear implementation plans. Every effort is made to ensure that the amalgamation of some of these entities is as seamless as possible without any detrimental impact on both clients and staff. More stringent internal processes have in the meantime been developed to monitor performance of the Public Entities and ensure adherence to reporting requirements. This is intended both to improve accountability and to ensure alignment of functions.

This report will provide information on the following issues as required by Treasury guidelines:

- Information on the Department and its Public Entities,
- Service delivery achievements for 2009/10 financial year,
- Allocated funds for the Department and the Public Entities,
- Revenue collected during the financial year,
- Expenditure incurred as indicated by financial statements,
- Asset Management,
- Non financial performance and,
- Performance in terms of Human Resource Management.

Through this report we reveal our individual and collective commitment to our responsibility to continue serving the people of the Free State to the best of our abilities. I wish to thank the MEC for his leadership and confidence he bestowed in me to lead this department. Speaking on behalf of everybody in the department, we promise to do whatever it takes to work on any shortcomings and make the Free State a better place for all.

### 1.3 INFORMATION ON THE DEPARTMENT

The mandate of the Department is to provide leadership in Economic Development, Tourism and Environment in the Province. The Department ensures that all relevant policy imperatives and priorities of the ruling party as enshrined in its manifesto are implemented together with other strategies such as the Provincial Growth and Development Strategies (PGDS) and Provincial Spatial Development Framework (PSDF). Furthermore, it monitors implementation of all relevant legislation and regulates the three sectors accordingly.

#### 1.3.1 Public Entities reporting to the Executive Authority

To ensure effective and efficient implementation of its mandate, the Department drives some of its functions through the following Public Entities:

ENTITIES	LEGISLATION UNDER WHICH PUBLIC ENTITIES WERE ESTABLISHED
Free State Development Corporation	The Free State Development Corporation (FDC) was established by the Free State Development Corporation Act, 1995 (Act No 6 of 1995).
Free State Gambling and Racing Board	Free State Gambling and Racing Board (FSGRB) was established by the Free State Gambling and Racing Act, 1996 (Act No 6 of 1996).
Free State Tourism Authority	Free State Tourism Authority (FSTA) was established by Free State Tourism Authority Act 2005 (Act No 3 of 2005).
Free State Investment Promotion Agency	The Free State Investment Promotion Agency (FIPA) was established by the Free State Investment Promotion Agency Act, 1998 (Act No 18 of 1998).
Free State Liquor Authority	The Free State Liquor Authority (FSLA) was established by Free State Liquor Authority Act, 2007 (Act No 3 of 2007).

#### 1.3.2 Bills submitted to the Legislature during the financial year

- Three Bills were submitted to the Legislature by the Executive Authority, namely;
- Gambling and Liquor Authority Bill – this will enable amalgamation of Free State Gambling and Racing Board and Free State Liquor Authority;
- Free State Investment and Development Authority Bill, which was later withdrawn;
- Free State Development Corporation Amendment Bill – this will enable incorporation of investment functions in the Free State Development Corporation.

#### 1.3.3 International Trips Report: Year Ending 31 March 2010

The following international trips were undertaken during the financial year:

COUNTRY	DATE	NUMBER OF OFFICIALS	PURPOSE
Germany	20/08 – 03/09/2009	2	To revisit MOU between Saxony and Free State and to explore successful mine mitigation and redevelopment project in Germany.
Namibia - Swakopmund	6-12/10/2009	1	To attend Rhino and Elephant Security Group and Interpol Environmental Crime Working Group and this is held twice every year.
London	09-12/11/ 2009	1	To understand how SA products compare on an international platform.
Lesotho	20/11/2009	8	To deliver game donated to Lesotho by the Department.
India -Satyam	23-30/11/2009	3	To establish a stronger relationship among various partners in order to implement Free State Regional Innovation Centre.
Qatar - Doha	12-26/03/2010	1	To attend the Convention on International Trade in Endangered Species of Fauna and Flora.



## 1.4 VISION, MISSION AND STRATEGIC GOALS

### 1.4.1. Vision

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

### 1.4.2. 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.

### 1.4.3 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.

## 1.5 LEGISLATIVE MANDATE

### 1.5.1 Legislative mandate of the Department

**The core business of the Department emanates from the following pieces of legislation:**

- Tourism Second Amendment Act, 2000 (Act No.70 of 2000),
- National Environmental Management Act 1998 (No. 107 of 1998) as amended,
- Environment Conservation Act 1989 (No. 73 of 1989) as amended,
- National Environmental Management: Air Quality Management Act 2004 (No. 39 of 2004),
- NEM: Biodiversity Act, 2004 (Act No.10 of 2004)
- NEM: Protected Areas Act, 2003 (Act No. 57 of 2003)
- The Free State Nature Conservation Ordinance, 1969 (Ord. No.8 of 1969)
- Environment Conservation Act, 1989 (Act No 73 of 1989), as amended.
- World Heritage Conservation Act, 1999 (Act No 49 of 1999)
- Conservation of Agricultural Resources Act, 1983 (Act No. 43 of 1983)
- Animal Protection Act, 1962 (Act No. 71 of 1962)
- National Forest Act, 1998 (Act No. 84 of 1998)
- Veld and Forest Fire Act, 1998 (Act No. 101 of 1998)
- Game Theft Act, 1991 (Act No. 105 of 1991)
- National Heritage Resources, 1999 (Act No. 25 of 1999)
- National Water Act, 1998 (Act No. 36 of 1998)
- Co-operative Act, 2005 (Act No 14. of 2005)

### 1.5.2 Accountability arrangements established between the accounting officers and the management of the Public Entity

**Below is a list of arrangements established to ensure accountability of Public Entities:**

- At the beginning of each financial year the Department and the Public Entities sign a service delivery agreement and Transfer agreement (Shareholder's Compact).
- Public Entities submit quarterly performance reports and monthly financial reports to the Department.
- The Public Entities meet with the Department on quarterly basis.
- One official of the Department is an ex officio member of the board of the public entity.
- The public entities submit their Annual Performance Plans/Shareholder's Compact and Annual Reports to the Department.

## PART TWO: PROGRAMME PERFORMANCE

### 2.1 VOTED FUNDS

APPROPRIATION	MAIN APPROPRIATION	ADJUSTED APPROPRIATION	ACTUAL AMOUNT SPENT	UNDER EXPENDITURE
339,738	339,738	341,739	316,441	25,298
Responsible MEC	MEC of Economic Development, Tourism and Environmental Affairs			
Administering Department	Department of Economic Development, Tourism and Environmental Affairs			
Accounting Officer	Head of Department of Economic Development, Tourism and Environmental Affairs			

### 2.2 AIM OF VOTE

To provide an economic and environmental governance system that contributes towards sustainable livelihoods together with relevant stakeholders to ensure job creation and poverty alleviation within the Free State Province.

### 2.3 KEY MEASURABLE OBJECTIVES, PROGRAMMES AND ACHIEVEMENTS

#### 2.3.1 Strategic objectives

The following are the measurable goals of the Department:

##### Environment

- Effective and efficient management of the Vredefort Dome.
- Effective and efficient management of the Maluti Drakensburg Transfontier Project (MDTP).
- Effective and efficient management of the Lake Gariep Initiative (LGI).
- To ensure a healthy environment.
- To ensure biodiversity conservation.
- To ensure compliance to all environmental legislation.
- To promote sustainable development.
- To build capacity in environmental management.

##### Economic Development

- To ensure an effective regulatory framework for economic activity.
- Improving the competitiveness of the Free State Trade and Industrial activity.
- Poverty alleviation through enterprise development.
- Promote strategic economic development support to municipalities.
- Ensure effective and efficient monitoring and evaluation of SMMEs development.
- Monitor development regarding the growth of SMMEs in the Province.
- To ensure the participation of HDI's in the mainstream of the economy.
- To support and develop business enterprise.
- Tourism policy development, monitoring and evaluation.
- Enterprise and skills development.
- Implement tourism sector development.

#### 2.3.2 Programmes

Below is a brief description of Departmental programmes:

##### ▪ **Programme 1: Administration**

Provide leadership, strategic management in accordance with the legislation, regulations, and policies and ensure appropriate support service to all other programmes.

To conduct its activities effectively, programme 1 comprises of the following components:

- Office of the MEC
- Office of the HOD

- Internal Audit
- Legal Services
- Security Services
- Management of Accounting
- Financial Management
- Supply Chain Management
- Special Programmes
- Organisational and Human Resource Management
- Human Resource Management
- Labour Relations

#### ▪ **Programme 2: Inter and Intra Governmental Relations**

To provide support and monitoring services to public entities, Corporate Communication and Knowledge Management as part of the organisational life.

To conduct its activities effectively, programme 2 comprises of the following components:

- Communication and ICT
- Information and Management
- Cooperative Governance
- Agency Support and Monitoring

#### ▪ **Programme 3: Environmental Affairs and Conservation**

The role of Environmental Affairs and Conservation is to implement and monitor legislation and policies in the areas of Air Quality, Biodiversity, Climate Change, Compliance Monitoring, Environmental Impact, Protected Areas, Pollution Control, Protected Areas and Waste Management.

To conduct its activities effectively, programme 3 comprises of the following components:

- Environmental Quality Management
- Biodiversity Management and Conservation Services
- Compliance and Law Enforcement
- Environmental Policy, Planning, Coordination and Empowerment Services

#### ▪ **Programme 4: Economic Development**

The role of Economic Development is to ensure transformation in the Tourism industry and enhance the development and growth of businesses in the province through training as well as provision of non-financial and financial support.

To conduct its activities effectively, programme 4 comprises of the following components:

- Business Regulations and Governance
- Trade and Industry Development
- Integrated Economic Development
- Tourism Support

### 2.3.3 Achievements

- The Department received an unqualified Audit Report for the third consecutive year.
- Signing of three Memoranda of Understanding (MOU) between the Free State Provincial Government (FSPG)/Department of Economic Development, Tourism and Environmental Affairs with other institutions for several projects i.e. ICT Fiber Optic Network, ICT Hub and Regional Innovation Centre.
- Local Government Business Network was established to facilitate fruitful partnership between private and Government sectors whilst helping SMMEs to grow.
- Game was donated to Tsehlanyane Game Reserve in Lesotho.
- Establishment of Phatsimang Sewing Cooperative for 11 women with disabilities in Phomolong, Hennenman.
- Coordinate, support and monitor LED units in municipalities.
- 91 Cooperatives were registered for the food nutritional programme and beneficiaries trained in collaboration with the Department of Education.
- 70 SMMEs from the 5 districts were trained and exposed to potential markets by exhibiting at the MACUFE Craft Village.
- 12 SMMEs trained and provided the opportunity to exhibit their products at the SA Handmade Exhibition in Midrand, thereby exposing them to national markets.
- Exposed 64 cooperatives to international markets by enabling them to participate and exhibit their products at the International Co-operatives Conference and Mega Expo/Exhibition in Pietermaritzburg and 1 SMME at International Handicraft Exhibition in Portugal.
- R1.14 Million was returned to consumers in the Free State by the Department by resolving 239 cases of unfair business practices.

- 1408 Volunteers trained in Know Your Country, Know Your City Programme for deployment during the FIFA World Cup.
- The Department reduced the time frame of authorizing Environmental Impacts Assessments (EIA) from 1-2 years to 6 months as per the National Environment Management Act. In 2009/10, 186 EIA applications were approved which is an improvement when compared to the previous year.
- The department held a successful Provincial Waste Summit that was attended by about 430 delegates.
- Completed an Air Quality Management Plan for the Province which indicates some of the challenges the Province faces in terms of Air Quality issues and how to solve these challenges.
- Completed a Hazardous Waste Management Plan for the Province which will assist in the proper management of hazardous waste to ensure a clean and healthy environment for the Free State community.
- A land fill audit was completed for the Province that highlights the number of illegal dump site as compared to legal sites.
- The Departmental Audit Manual presented at the Provincial Chief Audit Executive forum and rated as the best in the Province.
- Electronic payment systems have been installed in 9 of the 14 resorts of the department.

### **2.3.4 Overview of the service delivery environment for 2009/10**

South African economy, like other parts of the world, was plagued by the economic meltdown that forced many businesses out of operation throughout 2008/09 and a better part of 2009/10. Though towards the end of the year, signs of recovery were evident, remnants of the ordeal were still lingering, indicated by over indebted businesses and individuals as well as a continuous shedding of jobs.

#### **Challenges Encountered**

The global economic situation had an impact in the operations of the Department. Challenges for the Economic sector were, among others, loss of jobs, collapsing SMMEs and limited funds to support a large number of struggling SMMEs. Yet another challenge was the discovery of an illegal dumping of medical waste in the Province.

#### **Key Services**

The Department has the responsibility to ensure that services in areas of economic development, tourism and environmental are delivered to the people of the Free State Province effectively and efficiently. Some of the key services provided by the Department directly to the public include:

- Provision of support to SMMEs,
- Assisting SMMEs to access available national incentives,
- Expose SMMEs to domestic and international markets,
- SMME development,
- Cooperatives development,
- Trade promotion in the Province,
- Attracting investors to the Free State,
- Consumer protection services,
- Reduction of unfair business practices,
- Tourism development and training,
- Provision of Environmental Impact Assessment (EIA) and other environmental permits,
- Train municipalities on air quality issues,
- Environmental education and awareness raising.

### **Some of the Services rendered to the public**

COMPONENT	SERVICE	NUMBER OF CLIENTS WHO USE SERVICE
Biodiversity Management and Conservation	Accommodation in resort	20 909
	Day visitors to public conservation	54 332
Business Regulations	Resolve Consumer complaints	239
Compliance and Law	Licensing (Hunting and trophy)	1209
	Provision of permits (Captivity, TOPS and CITES)	760
	Game fencing certificates	89
Environmental Quality Management	Environmental authorizations issued	146
Tourism Support	To facilitate the grading of tourism facilities	48
Trade Promotion and Development	Assist companies/ SMMEs/Cooperatives to access incentive scheme from DTI	51
Integrated Economic Development	Training of Cooperatives and SMMEs	215

### 2.3.5 Overview of the organizational environment for 2009/10

The new government programme of action, Operation Hlasela calls for agility, urgency and decisiveness when executing the public mandate. Every single employee is and should be foot soldiers of Operation Hlasela in all its forms and manifestation. Hard as we tried to keep up with the “new way of doing government business”, we fell short in some areas. The shortcomings were largely due to human capital and budget constraints.

The department still has a burden of almost 52% vacancy rate, with a key position of Chief Financial Officer were only appointed in the middle of the year under review. Worst affected is the flagship programme of the department, the Economic Development, some sections of the Environmental Management and the Inter and Intra Governmental Relations where all but one directorate were frozen. Exacerbating the situation was the reprioritization of the budget. Some of set programme outputs had to be put in abeyance so as to improve service delivery in other critical areas.

Discipline, staff morale and capacity building are high on organizational building efforts so as to improve the department's performance in the future. Building a winning team, replicating excellence and eradicating poor performance has been identified as building blocks of a dream department both for staff and the public. Therefore, recruitment of qualified people at a higher rate than the turnover rate is crucial. This will be addressed by implementation of the recently developed retention strategy that will focus on scarce skills in execution of the department's mandate.

### 2.3.6 Strategic overview and key policy developments for the 2009/10 financial year

The Department continuously seeks to improve its operations and the quality of services it provides to the people of the Free State Province.

#### Legislative changes

Two legislative changes were undertaken regarding Departmental Public Entities. Gambling and Liquor Authority Bill was tabled at the Legislature for approval. The Bill is intended to amalgamate the Free State Gambling and Racing Board and Free State Liquor Authority into one Public Entity. The Free State Development Corporation Act 6 of 1995 was in the process of being amended as of the end of the financial year, to enable the incorporation of investment functions into the Free State Development Corporation. These functions were initially undertaken by the Free State Investment Agency, which will now be dissolved.

#### Policy developments

Through constant introspection and quest to operate within the framework provided by legislation and regulations, the Department has developed and reviewed the following policies:

- The Bontebok Policy was drafted and circulated for inputs and comments by the Professional Hunting and Animal Causing Problems sub directorate [Hannes Blom] during 2009/10 fiscal year,
- Internal Audit Charter, Audit Committee Charter, Internal Audit Manual and Quality Assurance Review program,
- Cell phones and subsidized vehicle policies,
- Departmental Subsidized Vehicles Policy. Date of approval 14/01/2010,
- Management of Cellular Telephones and 3G Data Cards. Date of approval 11/01/2010,

- Guidelines on Claiming Danger Allowance,
- Short-listing Criteria for Salary Levels 1- 2 Posts,
- Retention Strategy.

## 2.4 DEPARTMENTAL REVENUE, EXPENDITURE AND OTHER SPECIFIC TOPICS

The Department has under-collected revenue with 10% (R6, 102m) against a total budget of R58.2m. Under-collection in the non-tax revenue was almost two times more than the tax revenue (15% and 8% respectively).

The main sources of revenue for the Department are from tax revenue (casino & horse racing taxes and liquor licenses). Casino and horse racing taxes depend largely on the propensity of people to gamble and the economic conditions. The global economic contraction has affected tax revenue collection negatively as people cut down spending on non-essential goods & services. In turn, this reduced the amount of taxes collected from this industry.

Another factor that has led to under collection of revenue is lower sales of game. The sale of game fluctuates every two years to allow the natural breeding process to take place and the adjustments of the Departmental game management plan. This plan aims at maintaining enough grazing areas in the Resorts and Reserves and determines the number of appropriate game sold in a particular year. Since more game was sold during the 2008/9 financial year (R17m) the value of sales in 2009/10 automatically went down.

### 2.4.1 Collection of Departmental Revenue

	2006/07 ACTUAL	2007/08 ACTUAL	2008/09 ACTUAL	2009/10 TARGET	2009/10 ACTUAL	% DEVIATION FROM TARGET (-/ +)
Tax revenue	24,688	33,073	32 984	35 372	32 657	(8%)
Casino taxes	16,131	25,283	24 824	26 321	24 183	(8%)
Horse racing	5,854	5,495	5 848	6 142	5 631	(8%)
Liquor license	2,703	2,295	2 312	2 909	2 843	(2%)
Non-tax revenue	12,853	21,301	24 960	22 921	19 533	(12%)
Sales of goods and service	12,535	17,797	15 737	22 248	18 164	(18%)
Interest dividends and rent	29	297	44	22	300	1263%
Sales of capital assets	-	2,544	7 819	0	0	
Financial transactions (Recovery of loans and advances)	289	663	1 081	647	1 049	62%
Fines	-	-	280	4	20	400%
Total Departmental Receipts	37,541	54,374	57 944	58 293	52 251	(10%)

### 2.4.2 Departmental Expenditure

PROGRAMME	VOTED FOR 2009/10	ROLL-OVER AND ADJUST- MENTS	VIREMENT	TOTAL VOTED	ACTUAL EX- PENDITURE	VARIANCE
Administration	65,447		170	65,617	65,086	531
Inter and Intra Gov- ernmental Relations	18,239		152	18,391	12,324	6,067
Environmental Affairs	124,620		1,400	126,020	113,246	12,774
Economic Develop- ment	49,646		-1,722	47,924	43,115	4,809
Transversal functions	83,787			83,787	82,670	1,117
Theft and losses						
Total	341,739		0	341,739	316,441	25,297

### 2.4.3 Transfer payments

The Department budgeted for transfer payments that were 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 Department, a written assurance that the entity implements effective, efficient and transparent financial management and internal control system and financial report. All public entities are required as per their respective Transfer Agreements and Treasury Regulations to present to the Department their financial reports and these are being used to ensure and monitor that the funds allocated are used for the purposes for which they were requested. All public entities are complying with this and submit their monthly reports by the 15th of each month reporting on the previous month.

#### The Department made the following transfers in 2009/2010 financial year:

NAME OF INSTITUTION	AMOUNT TRANSFERRED	ACTUAL EXPENDITURE INCURRED BY DEPARTMENT
Free State Development Corporation	34,700	34,700
Free State Gambling and Racing Board	17,300	17,300
Free State Tourism Authority	17,387	17,387
Free State Investment Promotion Agency	7,900	7,900
Free State Liquor Authority	6,500	5,383

## 2.5 DEPARTMENTAL REVENUE, EXPENDITURE AND OTHER SPECIFIC TOPICS

### 2.5.1 Capital investment, maintenance and asset management plan

The Department plays a leading role in the tourism industry in the province. To improve local tourism products, the department continued to refurbish resorts and reserves to be ready for 2010 world cup. The Department has started to implement its commercialization strategy. The demand for accommodation in resorts is still high.

#### The Department has invested in the following projects:

PROJECT NAME	BUDGET	PROGRESS (31 MARCH 2010)
Koppiesdam - chalets	R728,700-00	5% Completed. Project suspended and the remaining money was channeled to Phillip Sanders
Soetdoring - chalets	R 992,299-20	3% Completed. Project suspended and the remaining money was channeled to Phillip Sanders
Maria Maroka	R 1,373,150-10	3% Completed. Project suspended and the remaining money was channeled to Phillip Sanders
Sandveld - abattoir	R 4,151,649-46	100% Completed.
Soetdoring train camp	R 916,516-71	3% Completed. Project suspended and the remaining money was channeled to Phillip Sanders
Phillip Sanders	R 29,918,190-76	80% Completed. Project came to standstill when all contractors left because of non-payments.

#### Maintenance plan

A maintenance plan targets larger maintenance projects followed by resorts and reserves that are busiest and then routine maintenance is 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 implementation of the Asset Management Framework in the Department for 2009/10 financial year has improved because of:

- Disposal of other assets: 100% achieved,
- BAS/LOGIS monthly reconciliations: 100% achieved,
- Disposal of game management: 100% achieved,
- Bar-coding of assets: 88% achieved,
- Capturing of bar-codes on LOGIS: 63% achieved.

The Asset Management Implementation Reform Plans for 2009/10 financial registered a 92% success.

The table below highlights movement in the movable tangible assets per asset register for the year ended 31 March 2010.

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

	OPENING BALANCE	CURRENT YEAR ADJUST- MENTS TO PRIOR YEAR BALANCES	ADDI- TIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	-	-	6	-	6
Heritage assets	-	-	6	-	6
<b>MACHINERY AND EQUIPMENT</b>	27,361	1,378	2,675	3,040	28,374
Transport assets	3,087	369	34	788	2,702
Specialised military assets	738	9	14	18	743
Computer equipment	8,364	950	795	347	9,762
Furniture and office equipment	7,330	115	646	932	7,159
Other machinery and equipment	7,842	(65)	1,186	955	8,008
<b>BIOLOGICAL ASSETS</b>	51,205	5,032	27,970	41,066	43,141
Biological assets	51,205	5,032	27,970	41,066	43,141
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	78,566	6,410	30,651	44,106	71,521



## PROGRAMME PERFORMANCE

The Department comprise of the following programmes:

- Programme 1: Administration
- Programme 2: Inter and Intra Governmental Relations
- Programme 3: Environmental Management
- Programme 4: Economic Development

### 3.1 PROGRAMME: ADMINISTRATION

**Purpose:** To provide leadership, strategic management in accordance with the legislation, regulations, policies and ensure appropriate support service to all other programmes.

#### 3.1.1 Service delivery achievements for Administration Programme for 2009/10

MEC's Office				
SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Office of the MEC	Secretariat and administration services provided for MEC in relevant meetings	Minutes of relevant meetings available	Minutes of all Portfolio Cluster and stakeholder meetings	Minutes of 2 Portfolio and 2 stakeholder meetings done
	Manage relationship of MEC with relevant stakeholders	Interactions with various structures facilitated	Interaction with Provincial Legislature, Parliament Political structures Departmental EXCO	19 Sittings attended 6 Portfolio Committee meetings attended 2 Departmental EXCO meetings held
		Presentation of Departmental legislation and policies to Provincial Legislation, Portfolio committee and EXCO coordinated	As per request	Free State Gambling and Liquor bills tabled

HOD's Office				
SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Office of the HOD	Ensure effective and efficient record management	Percentage of incoming and outgoing documents recorded	100% of incoming and outgoing documents recorded	100% of incoming and outgoing documents recorded
	Ensure effective flow of information to and from the Office of the HOD	Turnaround time	Responses available within 10 days	Responses available within 10 days

## HOD's Office

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
	Ensure implementation of 8-Principle Action Plan for promoting women's empowerment and gender equality	Gender forum established and functional	1 Gender forum 4 Meetings	Gender forum approved. 3 Meetings held
		Guidelines on gender mainstreaming developed	Guidelines developed	The draft guidelines developed.
		Monitoring and evaluation system in place to ensure incorporation of gender perspectives into all work of DETEA	Monitoring and evaluation system in place	The monitoring and evaluation system is in place.
		Monitoring reports on compliance of programmes to the 8-Principles	4 Reports	3 Reports submitted

## Internal Audit

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Internal Audit	To perform audits according to approved audit plan	Number of internal audit reports developed	14 Audit reports	8 Audit reports issued
	Render consultative and advisory services to improve the adequacy and effectiveness of risk control on governance process	Number of consultative and advisory services provided	3 Consultative and advisory services	3 Compliance Certificate, Evaluation of Draft Risk profile and , Presentation to Provincial Treasury
		Number of follow-ups reports on implementation of assurance and consultative recommendations	4 Follow-up audit report	2 Follow up reports issued  APP and Quarterly Targets
	Perform secretarial duties for Audit Committee	Number of Audit committee meetings coordinated	4 Meetings	4 Meetings held
		Assist with drafting of Annual Audit Committee Report	31 July 2009	Draft Annual Committee report drafted
	Prepare for Internal and external quality assurance review	Reports on Internal / External Quality assurance review	14 Reports	7 Internal and 2 external quality assurance reports issued
		Number of document reviewed during the 4th quarter	4 Documents	4 Documents reviewed

## Legal Services

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Legal Services	To manage all necessary legal actions	Summons referred to State Law Advisor and State Attorney as per legal time frames (15 days)	All summonses dealt with as per legal time frames	3 Summons
		Court applications referred to State Law Advisor and State Attorney as per legal time frames (15 days)	All Court applications dealt with as per legal time frames	21 High Court Applications received
		Number of reports submitted to State Law	5 Reports	3 Reports
	Render sound legal advice to the MEC and the Department.	Requests from officials and MEC dealt with within 14 days	All requests dealt with within set time frame	32 Legal opinions offered within set time frame
	Monitor compliance on relevant legislation	Number of meetings attended to monitor compliance to legislation	10 PEC, 24 EMC meetings	14 PEC meetings 13 EMC meeting
	Assist the Department with Legislative Drafting	Draft legislation from State Law Advisor scrutinize	Draft the FS Consumer Bill	Not achieved
	Scrutinizing and drafting of agreements relating to the Department	Agreements drafted within 30 days	All agreements within set time-frame	10 Agreements within set time- frame

## Security Services

SUB PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Security Services	To maintain a safe environment	Monitoring report compiled	Implementation and monitoring through awareness sessions	Improvement monitoring and implementation of security measures
		Report on physical security audit to departmental premises conducted	1 Report	2 Reports submitted
	Development of security plan for all departmental special events	Security provided for Special Events	All special events	Security provided to 7 special events
	Ensure Personnel Security	Screening of service providers coordinated	All requests coordinated	2 Service providers screened
		Vetting of officials	Vetting of all officials entrusted with sensitive information	48 Officials vetted
	Maintaining a secured ICT environment	Conducting ICT Security Audit	Conducting the Audit	Implementation of the audit recommendations

## Strategic Financial Management

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Strategic Financial Management-Management Accounting	Draft MTEF budget document	Budget statement submitted to Treasury on time	1 Budget statement-submitted	1 Budget statement submitted
	In-Year Monitoring reports compiled on monthly basis	Number of reports submitted to Treasury on time	12 In-Year Monitoring reports	12 In-Year Monitoring reports
	Capture and maintain a balanced budget on BAS	Budget captured on BAS March and September	Budget captured on BAS in March and September	Budget captured as per plan
	Revise risk on yearly bases	1 Revised assessment report	1 Revised assessment report to be compiled	1 Revised assessment compiled

## Strategic Financial Management

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
	Facilitate planning processes of the Department in line with Treasury Regulations	Number of plans submitted to Treasury	2 Plans (Strategic and Annual Performance Plan)	2 Plans submitted
		Departmental Operational plan consolidated	1 Operational plan	1 Operational plan consolidated as part of the APP
	Ensure timely reporting that comply with Treasury regulations and PFMA	Number of reports in response to PROPAC resolution	1 Report	PROPAC Reports responded to
		Guidelines for planning and reporting processes	Develop guidelines	Not achieved
		Number of quarterly performance reports submitted to Treasury	4 Reports submitted to Treasury in time	4 Reports submitted
		An annual report submitted for tabling	1 Annual report	1 Annual report
	Monitoring and Evaluation of performance and service delivery	Quarterly performance analysis reports developed	4 Reports	4 Reports
		Service Delivery Charter developed	Develop Charter	Service Delivery Charter developed
		Service Delivery Improvement Plan (SDIP) developed	1 SDIP	1 SDIP

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Strategic Financial Management -  Financial Accounting	Ensure that internal procedures and controls for payments are in place	Annual review of internal procedures and internal controls	1 Annual review	1 Annual review of policies done
	Ensure proper financial reporting	Compile Annual Financial Statement compliant to prescripts	1 Annual Financial Statement	1 Annual Financial Statement
		Monthly document control report on safe keeping of financial transactions	12 Reports	12 Reports
		Monthly report on Unauthorized, Irregular, Fruitless and Wasteful expenditure	12 Reports	12 Reports
	Management of the payroll function	Monthly report on verification of payroll reports as per the Treasury Regulations	12 Reports	12 Reports
	Timeous payment of creditors	Payments made to creditors within 30 days from receipt of an invoice/claim/ request	100% of payments	75% of payments made within 30 days
	Monitoring of compliance to the PFMA by compilation and submission of relevant reports to the Treasury	Monthly submission of Certificate of Compliance within 10 days of accounting month closure.	12 Certificates	12 Certificates of compliance compiled and submitted to treasury
	Surrender to the Provincial Treasury any unspent voted money	An approved report on unspent funds on financial year closure	Report on unspent funds	Report on unspent funds developed
	Ensure efficient and effective banking and cash management	Monthly bank (PMG) reconciliation reports	12 Monthly bank (PMG) reconciliation reports	12 Monthly bank (PMG)
	To implement a revenue management system	Number of Inspection Reports on Resorts and Reserves	6 Inspections reports per annum	6 Inspections reports per annum
	To implement a Revenue Management System	Revenue compliance monitoring at Resorts and Reserves	4 Checklist reports	2 Checklist reports finalised
		Revenue Adjustment Budget proposal	1 Revenue Adjustment Budget proposal	1 Revenue Adjustment Budget proposal submitted
	To implement effective debt management	Effective management of debt recovery	Recover 35% of debt	48.9% Recovered for the year

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Strategic Financial Management - Supply Chain Management	Implementation of Asset Management Reform	Status reports on achievement of Asset Management Reform	4 Reports	4 Reports
	Acquire and maintain suitable rented accommodation and fleet for the Department	Status reports on utilization and new needs of rented premises and fleet	4 Reports	4 Reports
		Status reports on payment of rented premises and fleet	4 Reports	4 Reports
	Timely placing of orders	Accurate and timely placing of orders within seven days from the date of receipt of request	100% Placing of orders, accurately and timeously	90% of orders placed accurately and timeously
	Preparation of age analysis report ensuring 30 days payment of Suppliers	Monthly age analysis Report.	Monthly age analysis reports complying with 30 days payment	12 Reports
	Preparation of Demand Management Plan (DMP)	Approved DMP compiled	One approved DMP	Achieved
		Number of reports on implementation of DMP	4 Reports	5 Reports
	To ensure that 70% of procurement of goods and services is achieved in promotion of SMMEs, with preference to HDIs	Status report on achievement of promotion of SMMEs, women, youth and people with disabilities	70%	48%
	To ensure that all stakeholders are adequately trained on procurement processes	Number of workshops held	4 Workshops	1 Workshop held
	Ensure compliance to procurement processes to curb possible malpractices	Number of updates on the register of all irregular expenditure and malpractices.	1 Update per quarterly	Up to date register for the financial year 2009/2010

## Corporate Services

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Corporate Services-Special Programs	To raise awareness of employees in the Department on Employment Equity (EE)Plan	Workshop on policies held	10 Workshops on Gender and Disability Policies and EEP	Not achieved
	Celebration and commemoration of International and National events	Campaigns celebrated and commemorated	9 Campaigns	9 Campaigns held
	To ensure mainstreaming of gender, youth, disability and children's issues in the department	Plans on economic empowerment of vulnerable groups assessed for EE compliance	1 Consultation meeting per chief directorate	24 Consultation meetings held
		Monitoring and Evaluation (M&E) conducted on EE compliance	Quarterly M& E per chief directorate	24 Inspections conducted
		Reports monitoring and evaluation reports on implementation of economic empowerment plan submitted	4 Reports	3 Reports submitted
		Number of recruitment fares for designated groups held to promote representatively in terms of Affirmative Action	2 Recruitment fares	Not achieved
	To ensure mainstreaming of gender, youth, disability and children's issues in the department	National Youth Service Programme (NYSP) developed	NYSP developed	Not achieved document still a draft
	To promote social education for moral regeneration, religious tolerance, social cohesion and development	Concept document on values developed	Concept document on values developed	Not achieved, document still a draft
		Number of awareness campaigns on substance abuse undertaken	10 Awareness campaigns	Not achieved

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Corporate Services- Organizational & Human Resource Development	To provide a Holistic Employee Health and Wellness Programme	Number of VCCT conducted	2 Voluntary, Confidential Counseling and Testing conducted	2 VCCT were conducted
		Infected and affected employees enrolled in Disease Management Plan(DMP)	All infected and affected employees	All employees who tested positive received food supplements and are prepared for enrolment



SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Corporate Services- Organizational & Human Resource Development	To provide a Holistic Employee Health and Wellness Programme (EHWP)	Number of reports on implementation of DMP	4 Reports compiled	4 Reports compiled
		EHWP Policy and Strategy workshopped	10 Awareness workshops	12 Awareness workshops held
		Number of meetings with stakeholders on implementation of EHWP	4 Meetings to be held	4 Meetings held
		Campaigns celebrated and commemorated i.t.o National calendar of events	10 Campaigns	10 Campaigns celebrated
		Number of health risk assessment conducted	2 Assessments	2 Health Risk Assessment were held
		Sporting and recreational activities undertaken	Additional 1 sporting code	Not achieved
	To coordinate the implement OHSA	Number joint meetings on OHSA	4 Meetings	3 Meetings held
	To ensure retention of staff	Retention strategy available	Retention strategy approved	Achieved
		To ensure attrition rate is determined	4 Reports	Achieved
		An Incentive scheme policy developed and implemented	Incentive scheme implemented	14 Implementation workshop conducted
		Annual excellence function awards held	October 2009	Not achieved
	To raise awareness on HRD strategy	Awareness campaigns undertaken	10 Awareness campaigns	14 Campaigns undertaken
	To develop a competent work force according to Public Service Regulation	Number of Training programmes conducted	7 Training Programmes conducted	10 Training programmes conducted
		Full and part time bursaries awarded	16 Full time	Not achieved
			25 Part time	16 Part time
		Number of Learners recruited	20 Learners	20 Learners
		Number of interns recruited	57 Interns	Not achieved
	To develop a competent work force according to Public Service Regulation	Induction program held	2 Induction sessions	2 Inductions sessions held
		ABET literacy programmes sites maintained	Maintain 2 sites	2 Sites maintained
		Employee satisfaction survey	1 Survey conducted	1 Survey conducted
	To conduct skills audit for salary levels 1-12	Skills audit report available	1 Skills Audit	Not achieved

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
	To conduct competency assessment for SMS members	Competency assessments undertaken for SMS members	3 SMS members assessed	4 SMS competency assessment done
	To monitor and evaluate implementation of PMDS	Management Plan on PMDS implementation developed	31 December for the following year	Plan developed approved and circulated as planned
		Number of inspections on adherence to PMDS Management Plan	1 Inspection per Chief Directorate per quarter	10 Inspections conducted
		Number of M & E of reports on submitted documents is done	4 M & E reports	4 Reports compiled
		Training on PMDS conducted	10 Training sessions	17 Training sessions held
		Number of reports on development of job descriptions for new employees within 30 days	4 Compliance reports on development of job descriptions	2 Reports
	To determine salary levels of posts	Number of evaluated posts	62 Posts evaluated	14 Posts were presented at the Provincial JE Quality Assurance Committee
	To enhance the effectiveness and efficiency of current working systems	Systems re-engineering conducted	Recruitment and Selection system re-engineered	Recruitment and selection system was re-engineered and submitted to ICT for implementation
		Process and procedure documentation done	4 Processes mapped out	Process mapped out, job evaluation, recruitment and selection PMDS leave management

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Corporate Services- Human Resource Management	To ensure representativeness of the workforce	Percentages of previously disadvantaged groups recruited in the Department	Blacks =90,5% Females= 48% Disability=2% of advertised posts	Blacks = 100% Female = 60% Disability = 0% of the 5 posts filled
	To fill all vacant and funded posts	Number of vacant and funded posts filled	135	5 Posts filled
	To develop and implement Human Resource (HR) Plan	Posts filled according to the HR Plan	Human Resource Plan developed	Not achieved
	To develop and revise HR policies	Number of HR Policies developed	1 Policy	Draft policies developed but not finalised
	To ensure proper management of leave	Regularity leave audit conducted	All files audited	578 Leave files audited
		Compliance leave inspection conducted	32 Inspections	66 Inspections conducted at Directorates and at Reserves/Resorts
	To ensure proper management of leave	Leave procedure and checklist developed	Leave procedure and checklist approved	Leave procedure and checklist implemented and monitored
		Number of days taken to finalise temporary incapacity leave applications	Within 60 days	106 Applications out of 122 applications were finalised within 60 days
	To verify academic qualifications of employees and potential employees	Qualifications short listed candidates verified	Verified before interviews	Not achieved
	Qualifications of employees verified	All qualifications verified	Qualifications of employees verified	Qualifications submitted to SAQA
	Monitor and report on probation of appointed and promoted employees	Monthly reconciliation of probation reports done	Monthly reconciliation of probation reports done	6 Monthly reconciliation of probation reports done.
		Annual report on probation approved	1 Report	1 Report

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Corporate Services-Labour Relations	To report on Departmental Consultative Committee (DCC) decisions	Reports on DCC decisions distributed to SMS members	4 DCC reports	4 DCC reports
	To ensure and facilitate regular information sessions with unions at site level	Number of information sessions held	4 Information sessions	1 Information session held
		Annual HR Conference held	1 HR Conference	1 HR Conference held on the 11-12 March 2010
	To ensure active participation in FS PSCBC and FS GPSSBC Chambers	Number of reports on decision of FS Chambers communicated to SMS members	8 Reports distributed	8 Reports distributed
	To resolve grievances of employees	Grievances resolved within prescribed time limit (30 days)	All grievances	23 Grievance cases out of 60 that were received were resolved within prescribed time limit
	To resolve misconduct cases	Resolve misconduct cases within prescribed time limit (60 days).	All misconduct cases to be resolved within prescribed time limit (60 days)	81 Misconduct Cases received and were resolved within prescribed time limit (60 days)
	To manage disciplinary cases and grievances	Monthly status reports on case register updates	12 Reports submitted to management	12 Reports submitted to management
	To compile reports in Labour Relations matters	Number of reports on grievances, misconduct cases and disputes submitted to PSC	4 Reports submitted	4 Reports submitted to PSC
	To workshop officials on Labour Relations matters including corruption	Workshops conducted in the Department	40 Workshops to be conducted	10 Workshops conducted

## 3.2. PROGRAMME: INTER AND INTRA GOVERNMENTAL RELATIONS

**Purpose:** To support and monitor services to public entities, corporate communication and knowledge management as part of the organisational.

### 3.2.1 Service delivery achievements for Inter and Intra Governmental Relations Programme for 2009/10

Sub-Programme: Communication and ICT				
SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
ICT and Communication	Develop the annual stakeholder directory	Stakeholder directory updated	100% Updated and filter in all activities	100% Updated and filtered in all activities
	Disseminate accurate and updated information about the Department	A corporate profile produced	A corporate profile produced	4 Clients newsletters produced as planned
		Number of report Cards and advertorials	4 Report cards and advertorials	2 Report cards produced and 27 advertorials placed
		Website updated	4 Times per month	Website updated weekly
	Develop and implement media relations strategy annually	Media relations strategy developed annually	1 Strategy	Media list kept updated as per the strategy
		Media coverage as a % of media list	90% of coverage is received	More than 90% of coverage is received
		Editors forum and media day held	1 Editor's forum and media day	Media seminar was successfully held
	Improve effectiveness of call centre	Call centre re-modeled to improve efficiency	Queries resolved in less than 5 minutes of initial call	Ensured that queries were resolved in less than 5 minutes, but the process of remodeling call centre was put on hold
	Manage corporate identity of the Department	Departmental assets branded	All (100%) new buildings branded	Not achieved
	Coordinate and manage all departmental events and exhibitions	Departmental events coordinated	As per calendar of events	Unit professionally coordinated 16 events
		Number of exhibitions	8 Exhibitions	7 Exhibitions
	Corporate speeches coherent with policy and strategy	Number of approved speeches written for MEC and HOD	48 Speeches	34 Speeches
	Improve internal communication in line with the communication strategy	MEC/HOD road-shows with staff facilitated	4 Road-shows	7 Road shows
		Number of staff newsletter produced	4 Staff newsletters	2 Staff newsletters

## Sub-Programme: Communication and ICT

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
	Ensure efficient and effective IT systems	Approved Master Systems Plan (MSP) in place	Monitor and evaluate implementation of MSP	Upgrade of Infrastructure projects implemented as per MSP recommendations
		Report on utilisation of IT resources	4 Reports	5 Reports
		Annual reports on state of IT infrastructure generated	1 Report	1 Report submitted
	Launch of Region Innovation Centre in partnership with CUT	Launch of Region Innovation Centre	Launch of Region Innovation Centre	Launch took place in February 2010 at CUT
	Ensure Network connectivity in Resorts and Reserves	Number of resorts and reserved connected	5 Resorts & Reserves	9 Resorts & Reserves were connected via 3G Technology

## Sub-Programme: Information and Management

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Information and Management	Introduction of management of institutional knowledge regime	Knowledge Management (KM) Strategy developed	Implementation of the KM strategy	Not achieved
		Electronic file management system developed	Roll-out of the Electronic file management system	Not achieved
	Create information bank for coordination and preservation of corporate intellectual memory	A credible knowledge register established	Establish and institutionalise knowledge register	Not achieved
		Project review/appraisal system establishment	Project review / appraisal system roll out	Not achieved
		Knowledge management steering committee established	Steering committee in place	Not achieved

### Sub-Programme: Cooperative Governance

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Cooperative Governance	Implement IR between the Department and other spheres of government	Participation in events and meetings of other spheres of government coordinated	All relevant meetings and events	Not Achieved
	Ensure effective and efficient functioning of district offices	Effectiveness if district offices reported	4 Quarterly reports	Not achieved
	Provide management and secretarial support to the Department as per the calendar of events	Logistical arrangements for all departmental meetings	Meetings held according to schedule	2 EXCO meetings held according to schedule

### Sub-Programme: Agency Support and Monitoring

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Agency Support and Monitoring	Ensure compliance to legislative and policy framework	Number of bilateral meetings held to ensure coordinated planning and implementation of programmes	4 Meetings	4 Meetings
	To monitor and evaluate organisational performance	Quarterly performance appraisals for agencies	4 Quarterly reports	Not achieved

### 3.3. PROGRAMME: ENVIRONMENTAL MANAGEMENT

**Purpose:** To implement and monitor legislation and policies in the areas of Air Quality, Biodiversity, Climate Change, Compliance Monitoring, Environmental Impact, Protected Areas, Pollution Control, Protected Areas and Waste Management.

#### 3.3.1 Service delivery achievements for Environmental Management for 2009/10

Sub-Programme: Administration				
SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/ SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Administration	To ensure effective and efficient institutional arrangements for the Vredefort Dome on an ongoing basis	Number of awareness meetings organised within Free State	8 Meetings	7 Meetings
		Number of awareness workshops held	IWMP for Fezile Dabi and the dome 2 workshops	2 Workshops held
		Number of Vredefort Dome Steering committee meetings attended	8 Meetings	4 Meetings held
		Packages of awareness brochures on Vredefort Dome developed	4 Packages	Not achieved
		Relevant steering committee resolutions implemented	As requested	Not achieved
		Integrated Waste Management Plan for the dome developed	Integrated Waste Management Plan for the dome developed	Project on course
		Number of conservancies established	4 Conservancies	4 Conservancies established
		Number of Enviro Clubs established	4 Enviro Clubs	4 Enviro Clubs established
	To ensure operation of Dome office	Dome Office operational	Purchasing of office equipment and stationery	Not achieved
			Appointment of office Secretary	Not achieved
	To implement the 20 year MDTP strategy	Number of projects monitored and coordinated within the MDTP	Monitor the implementation of the dinosaur project and coordinate other 8 projects	Monitored the implementation of the dinosaur project and coordinate other 8 projects
	Implementation of the Lake Gariep Initiative Strategy	LGI steering committee established and meetings held	4 Meetings	1 Meeting held
		Protected Area Management Plan for the amalgamated reserve finalised	1 Management plan	Not achieved
		Development of Lake Gariep Trans-frontier Corridor	Development of a Land Cover use map and vegetation map that will inform spatial planning and development	Consultants appointed and project has commenced
		Finalisation of the LGI Tourism Master Plan Coordinated	Tourism Master Plan finalised and implemented	Plan will be rolled out during 2010/11



## Sub-Programme: Environmental Quality Management

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Environmental Quality Management	Improve the effectiveness of waste management activities for all waste types in the province	Number of facilities linked to Waste Information System (WIS) increased	3 Additional facilities	Not achieved
		Annual report on Free State WIS submitted to DEAT	Report on WIS submitted	Not achieved
		Provincial Landfill Permitting Plan developed	Provincial Landfill Permitting Plan (LPP) developed	Not achieved
		Provincial Integrated Waste Management Plan (IWMP) developed	1 IWMPs for each districts	Status Quo report produced
		Number of buy-back centres revitalised or established	3 Buy-back centres revitalised  5 Sustainable waste recycling projects initiated in each landfill site	Site visits conducted and suitable area identified
	Improve the effectiveness of waste management activities for all waste types in the province	Number of clean-up campaigns initiated in District Municipalities	5 District Clean-up campaigns during the arbor week	6 Clean up campaigns
		Environmental hazardous incidents attended to	20 Incidents Address	1 Incident
	Coordinate management of Air Quality in the Province	Ambient and point source air quality monitoring database and information system developed	<ul style="list-style-type: none"> <li>• Air Quality Officers' Forum Establish</li> <li>• Feasibility study for the establishment monitoring stations initiated</li> </ul>	Not achieved
		Provincial Air Quality Management (AQM) Plan developed	AQM Plan for the Free State finalised	Provincial AQMP produced
		A Greenhouse Gas Reduction Strategy developed	Consultants appointed for the development of the strategy	Not achieved
	Environmental authorisations within the Free State processed	Number of EIA applications submitted	160	64 EIA applications submitted

## Sub-Programme: Environmental Quality Management

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
	Processing of Environmental authorizations and finalization of authorization tools	Percentage of submitted EIA applications finalized within legislated time frames	100%	100%
		Number of Environmental Authorizations Issued	160	146 Environmental Authorizations Issued
		Average duration of EIA processes in months	6 Months	6 Months
		EMF1 developed and implemented in the Province to guide EIA decisions	Appointment of Consultants to develop the EMF	Not achieved
		Was the EMF based on all the correct sector plans, including a published bio-regional plan published under the Biodiversity Act	Appointment of Consultants to develop the land cover use map and the vegetation map	Not achieved

## Sub-Programme: Biodiversity Management and Conservation Services

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Biodiversity Management and Conservation Service	Implementation of the Protected Areas Act and the Biodiversity Act	Number of districts covered by bio-regional plans published in terms of the Biodiversity Act (using the provincial biodiversity plan as a basis)	1 (MDTP Bio-regional Plan)	1 Plan
		Provincial register of protected areas in place	Provincial register in place	Provincial register in place
		The extent of public land, designated as Protected Areas in terms of the Protected Areas Act, under formal conservation (Ha)	207 033 ha	207 033 ha
		The extent of private land, designated as Protected Areas in terms of the Protected Areas Act, under formal conservation (Ha)	215 000	215 000
		Percentage of provincial land under conservation (Public and Private)	3.24%	3.24%
		Number of day visitors to public conservation areas (CA)	120 000	54 332
		Number of overnight visitors to public CA	29 000	20 909
		List of threatened and protected ecosystems been prepared in terms of the Biodiversity Act developed	Draft list developed	Draft list developed
		Hectares of land cleared of alien invasive species in the Province in the year	110 ha	110 ha
		Percentage of provincial protected areas with an approved management plan	100%	Not achieved
		Number of people employed in public sector conservation	306	307

## Sub-Programme: Compliance and Law Enforcement

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Compliance and Law enforcement	Monitor Compliance to environmental legislation, authorisations, licenses and permits	Number of enforcement actions undertaken for non compliance with environmental quality management legislation	30	144
		Number of enforcement actions undertaken for non compliance with biodiversity/conservation management legislation	800	840
		Percentage of known unauthorised developments acted on with an enforcement action	100%	100%
		Percentage of received complaints on environmental quality management followed up	100%	100%
	Monitor Compliance to environmental legislation, authorizations, licenses and permits	Percentage of licensed landfill sites monitored for compliance	20%	28% Licensed landfill sites monitored for compliance
		Number of landfill sites which are not permitted	Number depend on study outcome	48 Landfill sites which are not permitted
		Number of registered Environmental Management Inspectors	5 (Currently registered EMI plus these 5 will be 22)	22 Registered EMI
		Known non compliances with biodiversity permits as a percentage of total biodiversity permits issued	6000 Permits	3988 Permits issued

## Sub-Programme: Environmental Policy, Planning, Coordination and Empowerment Services

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Environmental Policy, Planning, Coordination and Empowerment Services	Establish Environmental management systems for spatial planning	Environmental management incorporated into local government planning and decision-making	Review 25 IDPs and hold 6 workshops	25 Municipal IDPs and 5 workshops conducted
		Environmental Implementation Plan (EIP) reviewed every 4 years	EIP reviewed and submitted to DEAT as per NEMA2 requirements	EIP reviewed and submitted to DEAT as per NEMA3 requirements
		Valid EIP in place for the province	Submit EIP Report	Submitted to DEA for approval
		Has a State of Environment Report been prepared within the last 3 yrs: Yes/No	Popularize the SoER Sustainability indicators for development planning and environmental sustainability	Achieved
		Percentage of IDPs reviewed for environmental content and compliance with Provincial priorities	100%	100%
		Number of requests for environmental information from the public	100	113
		GIS Developed for decision-making and planning	Updating spatial data layers	63 Spatial data layers updated
		The NSSD4 implemented within the broader FSGDS	Implementation of the IEMFFS	Document submitted to stakeholders and will be included into FSGDS
	To ensure corporate environmental responsibility	Implementation of the National Greening Strategy in the province	Implementation of the National Greening Strategy in preparation for 2010 World Cup	6668 Plants planted as per National Greening Strategy
	Propagation of indigenous species	Number of indigenous fish produced	30 000	Not achieved
		Number of indigenous plants planted	20 000	24900
	Environmental capacity building and awareness raising programmes rolled out across the province	Various Environmental outreach programmes conducted	120 Programmes	279
			All municipalities participate in the Greenest Municipal Awards (GMA) Programme	All municipalities participated

## Sub-Programme: Environmental Policy, Planning, Coordination and Empowerment Services

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
	Establish environmental management livelihood programmes	Number of sustainable Livelihood programmes are underway	12	14
		Number of teachers were trained in environmental education	400	844
		Number of person days employment were created by the sustainable livelihood Programmes	25 678	242 833
		Number of pupils who attended environmental awareness	22 000	28 558
	Establish environmental management livelihood programmes	Number of environmental education modules approved in the year	6	16
	Environmental capacity building and awareness raising programmes rolled out across the province	Free State Environmental Education Forum established	Establish Forum and develop programme of action	16 Environmental Education Forums established
	Establish Environmental clubs / organisations for target groups	Number of environmental clubs established	50 Enviro-Clubs established	139
		Number of urban conservancies established in townships	4 Urban conservancies	5
		Number of industrial conservancy established	1 Industrial conservancy	2 Industrial conservancy
		Number of Local Environmental Forums established	3 Local Environmental Forums	2 Forums established
	Develop and Implement Environmental education programs	Number of Community members trained as Urban rangers	100 Community members	129 Community members
		Number of Honorary Nature conservators trained	30 Honorary Nature conservators	67 Honorary Nature conservators
		Number of Eco Schools registered	50 Schools registered and fully operational on Eco Schools Programme	128 Eco Schools registered

### 3.4 PROGRAMME: ECONOMIC DEVELOPMENT

**Purpose:** The role of Economic Development is to ensure transformation in the Tourism industry and enhance the development and growth of businesses in the province through training as well as providing of non financial and financial support.

#### 3.4.1 Service delivery achievements for Environmental Management for 2009/10

Sub-Programme: Business Regulations				
SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Business regulations	Reduction of unfair business practices	Redress Mechanism Strategy developed	Redress mechanism strategy	Not achieved
	Resolve consumer complaints	Incoming consumer complaints consulted	All incoming complaints	Walk-in 261 Written 515 Telephonic 688
		Investigations and mediations of consumer complaints conducted	All reported consumer complaints investigated	All received cases were investigated
	Resolve consumer complaints	Consumer complaints resolved	All consumer complaints resolved	239 Consumer complaints resolved
		Evaluation of lodged cases	All consumer cases lodged evaluated	Not achieved
	Enhance consumer awareness and facilitate redress processes	Number of Information sessions held	36 Information sessions	10 Information sessions
		World Consumer Rights Day Celebrated	World Consumer Rights Day Celebrated	Occasion was celebrated as planned

Sub-Programme: Trade Promotion and Development				
SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Trade Promotion and Development	Conduct awareness campaigns to inform the Free State business communities of the various incentives schemes and support programmes	Number of awareness campaigns conducted	3 Awareness campaigns	3 Awareness campaigns
		Number of companies assisted to access incentive schemes and support programs	3 Companies per quarter	6 Companies
		Export awareness campaigns held	2 Exporters awareness campaigns	2 Exporters awareness campaigns

## Sub-Programme: Trade Promotion and Development

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
	Monitoring and evaluating economic status of the province	Research Advisory Forum (RAF) established	Establish and Launch RAF	Not achieved
		Consultative meetings with industry associations and organized business hosted	1 Meeting per quarter	1 Meeting with NAFCOC
	Enhance economic growth through trade promotion and market development	Participation in trade exhibitions (locally)	Participating at South African trade exhibition	Participated in the South African Hand Made Exhibition 2009
	Increase provincial knowledge base with respect to economic performance	Develop and maintain a set of tools to measure economic performance	Subscribe to at least 2 data sources	Subscribed to 2 data sources
		Number of sector profiles developed	2 Prioritised sector profiles	Not achieved
	Develop sectoral and beneficiation strategies in Manufacturing, Mining and Agriculture sectors	Strategies developed	Terms of Reference developed for 3 strategies	Not achieved
	Provide support to the following municipalities <ul style="list-style-type: none"> <li>Kopanong</li> <li>Matjhabeng</li> <li>Maluti a Phofung</li> </ul>	Number of training workshops	1 Workshop per identified municipality	4 Workshops
	Conduct township trade research in the following municipalities. <ul style="list-style-type: none"> <li>Mangaung</li> <li>Matjhabeng</li> <li>Kopanong</li> <li>Maluti a Phofung</li> </ul>	Number of research conducted	4 Researches	Not achieved
	To promote participation of business in the export market	Annual awards held for best performing exporters	1 Award ceremony	Not achieved
		Number of companies visited	5 Per quarter	29 Companies visited



## Sub-Programme: Integrated Economic Development

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Integrated Economic Development	Coordinate management of small enterprise development in the Province	Provincial Small Enterprise Development Strategy developed	Terms of Reference developed	Terms of reference developed
		Provincial Cooperatives Strategy developed	Terms of reference developed	Terms of reference developed
		Number of enquiries addressed	900 Enquiries	700 Enquiries
	Provide financial and non-financial support to initiatives from designated groups	Number of recognized SMME institutions supported	3 Recognized institutions	3 Recognized institutions supported
		Number of youth development programmes initiated	2 Youth development programmes	2 Youth development programmes
	To foster entrepreneurship culture through SMME capacity building programmes	Number of training sessions facilitated to SMMEs for the promotion of entrepreneurship	1 Training session per district	1 Training session per district
		Number of SMMEs trained in rural areas	20 SMMEs trained per district	105 SMMEs trained
	To facilitate access to finance and business opportunities	Participation in provincial, national and international exhibitions	1 Provincial and 1 National exhibition	1 Provincial and 1 National exhibition held
		Number of SMMEs assisted to access national incentives	25 SMMEs	25 SMMEs assisted
		BBBEE workshops conducted	BBBEE workshops conducted per identified sector	2 Workshops held in Thabo Mofutsanyane and Motheo
		Database of Foreign and National funding sources for SMMEs Developed	Develop Database	Draft Data Base Developed
		Number of projects\programs facilitated in collaboration with other stakeholders	4 Projects/ programmes	4 Projects/ programmes
	To establish business support structures	Provincial Small Business Advisory Committee (PSBAC) established	Committee established	Not achieved
		Provincial Cooperatives Forum (PCF) established	Forum established	Not achieved
	To facilitate and promote the establishment of Cooperatives as a form of enterprises	Number of primary cooperatives established in the identified areas including N8 corridor	25 Cooperatives	148 Cooperatives established
		Number of cooperatives supported with access to incentives	20 Cooperatives	20 Cooperatives
		Number of education, networking and training sessions for cooperatives	15 Cooperatives	110 Cooperatives

### Sub-Programme: Integrated Economic Development

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
	To facilitate and promote the establishment of Cooperatives	Participation at the National Cooperative Conference	1 National Conference	1 National Conference
		Participation and hosting of the Inter Provincial Cooperatives Committee Meeting	3 Meetings	3 Meetings
	Provide support and capacity to Municipalities on issues of Local Economic Development (LED)	Number of capacity building interventions for LED officials	1 Capacity building intervention	Not Achieved
	Establish monitoring and evaluation systems for SMME development and support	Database of small enterprises developed	Develop database	Database developed
		Provincial monitoring and evaluation system for SMME developed and maintained	Develop M&E system	Not achieved
		Evaluation reports on 15 most procured goods by the Provincial Government	2 Reports developed	2 Draft Reports developed

### Sub-Programme: Tourism Support

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
Tourism Support	Facilitate grading of Tourism establishment dissemination of tourism quality assurance and standards information including service excellence	Tourism quality assurance, standards and service excellence workshops held	1 Workshop per district (5)	4 Workshops
		Number of Provincial Government Resorts graded to a minimum of 2 stars	6 Resorts	5 Resorts
		Number of renewal facilities graded	100 Facilities	95 Facilities
		New Tourism facilities graded	25 Facilities	48 Facilities
	To promote responsible tourism	Responsible Tourism workshops coordinated	5 Workshops in prioritized local municipalities	4 Workshops
	Management of Tourist Guides and Tour Operators data-base	Monthly report on data-base updates	Monthly reports	12 Reports developed
	Develop and implement the Tourism Master Plan	Status report on Tourism Master Plan developed	Quarterly implementation reports & 10 workshops	2 Implementation reports and 1 workshop done
		Periodic reports on development and implementation of local/district municipality tourism strategies	Quarterly reports	4 Quarterly reports developed

## Sub-Programme: Tourism Support

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
	Coordinate establishment and operationalisation of the Provincial Safety Forum	Periodic implementation reports submitted	Quarterly Reports	4 Quarterly reports developed
	Coordinate Safety workshops in the districts	Safety workshops held	5 Workshops	4 Workshops
	Disseminate information about various BEE governance Charter and Score card through workshops	Transformation workshops held	5 Workshops	2 Workshops
	Implement a programme to build tourism SMME capacity	Tourism product owners trained in specific business management skills	5 District training workshops	12 Workshops
	Support tourism business development	Provincial tourism product portfolio updated	Monthly database reports	12 Reports submitted
	Support tourism business development	Non-financial support workshops for tourism businesses coordinated	5 Workshops	1 Workshop held
	Support tourism route and signage development	Reports on Route and signage development initiatives facilitated <ul style="list-style-type: none"> <li>▪ Griqua Heritage Route</li> <li>▪ Horizon Route</li> <li>▪ Grasslands Meander</li> <li>▪ Intabazwe Township Route</li> <li>▪ Mangaung Route</li> <li>▪ BBT Heritage Route(N8 Corridor)</li> <li>▪ Goldfields Route</li> <li>▪ Maluti Route</li> </ul>	1 Monthly report per route	11 Reports developed
	Support enterprise development programmes	Number of tourism businesses and community tourism projects assisted with product development along N8 Botshabelo Arts and Crafts centre and Barolong Cultural village Thabo Thabeng	3 Tourism projects on N8	Monthly reports on implementation of 3 Tourism projects developed
	Implement a specialist training programme to enhance the skills base of Tour guides	Regional tourist guides trained in foreign languages	30 Guides Spanish, Italian German	Not achieved

## Sub-Programme: Tourism Support

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
	Implement a specialist training programme to enhance the skills base of Tour guides.	Number of Tour guides trained on Geology for deployment in Vredefort Dome	5 Tour guides	10 Tourist Guides Trained
		Number tour guides in indigenous of knowledge for deployment in Maluti Route	5 Tour guides	10 Tourist Guides Trained
	To enhance capacity of resort personnel	Resort personnel trained as tourist guides	10 Resort personnel trained	Not Achieved
		Number training sessions for resort personnel trained in customer care	5 Training sessions	1 Training Session
	Coordinate training programme for product owners	Training sessions in Business management for Tourism Product owners	5 Training sessions	6 Sessions
	Implement a specialist training programme to enhance tourism packaging skills of Tour operators	Tour operators trained in packaging skills	10 Tour operators	9 Tour operators Trained
	Facilitate participation in tourism network structures	Tourism product owners provided with information for participation in tourism Indaba exhibition	30 Product owners	35 Product owners (SMMEs)
		Learner participation in the National Tourism Career (NTC) fair facilitated	25 Learners	20 Tourism Learners attended NTC
	Facilitate participation in tourism network structures	Number of Tourism month activities coordinated	7 Tourism Activities	13 Activities
		Tourism business forum meeting coordinated	1 Quarterly meeting	2 Meetings
		Coordinate ETEYA, Welcome Awards and Provincial Tourism awards	Quarterly reports produced	4 Quarterly Reports Submitted
	Liaise with Provincial schools that will participate in National Schools Competition	Number of schools visited	25 Schools	3 Schools participated
	Establish linkages between emerging and established tourism businesses	Tourism mentorship relationships facilitated	10 Partnerships	Not achieved
	Facilitate tourism value chain opportunities and institutional relationships	Tourism value chain opportunity workshops coordinated in identified priority areas	6 Workshops	7 Workshops

## Sub-Programme: Tourism Support

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGET	ACTUAL
	Report on maintenance of resorts	Monthly reports on Maintenance	Monthly reports	Monthly reports developed
	Improve quality of service in the Departmental resorts	Monthly reports on customer care provided	Monthly customer care reports	Monthly reports developed
		Visitor statistics compiled	Compile monthly visitor statistics	Compiled monthly visitor statistics
	Ensure effective and efficient management of Provincial and Municipality Resorts	Implementation of Tourism PPP in under mentioned resort <ul style="list-style-type: none"> <li>▪ Jim Fouche Resort (Mafube municipality)</li> <li>▪ Frankfort Water Park Resort (Mafube municipality)</li> <li>▪ Florisbad</li> <li>▪ Abrahamsrust Resort (Metsi Maholo municipality)</li> <li>▪ Ikgatholle Resort (Dihlabeng municipality)</li> <li>▪ Departmental Resorts</li> </ul>	Monthly reporting	Monthly reports developed
	Support development of Xhariep Transfrontier	Griqua Heritage Route developed	Griqua Heritage Route developed	Not Achieved

## PART THREE: AUDIT COMMITTEE REPORT

### REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2010.

#### Audit Committee Members and Attendance:

The audit committee consists of the members listed hereunder and meets 4 times per annum as per its approved terms of reference. During the current year 4 meetings were held.

Name of Member	Number of Meetings Attended
MS Molokomme (Chairperson)	4
JH van Wyk	4
MM Ntsane	3
BI Mohale (resigned in May 2009)	1
G Mahlatsi	2

#### Audit Committee Responsibility

The Audit Committee has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee has adopted appropriate formal terms of reference as its audit committee charter; it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

#### The effectiveness of internal control

The system of internal control was not entirely effective for the year under review, as compliance with prescribed policies and procedures were lacking in certain instances. During the year under review, several instances of non compliance were reported by internal and external auditors that resulted from a breakdown in the functioning of controls. Significant control weaknesses have been reported by the Auditor-General under emphasis of matter and in the management letter. In certain instances, the weaknesses reported previously have not been fully and satisfactorily addressed. The effect of these instances has been included in the annual financial statements and the report of the Accounting Officer.

The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review. It was however noted that suspense accounts were not cleared on a monthly basis).

#### Evaluation of Financial Statements

##### The Audit Committee has:

Reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General and the Accounting Officer; reviewed the Auditor-General's management letter and management's response thereto; reviewed changes in accounting policies and practices; and reviewed significant adjustments resulting from the audit.

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

##### Internal audit

The Audit Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the department in its audit.

#### Auditor-General South Africa

The Audit Committee has met with the Auditor General of South Africa to ensure that there are no unresolved issues



Chairperson of the Audit Committee  
Date: 17/08/2010

## PART FOUR: ANNUAL FINANCIAL STATEMENTS

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FREE STATE – DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS  
VOTE 3  
REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010

Report by the Accounting Officer to the Executive Authority and Provincial Legislature of the Republic of South Africa.

## 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 through development and promotion of tourism, environmental management in all relevant sectors of the economy which are in line with the priorities identified in the Free State Growth and Development Strategy.

In the financial year under review, some of the posts were not filled as planned. These posts will be filled in the 2010/11 financial year.

The upgrading of Philip Sanders Resort into a conference facility and building of extra chalets has not been completed. There is a challenge facing the Department to manage this world class facility effectively. Discussions are still continuing on the best management model to manage this resort.

The annual game auction yielded revenue of R10 million in the 2009/2010 financial year.

The Department under-spent with an amount of R25 298 million during the financial year.

The under expenditure in the different programmes was due to the high vacancy rate and the inability to attract and retain required skills. The under expenditure was further caused by the moratorium which was placed by the Provincial Treasury on items such as filling of posts, purchasing of furniture, office equipment, subsidized vehicles and training in the form of cost containment measures. The department requested a Rollover of unspent funds amounting to R20 million from the Provincial Treasury.

## 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 programmes were identified to enable the department to achieve its objectives:

- **Administration:**

This programme encompasses the following business support functions: The Office of the MEC; the Office of the HOD; Corporate Services; Strategic Financial Services; Internal Audit; and Security Services. The focus of this programme is to provide support and monitor performance of the line functions.

- **Tourism:**

Tourism is regarded as an important driver of Sustainable Economic Development within the Free State Province. It focuses on sub-programmes such as Tourism Support, Tourism Development and Resort Management.

- **Economic development:**

This programme 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 functions are included under this programme. There 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.

### 2.1 Tariff policy

The tariffs for the 2009/10 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. These tariffs were developed in terms of the Departmental policy discussed with and approved by the Provincial Treasury.



FREE STATE – DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS  
VOTE 3  
REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010

Departmental tariffs are reviewed annually, taking into consideration the following factors:

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

## 2.2 Free Services

Free entrance to Resorts and Reserves were considered and approved in terms of the Departmental tariff policy.

## 2.3 Inventories

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

## 3. Capacity constraints

The capacity constraints relate primarily to human resources. All posts to be filled are identified over the three years planning cycle. These posts have to be filled on an annual basis according to the determined annual targets. It is often difficult to attract candidates with suitable skills, especially in Economic Development and Environmental Management. The Department has developed a training programme to develop employees and to improve skills at different levels.

As the Internal Audit has become fully operational, it will assist the Department in identifying risks and the appropriate remedial measures.

The retention of personnel remains a serious challenge, given the high rate of mobility. Staff is lost in all programmes but mostly in Economic Development, Financial Administration and Environmental Management. Appropriate steps to retain staff are always employed in order to address this problem.

## 4. Utilisation of donor funds

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

## 5. Trading entities and public entities

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

### ***Free State Liquor Authority:***

The Free State Liquor Authority (FSLA) was established in 2008 as a new entity reporting to the Department. Its purpose is to regulate the liquor industry in the Free State. This function entails processing of applications for and awarding of liquor licenses. The Authority is also responsible for monitoring compliance to liquor conditions by licensed liquor outlets. The Authority further cooperate with other departments such as the Police and Local Government to address illegal activities in the liquor industry. An amount of R5,3 million was spent.

### ***Free State Investment Promotion Agency:***

The purpose of Free State Investment Promotion Agency (FIPA) is to promote investment into and within the Province and to identify analyze, publicize and market investment and trade opportunities in the provincial economy. The Transfer payments to the value of R7,9 million were made during the financial year.

FREE STATE – DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS  
VOTE 3  
REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010

**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 R 34.7 million were made during the financial year. In order to achieve its goals, the Corporation provides both financial and non-financial support, primarily to small, medium and micro enterprises.

**Free State Gambling and Racing Board:**

The purpose of the Free State Racing and Gambling Board (FSRGB) is to promote the economy of the Free State by regulating and collecting levies imposed on gambling and racing. The revenue collected is deposited into the Provincial Revenue Fund. Transfer payments to the value of R17, 3 million were made during the financial year (2008/09: R16, 2 million).

**Free State Tourism Authority:**

The purpose of the Tourism Marketing Authority is to promote tourism in the Free State province through marketing tourism products such as facilities, events and all other related opportunities.

Transfer payments to the value of R17, 387 million were made during the financial year.

The provincial government is analysing the performance of all public entities to determine how these are to be re-positioned. It is envisaged that a feasibility study will be undertaken to determine the strategic role and positioning of all the entities.

## **6. Organisations to whom transfer payments have been made.**

Transfer payments were made to Public Entities and to households during the financial year.

Reasons for transfer payments:

- To enable Public Entities to achieve objectives as agreed and documented in the annual performance plans. Transfer conditions were complied with.
- Households - Employee's leave gratuity
- Accounting arrangements
- Public Entities in terms of Transfer Agreement
- Households – None

## **7. Public private partnerships (PPP)**

There were no Public Private Partnerships entered into during the financial year.

## **8. 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 conflict of interest of employees by annually requesting senior managers to declare their business interest.

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

There are various factors that could have contributed to several activities not being implemented in terms of the Annual Performance Plan, or being scaled down. These include capacity constraints and poor planning. Some of the activities could have been scaled down due to cost containment measures.

## **10. New/proposed activities**

These activities will be covered in the revised Annual Performance Plan for the financial year 2010/11. The new Five Year Strategic Plan will determine other new activities that will be appropriate for the next five years. These activities will be reviewed annually through the development of the Annual Performance Plan.

FREE STATE – DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS  
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## 11. Asset management

Great improvement has been achieved in the management of departmental assets. The following challenges were encountered and must be addressed in order to see further improvement:

- Compliance with the new Management Framework.
- Improving accountability by managers on minor assets.
- Knowledge of and compliance with the Immovable Assets Management Framework.

**For the financial year under review, the performance of the department can be described as follows:**

- Physical asset verification: 100% achieved.
- Bar-coding of assets: 88% achieved.
- Capturing of bar-codes on Logis: 63% achieved
- BAS/LOGIS monthly reconciliations: 100% achieved
- Quarterly Logis Asset Reports reconciliations: 95% achieved.
- Disposal of game: 100% achieved.
- Disposal of other assets: 100% achieved.

## 12. Events after the reporting date

None

## 13. Performance information

This information is reported in pages 10 - 45

## 14. SCOPA resolutions

REFERENCE TO PREVIOUS AUDIT REPORT AND SCOPA RESOLUTIONS	SUBJECT	FINDINGS ON PROGRESS
Resolution 10/2005	Liquor license-computerised system	SITA made a presentation to the Liquor Authority. The Liquor Authority provided its needs which must be incorporated in the system. SITA is meeting with Liquor Authority to finalise the operation of the system
Resolution 28/2006	Renovations at Philip Saunders Resort.	There are still outstanding payments for the project and the project is not completed
Resolution 17/2008	Awarding of the contract to an event management company.	At the meeting held between the Department and SIU, the SIU has informed the department that they have decided not to proceed with the matter and the President has been advised not to issue the Proclamation.
	Detailed report of the claim and the recovery of the losses.	At the meeting held between the department and Special Investigative Unit (SIU), the SIU have informed the department that they have decided not to proceed with the matter and the President has been advised not to issue the Proclamation

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**15. Prior modifications to audit reports**

The matters reported by the Auditor-General in 2008/2009 have been included in the performance agreement of Senior Managers.

**16. Exemptions and deviations received from the National Treasury**

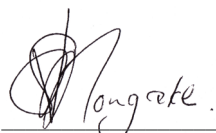
No exemptions were received from the Provincial Treasury.

**17. Other**

There are no other material factors or circumstances which may have an effect on the understanding of the financial state of affairs which is not addressed elsewhere in this report.

**18. Approval**

The Annual Financial Statements set out on pages 57 - 116 have been approved by the Accounting Officer.



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**DR M.M.V. MONGAKE**  
**HEAD OF DEPARTMENT**

**DATE: 31 May 2010**

FREE STATE – DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS  
 VOTE 3  
 REPORT OF THE AUDITOR-GENERAL  
 for the year ended 31 March 2010

**REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE NO. 3: DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS FOR THE YEAR ENDED 31 MARCH 2010**

**REPORT ON THE FINANCIAL STATEMENTS**

***Introduction***

I have audited the accompanying financial statements of the Department of Economic Development, Tourism and Environmental Affairs, which comprise the appropriation statement, the statement of financial position as at 31 March 2010, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 57 to 116.

***Accounting officer's responsibility for the financial statements***

The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in note 1 to the financial statements and in the manner required by the Public Finance Management Act of South Africa, 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; and making accounting estimates that are reasonable in the circumstances.

***Auditor-General's responsibility***

As required by section 188 of the Constitution of South Africa, 1996, section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 40(2) of the PFMA, my responsibility is to express an opinion on the financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and General Notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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for the year ended 31 March 2010

## **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Economic Development, Tourism and Environmental Affairs as at 31 March 2010, and its financial performance and its 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 note 1 to the financial statements and in the manner required by the PFMA.

### ***Emphasis of matter***

I draw attention to the matters below. My opinion is not modified in respect of these matters:

### ***Basis of accounting***

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

### ***Irregular expenditure***

As disclosed in note 24 to the financial statements, irregular expenditure to the amount of R26 582 585 was incurred, as proper tender and procurement processes had not been followed.

### ***Fruitless and wasteful expenditure***

As disclosed in note 25 to the financial statements, fruitless and wasteful expenditure to the amount of R114 092 was incurred during the financial year because of a lack of due care, resulting in overpayments being made and interest being charged on late payments.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In terms of the PAA and General Notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009, I include below my findings on the report on predetermined objectives, compliance with the PFMA and financial management (internal control).

## **Findings**

### **Predetermined objectives**

Non-compliance with regulatory and reporting requirements

#### **▪ Submission of annual performance plan**

The accounting officer of the Department of Economic Development, Tourism and Environmental Affairs did not provide the Free State Legislature with the annual performance plan at least 10 days prior to the discussion of the department's budget vote, as required by Treasury Regulations 5.2.1 and 5.2.2.

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▪ **Lack of effective, efficient and transparent systems and internal controls regarding performance management**

The accounting officer did not ensure that the department has and maintains an effective, efficient and transparent system and internal controls regarding performance management, which describe and represent how the institution's processes of performance planning, monitoring, measurement, review and reporting will be conducted, organised and managed, as required in terms of section 38(1)(a)(i) and (b) of the PFMA.

**Compliance with laws and regulations**

Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and Treasury Regulations of 2005 (TR)

**Non-adherence to legislation**

- Contrary to the requirements of TR 8.2.3 and section 38(1)(f) of the PFMA, payments of at least R12 268 139 were not made within 30 days of date of receipt of the relevant invoice or statement.
- Contrary to the requirements of TR 8.4.1 and section 38(1)(j) of the PFMA, transfer payments of R29 671 511 were made to public entities without obtaining written assurance from the entity that the entity implements effective, efficient and transparent financial management and internal control systems.

**INTERNAL CONTROL**

I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

▪ **Leadership**

The accounting officer did not exercise oversight responsibility over financial and performance reporting, compliance with laws and regulations and internal control.

▪ **Financial and performance management**

The requested information to support reported performance was not available and submitted without significant delays due to inadequate record keeping and document management.

▪ **Governance**

Internal audit did not fulfil its responsibilities as set out in legislation and in accordance with accepted best practice. As a result, ongoing monitoring and supervision were not undertaken to enable an assessment of the effectiveness of internal control over reporting on predetermined objectives.

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**OTHER REPORTS**

**Investigations**

A review was conducted by an independent consulting firm at the request of the Executive Committee. The review aimed to establish whether the department complied with legislative prescripts related to payroll and supply chain management and was still ongoing at the reporting date.

*D. Ndlovu - General*  
Bloemfontein  
30 July 2010



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



FREE STATE – DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

VOTE 3

APPROPRIATION STATEMENT  
for the year ended 31 March 2010

APPROPRIATION PER PROGRAMME										
2009/10										2008/09
	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	R'000
<b>1. ADMINISTRATION</b>										
Current payment	64,607	(233)	170	64,544	64,280	264	99.6%	64,600	64,425	
Transfers and subsidies	-	(80)	-	(80)	-	(80)	-	-	1	
Payment for capital assets	840	313	-	1,153	806	347	69.9%	2,040	1,591	
<b>2. INTER AND INTRA GOVERNMENTAL RELATION</b>										
Current payment	16,390	-	936	17,326	11,262	6,064	65.0%	8,427	4,411	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	1,849	-	(784)	1,065	1,062	3	99.7%	948	309	
<b>3. ENVIRONMENTAL AFFAIRS</b>										
Current payment	87,924	(9,352)	-	78,572	73,070	5,502	93.0%	92,063	81,837	
Transfers and subsidies	-	-	720	720	498	222	69.2%	130	87	
Payment for capital assets	36,696	9,352	680	46,728	39,678	7,050	84.9%	52,047	62,447	
<b>4. ECONOMIC DEVELOPMENT</b>										
Current payment	49,459	-	(2,670)	46,789	42,133	4,656	90.0%	27,344	20,137	
Transfers and subsidies	-	-	103	103	42	61	40.8%	-	-	
Payment for capital assets	187	-	845	1,032	940	92	91.1%	1,077	812	
<b>5. TRANSVERSAL FUNCTIONS</b>										
Current payment	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	83,787	-	-	83,787	82,670	1,117	98.7%	55,100	50,197	
Payment for capital assets	-	-	-	-	-	-	-	-	-	
Subtotal	341,739	-	-	341,739	316,441	25,298	92.6%	303,776	286,254	

VOTE 3  
APPROPRIATION STATEMENT  
for the year ended 31 March 2010

APPROPRIATION PER PROGRAMME									
2009/10								2008/09	
	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
<b>Statutory Appropriation</b>									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>341,739</b>	-	-	<b>341,739</b>	<b>316,441</b>	<b>25,298</b>	<b>92.6%</b>	<b>303,776</b>	<b>286,254</b>

2009/10						2008/09	
	Final Appropriation	Actual Expenditure		Final Appropriation	Actual Expenditure		
<b>TOTAL (brought forward)</b>							
<b>Reconciliation with Statement of Financial Performance</b>							
Add							
Departmental receipts	40,029	-	-	-	46,723	-	-
Direct Exchequer receipts	-	-	-	-	-	-	-
Aid assistance	-	-	-	-	-	-	-
<b>Actual amounts per Statement of Financial Performance (total revenue)</b>	<b>381,768</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>350,499</b>	<b>-</b>	<b>-</b>
Add							
Aid assistance	-	-	-	-	-	-	3
Direct Exchequer payments	-	-	-	-	-	-	-
Prior year unauthorised expenditure approved without funding	-	-	-	-	-	-	-
<b>Actual amounts per Statement of Financial Performance (total expenditure)</b>		<b>316,441</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>286,257</b>	

VOTE 3

APPROPRIATION STATEMENT  
for the year ended 31 March 2010

APPROPRIATION PER ECONOMIC CLASSIFICATION									
2009/10								2008/09	
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	R'000
<b>Current payments</b>									
Compensation of employees	128,893	(9,352)	-	119,541	117,249	2,292	98.1%	112,918	108,514
Goods and services	89,486	-	(1,887)	87,599	71,798	15,801	82.0%	79,605	62,052
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	1,698	(1,698)	-	-	245
<b>Transfers and subsidies</b>									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	49,087	-	-	49,087	47,970	1,117	97.7%	45,100	40,197
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	34,700	-	-	34,700	34,700	-	100.0%	10,000	10,000
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	843	843	540	303	64.1%	130	88
<b>Payments for capital assets</b>									
Buildings and other fixed structures	36,176	9,352	-	45,528	39,237	6,291	86.2%	50,160	60,984
Machinery and equipment	3,351	-	1,044	4,395	3,204	1,191	72.9%	5,511	4,174
Biological assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	46	-	-	46	45	1	97.8%	352	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>341,739</b>	<b>-</b>	<b>-</b>	<b>341,739</b>	<b>316,441</b>	<b>25,298</b>	<b>92.6%</b>	<b>303,776</b>	<b>286,254</b>

VOTE 3  
APPROPRIATION STATEMENT  
for the year ended 31 March 2010

PROGRAMME 1 PER SUB-PROGRAMME										
2009/10										2008/09
Detail per sub-programme	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
<b>1.1 OFFICE OF THE MEC</b>										
Current payment	4,815	355	170	5,340	4,645	695	87.0%	4,489	4,323	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	70	40	-	110	57	53	51.8%	130	106	
<b>1.2 OFFICE OF THE HOD</b>										
Current payment	3,995	(12)	-	3,983	3,717	266	93.3%	4,812	4,385	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	44	12	-	56	42	14	75.0%	275	254	
<b>1.3 SPECIAL PROGRAMME UNIT</b>										
Current payment	1,408	(12)	-	1,396	1,066	330	76.4%	1,297	853	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	18	12	-	30	17	13	56.7%	52	37	
<b>1.4 SECURITY SERVICES</b>										
Current payment	2,059	(300)	-	1,759	2,529	(770)	143.8%	2,403	2,330	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	27	-	-	27	8	19	29.6%	53	47	
<b>1.5 OFFICE OF THE COO</b>										
Current payment	1,656	(105)	-	1,551	1,432	119	92.3%	1,545	1,017	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	69	-	-	69	33	36	47.8%	111	100	
<b>1.6 OFFICE OF THE CFO</b>										
Current payment	1,337	-	-	1,337	1,012	325	75.7%	1,209	963	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	12	-	-	12	-	12	-	18	9	
<b>1.7 SUPPLY CHAIN MANAGEMENT</b>										
Current payment	18,639	(690)	-	17,949	18,295	(346)	101.9%	17,941	20,184	
Transfers and subsidies	-	10	-	10	-	10	-	-	-	

## VOTE 3

APPROPRIATION STATEMENT  
for the year ended 31 March 2010

PROGRAMME 1 PER SUB-PROGRAMME										
2009/10										2008/09
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Payment for capital assets	96	180	-	276	212	64	76.8%	428	270	
<b>1.8 FINANCIAL ACCOUNTING</b>										
Current payment	7,927	(180)	-	7,747	8,643	(896)	111.6%	7,281	10,372	
Transfers and subsidies	-	(100)	-	(100)	-	(100)	-	-	-	
Payment for capital assets	110	30	-	140	67	73	47.9%	371	400	
<b>1.9 MANAGEMENT ACCOUNTING</b>										
Current payment	2,486	655	-	3,141	2,834	307	90.2%	1,847	1,774	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	83	-	-	83	53	30	63.9%	142	126	
<b>1.10 CORPORATE SERVICE</b>										
Current payment	1,532	(14)	-	1,518	1,599	(81)	105.3%	732	1,209	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	26	14	-	40	14	26	35.0%	41	41	
<b>1.11 LEGAL SERVICE</b>										
Current payment	2,264	(15)	-	2,249	2,220	29	98.7%	3,423	2,911	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	35	15	-	50	11	39	22.0%	104	56	
<b>1.12 HUMAN RESOURCE MANAGEMENT</b>										
Current payment	7,122	(10)	-	7,112	7,256	(144)	102.0%	-	-	
Transfers and subsidies	-	10	-	10	-	10	-	-	-	
Payment for capital assets	81	-	-	81	220	(139)	271.6%	-	-	
<b>1.13 INTERNAL AUDIT UNIT</b>										
Current payment	3,934	105	-	4,039	4,046	(7)	100.2%	2,930	4,144	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	

VOTE 3  
APPROPRIATION STATEMENT  
for the year ended 31 March 2010

PROGRAMME 1 PER SUB-PROGRAMME										
Detail per sub-programme		2009/10					2008/09			
		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	R'000
Payment for capital assets	69	-	-	-	69	43	26	62.3%	179	42
1.14 ORGANISATIONAL DEVELOPMENT										
Current payment	4,333	-	-	-	4,333	2,607	1,726	60.2%	8,820	8,360
Transfers and subsidies	-	-	-	-	-	-	-	-	-	1
Payment for capital assets	-	-	-	-	-	-	-	-	136	103
1.15 LABOUR RELATIONS										
Current payment	1,100	(10)	-	-	1,090	2,379	(1,289)	218.3%	5,871	1,600
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Payment for capital assets	100	10	-	-	110	29	81	26.4%	-	-
<b>Total</b>	<b>65,447</b>	<b>-</b>	<b>170</b>	<b>170</b>	<b>65,617</b>	<b>65,086</b>	<b>531</b>	<b>99.2%</b>	<b>66,640</b>	<b>66,017</b>

## FREE STATE – DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

## VOTE 3

## APPROPRIATION STATEMENT

for the year ended 31 March 2010

PROGRAMME 1 PER ECONOMIC CLASSIFICATION										2008/09	
2009/10											
Programme 1 Per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Current payments											
Compensation of employees	36,800	-	-	-	36,796	4	100.0%	33,377	33,894		
Goods and services	27,807	-	(153)	27,654	27,180	474	98.3%	31,312	30,363		
Interest and rent on land	-	-	-	-	-	-	-	-	-		
Financial transactions in assets and liabilities	-	-	-	-	304	(304)	-	-	168		
Transfers and subsidies to:											
Provinces and municipalities	-	-	-	-	-	-	-	-	-		
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-		
Universities and technikons	-	-	-	-	-	-	-	-	-		
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-		
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-	-	-		
Households	-	-	20	20	-	20	-	-	1		
Payment for capital assets											

VOTE 3  
APPROPRIATION STATEMENT  
for the year ended 31 March 2010

PROGRAMME 1 PER ECONOMIC CLASSIFICATION									
2009/10					2008/09				
Programme 1 Per Economic classification	Adjusted Appropriation R'000	Shifting of Funds	Virement	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation	Final Appropriation R'000	Actual expenditure R'000
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	840	-	303	1,143	806	337	70.5%	1,891	1,591
Biological assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	60	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>65,447</b>	<b>-</b>	<b>170</b>	<b>65,617</b>	<b>65,086</b>	<b>531</b>	<b>99.2%</b>	<b>66,640</b>	<b>66,017</b>

PROGRAMME 2 PER SUB-PROGRAMME									
2009/10					2008/09				
Details per Sub-programme	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>2.1 OFFICE OF THE CHIEF DIRECTOR</b>									
Current payment	6	-	-	6	-	6	-	675	128
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	3	-	-	3	-	3	-	53	-
<b>2.2 INFORMATION AND KNOWLEDGE MANAGEMENT</b>									
Current payment	598	-	-	598	228	370	38.1%	1,037	4
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	50	-
<b>2.3 INTER-GOVERNMENTAL RELATIONS</b>									
Current payment	734	-	-	734	-	734	-	740	116
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	7	-	-	7	-	7	-	60	5



## FREE STATE – DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

## NOTE 3

APPROPRIATION STATEMENT  
for the year ended 31 March 2010

<b>2.4 AGENCY SUPPORT AND MONITORING</b>										
Current payment	794	-	-	794	-	794	-	350	74	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	-	-	-	-	-	-	-	-	-	
<b>2.5 INFORMATION AND COMMUNICATION</b>										
Current payment	14,258	-	936	15,194	11,034	4,160	72.6%	5,625	4,089	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	1,839	-	(784)	1,055	1,062	(7)	100.7%	785	304	
<b>Total</b>	<b>18,239</b>	<b>-</b>	<b>152</b>	<b>18,391</b>	<b>12,324</b>	<b>6,067</b>	<b>67.0%</b>	<b>9,375</b>	<b>4,720</b>	
<b>PROGRAMME 2 PER ECONOMIC CLASSIFICATION</b>										
<b>2009/10</b>										
<b>2008/09</b>										
<b>Current payments</b>										
Compensation of employees	4,200	-	-	4,200	2,947	1,253	70.2%	1,990	1,115	
Goods and services	12,190	-	936	13,126	8,311	4,815	63.3%	6,437	3,296	
Interest and rent on land-	-	-	-	-	-	-	-	-	-	
Financial transactions in assets and liabilities	-	-	-	-	4	(4)	-	-	-	
<b>Transfers &amp; subsidies</b>										
Provinces and municipalities	-	-	-	-	-	-	-	-	-	
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	
Universities and technikons	-	-	-	-	-	-	-	-	-	



## VOTE 3

## APPROPRIATION STATEMENT

for the year ended 31 March 2010

PROGRAMME 3 PER SUB-PROGRAMME									
Details per Sub-Programme	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Payment for capital assets	125	-	-	125	116	9	92.8%	207	183
3.4 COMPLIANCE AND ENFORCEMENT									
Current payment	5,681	(2,000)	-	3,681	5,523	(1,842)	150.0%	5,398	5,361
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	94	-	-	94	92	2	97.9%	480	183
3.5 BIODIVERSITY MANAGEMENT									
Current payment	44,878	( 6,000)	-	38,878	42,147	(3,269)	108.4%	63,545	54,069
Transfers and subsidies	-	-	720	720	498	222	69.2%	110	79
Payment for capital assets	36,276	9,352	680	46,308	39,323	6,985	84.9%	51,235	61,928
3.6 SPECIAL PROJECTS									
Current payment	12,839	-	-	12,839	3,971	8,868	30.9%	1,610	860
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	150	-	-	150	147	3	98.0%	-	-
<b>TOTAL</b>	<b>124,620</b>	<b>-</b>	<b>1,400</b>	<b>126,020</b>	<b>113,246</b>	<b>12,774</b>	<b>89.9%</b>	<b>144,240</b>	<b>144,371</b>

PROGRAMME 3 PER ECONOMIC CLASSIFICATION									
2009/10							2008/09		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Ap-propriation R'000	Actual Ex-penditure R'000	Variance R'000	Expendi- ture as % of final appropria- tion %	Final Ap- propriation R'000	Actual Ex- penditure R'000
<b>Current payments</b>									
Compensation of employees	58,876	(9,352)	-	49,524	48,550	974	98.0%	62,968	62,053
Good and services	29,047	-	-	29,047	23,814	5,233	82.0%	29,095	19,723
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	706	(706)	-	-	60

VOTE 3  
APPROPRIATION STATEMENT  
for the year ended 31 March 2010

<b>Transfers &amp; subsidies</b>																	
Provinces & municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies & accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Universities & technikons	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign governments & international organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payment for capital assets</b>																	
Buildings & other fixed structures	36,176	9,352	-	45,528	39,237	6,291	86.2%	50,160	60,984								
Machinery & equipment	475	-	680	1,155	396	759	34.3%	1,595	1,464								
Biological assets	-	-	-	-	-	-	-	-	-								
Software & other intangible assets	46	-	-	46	45	1	97.8%	292	-								
Land & subsoil assets	-	-	-	-	-	-	-	-	-								
<b>Total</b>	<b>124,620</b>	<b>-</b>	<b>1,400</b>	<b>126,020</b>	<b>113,246</b>	<b>12,774</b>	<b>89.9%</b>	<b>144,240</b>	<b>144,371</b>								

PROGRAMME 4 PER SUB-PROGRAMME										
2009/10								2008/09		
Details per Sub-Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Ap-propriation	Actual Ex-penditure	Variance	Expendi- ture as % of final appropria- tion %	Final Ap- propriation	Actual Ex- penditure	
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000	
4.1 ADMINISTRATION										
Current payment	5,792	-	-	5,792	4,631	1,161	80.0%	2,874	876	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	-	-	-	-	-	-	-	-	-	

FREE STATE – DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

VOTE 3

APPROPRIATION STATEMENT  
for the year ended 31 March 2010

4.2 INTEGRATED ECONOMIC DEVELOPMENT SERVICES									
Current payment	10,454	-	-	10,454	4,011	6,443	38.4%	4,151	2,786
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	60	-	-	60	116	(56)	193.3%	235	77
4.3 TRADE AND INDUSTRY DEVELOPMENT									
Current payment	4,883	-	-	4,883	3,656	1,227	74.9%	7,881	6,292
Transfers and subsidies	-	-	10	10	-	10	-	-	-
Payment for capital assets	32	-	200	232	164	68	70.7%	157	112
4.4 BUSINESS REGULATION AND GOVERNANCE									
Current payment	7,837	-	-	7,837	7,313	524	93.3%	7,976	6,522
Transfers and subsidies	-	-	20	20	14	6	70.0%	-	-
Payment for capital assets	89	-	-	89	39	50	43.8%	508	433
4.5 TOURISM SUPPORT									
Current payment	20,493	-	( 2,670)	17,823	22,522	(4,699)	126.4%	4,462	3,661
Transfers and subsidies	-	-	73	73	28	45	38.4%	-	-
Payment for capital assets	6	-	645	651	621	30	95.4%	177	190
<b>TOTAL</b>	<b>49,646</b>	<b>-</b>	<b>(1,722)</b>	<b>47,924</b>	<b>43,115</b>	<b>4,809</b>	<b>90.0%</b>	<b>28,421</b>	<b>20,949</b>

PROGRAMME 4 PER ECONOMIC CLASSIFICATION									
2009/10							2008/09		
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	
<b>Current payment</b>									
Compensation of employees	29,017	-	-	29,017	28,956	61	99.8%	14,583	11,452
Goods and services	20,442	-	(2,670)	17,772	12,493	5,279	70.3%	12,761	8,670

VOTE 3  
APPROPRIATION STATEMENT  
for the year ended 31 March 2010

Interest and rent on land	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	684	(684)	-	-	-	-	-	-	17
<b>Transfers and subsidies</b>													
Provinces and municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
Households	-	-	-	103	42	61	40.8%	-	-	-	-	-	-
<b>Payment for capital assets</b>													
Buildings & other fixed structures	-	-	-	-	-	-	-	-	-	-	-	-	-
Machinery & equipment	187	-	845	1,032	940	92	91.1%	1,077	-	-	-	-	810
Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Software & other intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Land & subsoil assets	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>49,646</b>	<b>-</b>	<b>(1,722)</b>	<b>47,924</b>	<b>43,115</b>	<b>4,809</b>	<b>90.0%</b>	<b>28,421</b>	<b>20,949</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

PROGRAMME 5 PER SUB-PROGRAMME									
2009/10									
2008/09									
Details per Sub-Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Ap-propriation	Actual Ex-penditure	Variance	Expendi-ture as % of final appropria-tion %	Final Ap-propriation	Actual Ex-penditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
5.1 FREE STATE DEVELOPMENT CORPORATION									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	34,700	-	-	34,700	34,700	-	100.0%	10,000	10,000

FREE STATE – DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

VOTE 3

APPROPRIATION STATEMENT

for the year ended 31 March 2010

Payment for capital assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>5.2 FREE STATE GAMBLING BOARD</b>												
Current payment	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	17,300	-	-	17,300	17,300	-	-	100.0%	16,200	16,200		
Payment for capital assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>5.3 FREE STATE TOURISM MARKETING AUTHORITY</b>												
Current payment	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	17,387	-	-	17,387	17,387	-	-	100.0%	16,000	16,000		
Payment for capital assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>5.4 FREE STATE INVESTMENT PROMOTION AGENCY</b>												
Current payment	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	7,900	-	-	7,900	7,900	-	-	100.0%	7,400	7,400	6,311	
Payment for capital assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>5.5 FREE STATE LIQUOR AUTHORITY</b>												
Current payment	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	6,500	-	-	6,500	5,383	1,117	82.8%	5,500	5,500	1,686		
Payment for capital assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>83,787</b>	<b>-</b>	<b>-</b>	<b>83,787</b>	<b>82,670</b>	<b>1,117</b>	<b>98.7%</b>	<b>55,100</b>	<b>55,100</b>	<b>50,197</b>		

PROGRAMME 5 PER ECONOMIC CLASSIFICATION										2008/09		
										2009/10		
Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation %	Final Appropriation	Actual Expenditure				
R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000				
<b>Current payments</b>												
Compensation of employees	-	-	-	-	-	-	-	-	-	-	-	-

VOTE 3  
APPROPRIATION STATEMENT  
for the year ended 31 March 2010

Goods and services	-	-	-	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>												
Provinces and municipalities	-	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	49,087	-	-	49,087	47,970	1,117	97.7%	45,100	40,197			
Universities and technikons	-	-	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	34,700	-	-	34,700	34,700	-	100.0%	10,000	10,000			
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payment for capital assets</b>												
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Land & subsoil assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>83,787</b>	<b>-</b>	<b>-</b>	<b>83,787</b>	<b>82,670</b>	<b>1,117</b>	<b>98.7%</b>	<b>55,100</b>	<b>50,197</b>			



FREE STATE – DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS  
VOTE 3  
NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2010

## 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-C) 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 (Detail of special function) (theft and losses) to the Annual Financial Statements.

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

### 4.1

Per Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	65,617	65,086	531	1%
Inter and Intra Governmental Relations	18,391	12,324	6,067	33%
Environmental Affairs	126,020	113,246	12,774	10%
Economic Development	47,924	43,115	4,809	10%
Transversal Function	83,787	82,670	1,117	1%

### 4.2

Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
<b>Current payments:</b>				
Compensation of employees	119,541	117,249	2,292	2%
Goods and services	87,599	71,798	15,801	18.0%
Interest and rent on land	-	-	-	-
Financial transactions in assets and liabilities	-	1,698	(1,698)	-
Unauthorised expenditure approved	-	-	-	-
<b>Transfers and subsidies:</b>				
Provinces and municipalities	-	-	-	-
Departmental agencies and accounts	49,087	47,970	1,117	2%
Universities and technikons	-	-	-	-
Public corporations and private enterprises	34,700	34,700	-	-

FREE STATE – DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS  
VOTE 3  
NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2010

Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Foreign governments and international organisations	-	-	-	-
Non-profit institutions	-	-	-	-
Households	843	540	303	36%
<b>Payments for capital assets:</b>				
Buildings and other fixed structures	46,208	39,237	6,971	15%
Machinery and equipment	3,715	3,204	511	14%
Heritage assets	-	-	-	-
Biological assets	-	-	-	-
Software and other intangible assets	46	45	1	2%
Land and subsoil assets	-	-	-	-

FREE STATE – DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS  
VOTE 3  
STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2010

	NOTE	2009/10 R'000	2008/09 R'000
<b>REVENUE</b>			
Annual appropriation	1	341,739	303,776
Departmental revenue	2	40,029	46,723
<b>TOTAL REVENUE</b>		<b>381,768</b>	<b>350,499</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	117,249	108,514
Goods and services	5	71,798	62,052
Financial transactions in assets and liabilities	6	1,698	245
Aid assistance	3	-	3
<b>Total current expenditure</b>		<b>190,745</b>	<b>170,814</b>
<b>Transfers and subsidies</b>		<b>83,210</b>	<b>50,285</b>
Transfers and subsidies	7	83,210	50,285
<b>Expenditure for capital assets</b>			
Tangible capital assets	8	42,441	65,158
Software and other intangible assets	8	45	-
<b>Total expenditure for capital assets</b>		<b>42,486</b>	<b>65,158</b>
<b>TOTAL EXPENDITURE</b>		<b>316,441</b>	<b>286,257</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>65,327</b>	<b>64,242</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		25,298	17,522
Annual appropriation	14	25,298	-
Departmental revenue	15	40,029	46,723
Aid assistance	3	-	(3)
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>65,327</b>	<b>64,242</b>

FREE STATE – DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS  
VOTE 3  
STATEMENT OF FINANCIAL POSITION  
as at 31 March 2010

	NOTE	2009/10 R'000	2008/09 R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>26,550</b>	<b>30,182</b>
Unauthorised expenditure	9	22,544	27,924
Fruitless and wasteful expenditure	10	-	-
Cash and cash equivalents	11	467	49
Prepayments and advances	12	15	11
Receivables	13	3,524	2,198
<b>TOTAL ASSETS</b>		<b>26,550</b>	<b>30,182</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>26,421</b>	<b>29,312</b>
Voted funds to be surrendered to the Revenue Fund	14	25,294	27,922
Departmental revenue to be surrendered to the Revenue Fund	15	1,127	1,390
<b>TOTAL LIABILITIES</b>		<b>26,421</b>	<b>29,312</b>
<b>NET ASSETS</b>		<b>129</b>	<b>870</b>
<b>Represented by:</b>			
Recoverable revenue		129	870
<b>TOTAL</b>		<b>129</b>	<b>870</b>

## FREE STATE – DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

## VOTE 3

## STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2010

**Recoverable revenue**

Opening balance	870	649
Transfers:	(741)	221
Irrecoverable amounts written off	(1,698)	(237)
Debts revised	(485)	-
Debts recovered (included in departmental receipts)	(833)	(463)
Debts raised	2,275	921
Closing balance	129	870
<b>TOTAL</b>	<b>129</b>	<b>870</b>

FREE STATE – DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS  
VOTE 3  
CASH FLOW STATEMENT  
for the year ended 31 March 2010

	NOTE	2009/10 R'000	2008/09 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		383,932	353,261
Annual appropriated funds received	1.1	341,739	303,776
Departmental revenue received	2	42,193	49,485
Net (increase)/decrease in working capital		4,050	(10,525)
Surrendered to Revenue Fund		(80,380)	(73,921)
Current payments		(190,745)	(160,414)
Transfers and subsidies paid		(83,210)	(50,285)
<b>Net cash flow available from operating activities</b>	<b>16</b>	<b>33,647</b>	<b>58,116</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(42,486)	(65,158)
Proceeds from sale of capital assets	2.5	9,998	7,819
<b>Net cash flows from investing activities</b>		<b>(32,488)</b>	<b>(57,339)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		(741)	221
<b>Net cash flows from financing activities</b>		<b>(741)</b>	<b>221</b>
Net increase/(decrease) in cash and cash equivalents		418	998
Cash and cash equivalents at beginning of period		49	(949)
<b>Cash and cash equivalents at end of period</b>	<b>17</b>	<b>467</b>	<b>49</b>

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

## **1. PRESENTATION OF THE FINANCIAL STATEMENTS**

### **1.1 Basis of preparation**

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

### **1.2 Presentation currency**

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

### **1.3 Rounding**

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

### **1.4 Comparative figures**

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

### **1.5 Comparative figures - Appropriation Statement**

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

## **2. REVENUE**

### **2.1 Appropriated funds**

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

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective. The total appropriated funds received during the year are presented in the statement of financial performance.

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

### **2.2 Departmental revenue**

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

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

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

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## 2.3 Direct Exchequer receipts / payments

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

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

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

## 2.4 Aid assistance

Aid assistance is recognised as revenue when received

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

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

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

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later than 31 March of each year)

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

## 3. EXPENDITURE

### 3.1 Compensation of employees

#### 3.1.1 Short-term employee benefits

The cost of short-term employee benefits are expensed in the statement of financial performance when financial authorisation for payment is effected on the system (by no later than 31 March 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 must not be recognised in the statement of financial performance or position.

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

#### 3.1.2 Post retirement benefits

Employer contributions (i.e. social contributions) are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March each year).

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

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



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### 3.1.3 Termination benefits

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

### 3.1.4 Other long-term employee benefits

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

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements.

## 3.2 Goods and services

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

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

## 3.3 Interest and rent on land

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

## 3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or 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 an estimate is included in the disclosure notes to the financial statements amounts.

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

## 3.5 Transfers and subsidies

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

## 3.6 Unauthorised expenditure

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

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

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

## 3.7 Fruitless and wasteful expenditure

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

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### **3.8 Irregular expenditure**

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

## **4. ASSETS**

### **4.1 Cash and cash equivalents**

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

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

### **4.2 Other financial assets**

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

### **4.3 Prepayments and advances**

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and where the goods and services have not been received by year end.

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

### **4.4 Receivables**

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party or from the sale of goods/rendering of services.

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

### **4.5 Investments**

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

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

### **4.6 Loans**

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

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

### **4.7 Inventory**

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

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

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## 4.8 Capital assets

### 4.8.1 Movable assets

#### Initial recognition

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

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

#### Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as “expenditure for capital asset” and is capitalised in the asset register of the department on completion of the project. Repairs and maintenance is expensed as current “goods and services” in the statement of financial performance.

### 4.8.2 Immovable assets

#### Initial recognition

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

#### Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as “expenditure for capital asset”. On completion, the total cost of the project is included in the asset register of the department that legally owns the asset or the provincial/national department of public works.

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

## 5. LIABILITIES

### 5.1 Payables

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

### 5.2 Contingent liabilities

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

### 5.3 Contingent assets

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

### 5.4 Commitments

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

### 5.5 Accruals

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

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## 5.6 Employee benefits

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

## 5.7 Lease commitments

### Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

### Operating lease

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

## 5.8 Provisions

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

## 6. Receivables for departmental revenue

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

## 7. NET ASSETS

### 7.1 Capitalisation reserve

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

### 7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

## 8. RELATED PARTY TRANSACTIONS

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

## 9. KEY MANAGEMENT PERSONNEL

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

## 10. PUBLIC PRIVATE PARTNERSHIPS

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

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## 1. ANNUAL APPROPRIATION

### 1.1 Annual Appropriation

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

	FINAL APPROPRIATION	ACTUAL FUNDS RECEIVED	FUNDS NOT REQUESTED/ NOT RECEIVED	APPROPRIATION RECEIVED 2008/09
	R'000	R'000	R'000	R'000
Administration	65,617	65,617	-	68,250
Inter and Intra Governmental Relation	18,391	18,391	-	9,375
Environmental Affairs	126,020	126,020	-	142,630
Economic Development	47,924	47,924	-	28,421
Transversal Functions	83,787	83,787	-	55,100
<b>TOTAL</b>	<b>341,739</b>	<b>341,739</b>	<b>-</b>	<b>303,776</b>

### 1.2 Conditional grants

		2009/10 R'000	2008/09 R'000
Total grants received	32	30,204	30,000
Provincial grants included in total grants received		30,204	30,000

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## 2. DEPARTMENTAL REVENUE

### 2.1 Description

	NOTE	2009/10 R'000	2008/09 R'000
Tax revenue		32,657	32,984
Sales of goods and services other than capital assets	2.2	8,168	15,737
Fines, penalties and forfeits	2.3	20	280
Interest, dividends and rent on land	2.4	300	44
Sales of capital assets	2.5	9,998	7,819
Financial transactions in assets and liabilities	2.6	1,048	440
<b>Total revenue collected</b>		<b>52,191</b>	<b>57,304</b>
Less: Own revenue included in appropriation	15	12,162	10,581
<b>Departmental revenue collected</b>		<b>40,029</b>	<b>46,723</b>

### 2.2 Sales of goods and services other than capital asset

	NOTE	2009/10 R'000	2008/09 R'000
Sales of goods and services produced by the department		8,158	15,737
Sales by market establishment		30	-
Administrative fees		804	751
Other sales		7,324	14,986
Sales of scrap, waste and other used current goods		10	-
<b>TOTAL</b>	<b>2.1</b>	<b>8,168</b>	<b>15,737</b>

### 2.3 Fines, penalties and forfeits

	NOTE	2009/10 R'000	2008/09 R'000
Fines		20	280
<b>TOTAL</b>	<b>2.1</b>	<b>20</b>	<b>280</b>

### 2.4 Interest, dividends and rent on land

Interest		300	44
<b>Total</b>	<b>2.1</b>	<b>300</b>	<b>44</b>

### 2.5 Sale of capital assets

Tangible capital assets		9,998	7,819
Biological assets		9,998	7,819
<b>TOTAL</b>	<b>2.1</b>	<b>9,998</b>	<b>7,819</b>

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## 2.6 Financial transactions in assets and liabilities

Receivables	402	200
Stale cheques written back	1	-
Other Receipts including Recoverable Revenue	645	240
<b>Total</b>	<b>2.1 1,048</b>	<b>440</b>

## 3. AID ASSISTANCE

### 3.1 Aid assistance received in cash from other sources

	2009/10 R'000	2008/09 R'000
Local		
Opening Balance	-	3
Expenditure	-	(3)
Current	-	(3)
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

### 3.2 Total assistance

	2009/10 R'000	2008/09 R'000
Opening Balance	-	3
Expenditure	-	(3)
Current	-	(3)
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

## 4. COMPENSATION OF EMPLOYEES

### 4.1 Salaries and Wages

	NOTE	2009/10 R'000	2008/09 R'000
Basic salary		72,666	67,993
Performance award		1,801	1,909
Service Based		1,092	154
Compensative/circumstantial		3,075	3,041
Periodic payments		6,081	5,083
Other non-pensionable allowances		16,956	16,216
<b>TOTAL</b>		<b>101,671</b>	<b>94,396</b>

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## 4.2 Social contributions

Employer contributions		
Pension	9,538	8,933
Medical	6,003	5,165
Bargaining council	37	20
Total	<b>15,578</b>	<b>14,118</b>
<b>Total compensation of employees</b>	<b>117,249</b>	<b>108,514</b>
Average number of employees	572	647

## 5. GOODS AND SERVICES

	NOTE	2009/10 R'000	2008/09 R'000
Administrative fees		809	470
Advertising		2,333	3,690
Assets less than R5,000	5.1	941	2,141
Bursaries (employees)		936	820
Catering		1,213	1,861
Communication		4,180	5,315
Computer services	5.2	1,681	284
Consultants, contractors and agency/outsourced services	5.3	19,718	12,804
Entertainment		29	6
Audit cost – external	5.4	2,850	2,771
Inventory	5.5	6,952	6,000
Operating leases		18,562	5,149
Owned and leasehold property expenditure	5.6	863	1,125
Travel and subsistence	5.7	8,193	17,166
Venues and facilities		874	1,385
Training and staff development		139	144
Other operating expenditure	5.8	1,525	921
<b>TOTAL</b>		<b>71,798</b>	<b>62,052</b>

### 5.1 Assets less than R5,000

	NOTE	2009/10 R'000	2008/09 R'000
Tangible assets		941	2,141
Machinery and equipment		941	2,141
<b>TOTAL</b>	<b>5</b>	<b>941</b>	<b>2,141</b>



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## 5.2 Computer services

SITA computer services	245	284
External computer service providers	1,436	-
<b>TOTAL</b>	<b>5 1,681</b>	<b>284</b>

## 5.3 Consultants, contractors and agency/outourced services

Business and advisory services	3,738	2,917
Infrastructure and planning	3,114	1,622
Legal costs	608	400
Contractors	4,125	4,826
Agency and support/outourced services	8,133	3,039
<b>TOTAL</b>	<b>5 19,718</b>	<b>12,804</b>

## 5.4 Audit cost – External

Regularity audits	2,850	2,771
<b>TOTAL</b>	<b>5 2,850</b>	<b>2,771</b>

## 5.5 Inventory

Food and food supplies	75	74
Fuel, oil and gas	532	628
Other consumable materials	1,274	2,136
Maintenance material	2,216	1,096
Stationery and printing	2,798	2,011
Medical supplies	-	14
Military stores	57	41
<b>TOTAL</b>	<b>5 6,952</b>	<b>6,000</b>

## 5.6 Owned and leasehold property expenditure

	NOTE	2009/10 R'000	2008/09 R'000
Property maintenance and repairs		-	342
Other		863	783
<b>TOTAL</b>	<b>5</b>	<b>863</b>	<b>1,125</b>

## 5.7 Travel and subsistence

Local	7,608	16,668
Foreign	585	498
<b>TOTAL</b>	<b>5 8,193</b>	<b>17,166</b>

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## 5.8 Other operating expenditure

Resettlement costs	-	272
Other	1,525	649
<b>TOTAL</b>	<b>5</b>	<b>921</b>

## 6. FINANCIAL TRANSACTIONS IN ASSETS AND LIABILITIES

Other material losses written off	6.1	237	8
Debts written off	6.2	1,461	237
<b>TOTAL</b>		<b>1,698</b>	<b>245</b>

### 6.1 Other material losses written off

#### Nature of losses

Damages & losses		237	8
<b>TOTAL</b>	<b>6</b>	<b>237</b>	<b>8</b>

### 6.2 Debts written off

	NOTE	2009/10 R'000	2008/09 R'000
<b>Nature of debts written off</b>			
Breach of Contract		1,422	12
Cellphone		4	-
Employee		3	3
Ex-employee		21	168
Supplier/dishonoured cheques		1	47
Telephone		10	1
Subsistence and Travel		-	6
<b>TOTAL</b>	<b>6</b>	<b>1,461</b>	<b>237</b>

## 7. TRANSFERS AND SUBSIDIES

	NOTE	2009/10 R'000	2008/09 R'000
Departmental agencies and accounts	Annex 1A	47,970	40,197
Public corporations and private enterprises	Annex 1B	34,700	10,000
Households	Annex 1C	540	88
<b>TOTAL</b>		<b>83,210</b>	<b>50,285</b>

Unspent funds transferred to the above beneficiaries

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## 8. EXPENDITURE FOR CAPITAL ASSETS

	NOTE	2009/10 R'000	2008/09 R'000
<b>Tangible assets</b>		42,441	65,158
Buildings and other fixed structures	31	39,237	60,984
Machinery and equipment	29	3,204	4,174
<b>Software and other intangible assets</b>		45	-
Other intangibles	30	45	-
<b>TOTAL</b>		<b>42,486</b>	<b>65,158</b>

### 8.1 Analysis of funds utilised to acquire capital assets – 2009/10

	VOTED FUNDS R'000	AID ASSIS- TANCE R'000	TOTAL R'000
<b>Tangible assets</b>	42,441	-	42,441
Buildings and other fixed structures	39,237	-	39,237
Machinery and equipment	3,204	-	3,204
<b>Software and other intangible assets</b>	45	-	45
Other intangibles	45	-	45
<b>TOTAL</b>	<b>42,486</b>	<b>-</b>	<b>42,486</b>

### 8.2 Analysis of funds utilised to acquire capital assets – 2008/09

	VOTED FUNDS R'000	AID ASSIS- TANCE R'000	TOTAL R'000
<b>Tangible assets</b>	65,158	-	65,158
Buildings and other fixed structures	60,984	-	60,984
Machinery and equipment	4,174	-	4,174
<b>TOTAL</b>	<b>65,158</b>	<b>-</b>	<b>65,158</b>

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## 9. UNAUTHORISED EXPENDITURE

### 9.1 Reconciliation of unauthorised expenditure

	NOTE	2009/10 R'000	2008/09 R'000
<b>Opening balance</b>		27,924	17,524
Unauthorised expenditure – discovered in current year	14	-	10,400
Less: Amounts approved by Parlia- ment/Legislature with funding		(5,380)	-
<b>Unauthorised expenditure awaiting authorisation</b>		<u>22,544</u>	<u>27,924</u>
<b>Analysis of awaiting authorisa- tion per economic classification</b>			
Capital		10,400	10,400
Current		12,144	17,524
<b>TOTAL</b>		<u>22,544</u>	<u>27,924</u>

## 10. FRUITLESS AND WASTEFUL EXPENDITURE

### 10.1 Reconciliation of fruitless and wasteful expenditure

	NOTE	2009/10 R'000	2008/09 R'000
Opening balance		-	64
Less: Amounts transferred to receivables for recovery		-	(64)
<b>Fruitless and wasteful expenditure awaiting condonement</b>		<u>-</u>	<u>-</u>

## 11. CASH AND CASH EQUIVALENTS

	NOTE	2009/10 R'000	2008/09 R'000
Consolidated Paymaster General Account		452	34
Cash on hand		15	15
<b>TOTAL</b>		<u>467</u>	<u>49</u>

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## 12. PREPAYMENTS AND ADVANCES

	NOTE	2009/10	2008/09
Staff advances		-	11
Travel and subsistence		15	-
<b>TOTAL</b>		<b>15</b>	<b>11</b>

## 13. RECEIVABLES

		R'000	R'000	R'000	2009/10 R'000	2008/09 R'000
		Less than one year	One to three years	Older than three years	Total	Total
Claims recoverable	Note 13.1	1,851	-	-	1,851	32
Recoverable expenditure	Annex 3 13.2	24	-	-	24	307
Staff debt	13.3	1,649	-	-	1,649	243
Other debtors	13.4	-	-	-	-	1,616
<b>TOTAL</b>		<b>3,524</b>	<b>-</b>	<b>-</b>	<b>3,524</b>	<b>2,198</b>

### 13.1. Claims recoverable

	NOTE	2009/10 R'000	2008/09 R'000
National departments		23	-
Provincial departments		140	32
Public entities		1,688	-
<b>TOTAL</b>	<b>13</b>	<b>1,851</b>	<b>32</b>

### 13.2 Recoverable expenditure (disallowance accounts)

	NOTE	2009/10 R'000	2008/09 R'000
(Group major categories, but list material items)			
Disallowance Damages and Losses		30	254
Disallowance Miscellaneous		6	53
SAL: ACB		(12)	-
<b>TOTAL</b>	<b>13</b>	<b>24</b>	<b>307</b>

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### 13.3 Staff debt

(Group major categories, but list material items)

S&T Debt	1	18
Tel/Cell phone debt	27	44
Other (employee debt)	76	117
Ex-employee	214	-
Breach of Contract	176	60
Salary Medical Aid	-	1
Salary Pension fund	-	3
Suppliers	1,155	-
<b>TOTAL</b>	<b>13</b>	<b>243</b>

### 13.4 Other debtors

(Group major categories, but list material items)

Suppliers	-	88
Bursary Debt	-	1,349
Ex-employee	-	179
<b>TOTAL</b>	<b>13</b>	<b>1,616</b>

### 14. Voted Funds to be Surrendered to the Revenue Fund

Opening balance	27,922	13,694
Transfer from statement of financial performance	25,298	17,522
Add: Unauthorised expenditure for current year	9	-
Paid during the year	(27,926)	(13,694)
<b>Closing balance</b>	<b>25,294</b>	<b>27,922</b>

### 15. DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE REVENUE FUND

	NOTE	2009/10 R'000	2008/09 R'000
Opening balance		1,390	4,313
Transfer from Statement of Financial Performance		40,029	46,723
Own revenue included in appropriation		12,162	10,581
Paid during the year		(52,454)	(60,227)
<b>Closing balance</b>		<b>1,127</b>	<b>1,390</b>

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## 16. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

Net surplus/(deficit) as per Statement of Financial Performance	65,327	64,242
Add back non cash/cash movements not deemed operating activities	(31,680)	(6,126)
Increase in receivables – current	(1,326)	(230)
Decrease in prepayments and advances	(4)	41
Increase in other current assets	5,380	(10,336)
Proceeds from sale of capital assets	(9,998)	(7,819)
Expenditure on capital assets	42,486	65,158
Surrenders to Revenue Fund	(80,380)	(73,921)
Own revenue included in appropriation	12,162	10,581
Other non-cash items	-	10,400
<b>Net cash flow generated by operating activities</b>	<b>33,647</b>	<b>58,116</b>

## 17. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

	NOTE	2009/10 R'000	2008/09 R'000
Consolidated Paymaster General account		452	34
Cash on hand		15	15
<b>TOTAL</b>		<b>467</b>	<b>49</b>

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

### 18. CONTINGENT LIABILITIES

		NOTE	2009/10 R'000	2008/09 R'000
Liable to	Nature			
Housing loan guarantees	Employees	Annex 2A	214	255
Claims against the department		Annex 2B	773	11
Other departments (interdepartmental unconfirmed balances)		Annex 4	3,869	56
<b>TOTAL</b>			<b>4,856</b>	<b>322</b>



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## 19. COMMITMENTS

<b>Current expenditure</b>	7,486	3,465
Approved and contracted	1,839	3,465
Approved but not yet contracted	5,647	-
<b>Capital expenditure</b>		
Approved and contracted	12,402	35,105
Approved but not yet contracted	-	-
	12,402	35,105
<b>TOTAL COMMITMENTS</b>	<b>19,888</b>	<b>38,570</b>

## 20. ACCRUALS

		2009/10 R'000	2008/09 R'000
<b>LISTED BY ECONOMIC CLASSIFICATION</b>			
	30 DAYS	30+ DAYS	TOTAL
Goods and services	1,832	133	1,965
Interest and rent on land	-	-	-
Buildings and other fixed structures	-	11,764	11,764
<b>TOTAL</b>	<b>1,832</b>	<b>11,897</b>	<b>13,729</b>
	Note	2009/10 R'000	2008/09 R'000
Listed by programme level			
Programme 1		667	4,976
Programme 2		30	267
Programme 3		12,995	16,760
Programme 4		37	693
Programme 5		-	680
<b>TOTAL</b>		<b>13,729</b>	<b>23,376</b>
	Note	2009/10 R'000	2008/09 R'000
Confirmed balances with other departments	Annex 4	30	2,195
Confirmed balances with other government entities	Annex 4	31	-
<b>Total</b>		<b>61</b>	<b>2,195</b>

## 21. EMPLOYEE BENEFITS

	NOTE	2009/10 R'000	2008/09 R'000
Leave entitlement		3,769	3,661
Service bonus (Thirteenth cheque)		3,103	3,058
Capped leave commitments		6,361	6,874
<b>Total</b>		<b>13,233</b>	<b>13,593</b>

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## 22. LEASE COMMITMENTS

### 22.1 Operating leases expenditure

	LAND	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
<b>2009/10</b>				
Not later than 1 year	-	-	3,226	3,226
Later than 1 year and not later than 5 years	-	-	3,563	3,563
Later than five years	-	-	24	24
<b>Total lease commitments</b>	-	-	<b>6,813</b>	<b>6,813</b>

	LAND	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
<b>2008/09</b>				
Not later than 1 year	-	-	2,259	2,259
Later than 1 year and not later than 5 years	-	-	2,977	2,977
Later than five years	-	-	216	216
<b>Total lease commitments</b>	-	-	<b>5,452</b>	<b>5,452</b>

### 22.2 Finance leases expenditure

	LAND	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
<b>2009/10</b>				
Not later than 1 year	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-
Later than five years	-	-	-	-
Total lease commitments	-	-	-	-
LESS: finance costs	-	-	-	-
<b>Total present value of lease liabilities</b>	-	-	-	-

	LAND	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
<b>2008/09</b>				
Not later than 1 year	-	-	1,424	1,424
Later than 1 year and not later than 5 years	-	-	982	982
Later than five years	-	-	-	-
Total lease commitments	-	-	2,406	2,406
LESS: finance costs	-	-	-	-
<b>Total present value of lease liabilities</b>	-	-	<b>2,406</b>	<b>2,406</b>

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## 23. RECEIVABLES FOR DEPARTMENTAL REVENUE

	NOTE	2009/10 R'000	2008/09 R'000
Tax revenue		2,641	2,545
Other		10	13,729
<b>TOTAL</b>		<b>2,651</b>	<b>16,274</b>

### 23.1 Analysis of receivables for departmental revenue

	NOTE	2009/10 R'000	2008/09 R'000
Opening balance		16,274	-
Less: amounts received		(16,274)	(28,532)
Add: amounts recognised		2,651	44,806
<b>Closing balance</b>		<b>2,651</b>	<b>16,274</b>

## 24. IRREGULAR EXPENDITURE

### 24.1 Reconciliation of irregular expenditure

	NOTE	2009/10 R'000	2008/09 R'000
Opening balance		18,828	9,353
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		26,583	9,475
Less: Amounts condoned		(18,828)	-
<b>Irregular expenditure awaiting condonation</b>		<b>26,583</b>	<b>18,828</b>

#### Analysis of awaiting condonation per age classification

Current year	-	9,475
Prior years	-	9,519
<b>TOTAL</b>	<b>-</b>	<b>18,994</b>

### 24.2 Details of irregular expenditure – current year

INCIDENT	DISCIPLINARY STEPS TAKEN/CRIMINAL PROCEEDINGS	2009/10 R'000
Proper processes were not followed	The matter is under investigation	26,433
Overtime paid without approved policy	The matter is under investigation	135
Three quotations were not requested	The matter is under investigation	15
<b>TOTAL</b>		<b>26,583</b>

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## 24.3 Details of irregular expenditure recoverable (not condoned)

INCIDENT	2009/10
	R'000
Overspending	5,130
Advance MACUFE	3,000
No Tax Clearance Certificates	421
No VAT registration	160
One quotation used	29
Officials not delegated	581
Furniture not delivered	31
Accommodation for MACUFE	218
Phanda Technologies Tender	1,096
No prior approval obtained	165
FIPA Expenditure	6,311
FSLA Expenditure	1,686
<b>TOTAL</b>	<b>18,828</b>

## 25. FRUITLESS AND WASTEFUL EXPENDITURE

### 25.1 Reconciliation of fruitless and wasteful expenditure

	NOTE	2009/10 R'000	2008/09 R'000
Opening balance		1,214	-
Fruitless and wasteful expenditure – relating to prior year		-	64
Fruitless and wasteful expenditure – relating to current year		114	1,214
Less: Amounts condoned		(359)	-
Less: Amounts transferred to receivables for recovery		(376)	(64)
<b>Fruitless and wasteful expenditure awaiting condonation</b>		<b>593</b>	<b>1,214</b>
<b>Analysis of awaiting condonation per economic classification</b>			
Current		593	-
Capital		-	-
Transfers and subsidies		-	-
<b>TOTAL</b>		<b>593</b>	<b>-</b>

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## 25.2 Analysis of Current year's fruitless and wasteful expenditure

INCIDENT	DISCIPLINARY STEPS TAKEN/CRIMINAL PROCEEDINGS	2009/10 R'000
Interest payment	The matter is under investigation for the interest that was paid	40
Double payment	The matter is under investigation	74
<b>TOTAL</b>		<b>114</b>

## 26. RELATED PARTY TRANSACTIONS

	REVENUE RECEIVED	NOTE	2009/10 R'000	2008/09 R'000
Tax revenue/ User charges			29,813	30,672
<b>TOTAL</b>			<b>29,813</b>	<b>30,672</b>

## 27. KEY MANAGEMENT PERSONNEL

	NO. OF INDIVIDUALS	2009/10 R'000	2008/09 R'000
Political office bearers (provide detail below)	1	1,178	1,265
Officials:			
Level 15 to 16	4	2,632	2,249
Level 14 (incl. CFO if at a lower level)	6	3,601	3,613
<b>TOTAL</b>		<b>7,411</b>	<b>7,127</b>

## 28. PROVISIONS

	NOTE	2009/10 R'000	2008/09 R'000
<b>Potential irrecoverable debts</b>			
Staff debtors		12	23
<b>TOTAL</b>		<b>12</b>	<b>23</b>
<b>TOTAL</b>		<b>12</b>	<b>23</b>

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## 29. MOVABLE TANGIBLE CAPITAL ASSETS

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

	OPENING BALANCE	CURR YEAR ADJUST-MENTS TO PRIOR YEAR BALANCES	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	-	-	6	-	6
Heritage assets	-	-	6	-	6
<b>MACHINERY AND EQUIPMENT</b>	27,361	1,378	2,675	3,040	28,374
Transport assets	3,087	369	34	788	2,702
Specialised military assets	738	9	14	18	743
Computer equipment	8,364	950	795	347	9,762
Furniture and office equipment	7,330	115	646	932	7,159
Other machinery and equipment	7,842	(65)	1,186	955	8,008
<b>BIOLOGICAL ASSETS</b>	51,205	5,032	27,970	41,066	43,141
Biological assets	51,205	5,032	27,970	41,066	43,141
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>78,566</b>	<b>6,410</b>	<b>30,651</b>	<b>44,106</b>	<b>71,521</b>

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## 29.1 Additions

### ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	CASH	NON-CASH (CAPITAL WORK IN PROGRESS CURRENT COSTS AND FINANCE LEASE PAY- MENTS)	RECEIVED CURRENT, NOT PAID (PAID CURRENT YEAR, RECEIVED PRIOR YEAR)	TOTAL
	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	-	6	-	6
Heritage assets	-	6	-	6
<b>MACHINERY AND EQUIPMENT</b>	1,703	972	-	2,675
Transport assets	-	34	-	34
Specialised military assets	-	14	-	14
Computer equipment	583	212	-	795
Furniture and office equipment	613	33	-	646
Other machinery and equipment	507	679	-	1,186
<b>BIOLOGICAL ASSETS</b>	-	27,970	-	27,970
Biological assets	-	27,970	-	27,970
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>1,703</b>	<b>28,948</b>	<b>-</b>	<b>30,651</b>

## 29.2 Disposals

### DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	SOLD FOR CASH	TRANSFER OUT OR DESTROYED OR SCRAPPED	TOTAL DISPOS- ALS	CASH RECEIVED ACTUAL
	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	-	-	-	-
Heritage assets	-	-	-	-
<b>MACHINERY AND EQUIPMENT</b>	164	2,876	3,040	2
Transport assets	-	788	788	-
Specialised military assets	18	-	18	-
Computer equipment	63	284	347	1
Furniture and office equipment	28	904	932	1
Other machinery and equipment	55	900	955	-
<b>BIOLOGICAL ASSETS</b>	5,766	35,300	41,066	7,454
Biological assets	5,766	35,300	41,066	7,454
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>5,930</b>	<b>38,176</b>	<b>44,106</b>	<b>7,456</b>

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### 29.3 Movement for 2008/09

#### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	OPENING BALANCE R'000	ADDITIONS R'000	DISPOSALS R'000	CLOSING BALANCE R'000
<b>HERITAGE ASSETS</b>	-	-	-	-
Heritage assets	-	-	-	-
<b>MACHINERY AND EQUIPMENT</b>	<b>21,789</b>	<b>6,693</b>	<b>1,121</b>	<b>27,361</b>
Transport assets	2,240	944	97	3,087
Specialised military assets	615	123	-	738
Computer equipment	6,544	2,030	210	8,364
Furniture and office equipment	5,824	1,516	10	7,330
Other machinery and equipment	6,566	2,080	804	7,842
<b>BIOLOGICAL ASSETS</b>	<b>57,495</b>	<b>9,140</b>	<b>15,430</b>	<b>51,205</b>
Biological assets	57,495	9,140	15,430	51,205
<b>TOTAL MOVABLE TANGIBLE ASSETS</b>	<b>79,284</b>	<b>15,833</b>	<b>16,551</b>	<b>78,566</b>

### 29.4 Minor assets

#### MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2010

	INTANGIBLE ASSETS R'000	HERITAGE ASSETS R'000	MACHINERY AND EQUIPMENT R'000	BIOLOGICAL ASSETS R'000	TOTAL R'000
Minor assets	17	29	26,514	39,774	66,334
<b>TOTAL</b>	<b>17</b>	<b>29</b>	<b>26,514</b>	<b>39,774</b>	<b>66,334</b>

	INTANGIBLE ASSETS	HERITAGE ASSETS	MACHINERY AND EQUIPMENT	BIOLOGICAL ASSETS	TOTAL
Number of R1 minor assets	-	-	-	-	-
Number of minor assets at cost	-	-	654	-	654
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>654</b>	<b>-</b>	<b>654</b>

#### MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2009

	INTANGIBLE ASSETS R'000	HERITAGE ASSETS R'000	MACHINERY AND EQUIPMENT R'000	BIOLOGICAL ASSETS R'000	TOTAL R'000
Minor assets	-	6	26,729	23,569	50,304
<b>TOTAL</b>	<b>-</b>	<b>6</b>	<b>26,729</b>	<b>23,569</b>	<b>50,304</b>



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### 30. INTANGIBLE CAPITAL ASSETS

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

	OPENING BALANCE	CURRENT YEAR ADJUST-MENTS TO PRIOR YEAR BALANCES	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	-	-	45	-	45
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>-</b>	<b>45</b>

#### 30.1 Additions

#### ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	CASH	NON-CASH (DEVELOP-MENT WORK IN PROG- RESS – CURRENT COSTS)	RECEIVED CURRENT YEAR, NOT PAID  (PAID CURRENT YEAR, RECEIVED PRIOR YEAR)	TOTAL
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	45	-	-	45
<b>TOTAL ADDITIONS TO INTAN- GIBLE CAPITAL ASSETS</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>45</b>

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### 31. Immovable Tangible Capital Assets

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

	OPENING BALANCE	CURR YEAR ADJUST-MENTS TO PRIOR YEAR BALANCES	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	-	-	-	-
Dwellings	(90)	84	-	-	(6)
Non-residential buildings	-	-	-	-	-
Other fixed structures	90	(84)	-	-	6
<b>HERITAGE ASSETS</b>	-	-	-	-	-
Heritage assets	-	6	-	-	6
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	-	6	-	-	6

**Movement for 2008/09**

#### MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	OPENING BALANCE	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	6	-	6	-
Dwellings	(90)	-	-	(90)
Non-residential buildings	-	-	-	-
Other fixed structures	96	-	6	90
<b>TOTAL IMMOVABLE TANGIBLE ASSETS</b>	6	-	6	-

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010**32. STATEMENT OF CONDITIONAL GRANTS RECEIVED**

NAME OF DEPARTMENT	GRANT ALLOCATION				SPENT			2008/09	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Division of Revenue Act	Amount spent by department
Infrastructure Enhancement grant	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	30,204	-	-	-	30,204	30,204	30,204	30,000	30,000
	<b>30,204</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,204</b>	<b>30,204</b>	<b>30,204</b>	<b>30,000</b>	<b>30,000</b>

Department are reminded of the requirement to certify that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of the province.

VOTE 3  
ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010

## ANNEXURE 1A

### STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION			TRANSFER		2008/09	
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	
R'000	R'000	R'000	R'000	R'000	%	R'000	
Free State Gambling Board	17,300	-	-	17,300	17,300	100%	16,200
Free State Tourism Authority	17,387	-	-	17,387	17,387	100%	16,000
Free State Investment Promo- tion Agency	7,900	-	-	7,900	7,900	100%	7,400
Free State Liquor Authority	6,500	-	-	6,500	5,383	83%	5,500
	49,087	-	-	49,087	47,970	-	45,100

Unaudited supplementary information

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

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION			EXPENDITURE			2008/09 Appropriation Act
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Public Corporations</b>							
Transfers							
Free State Development Corporation	34,700	-	-	34,700	34,700	100%	10,000
Subsidies	-	-	-	-	-	-	-
<b>Total</b>	<b>34,700</b>	<b>-</b>	<b>-</b>	<b>34,700</b>	<b>34,700</b>		<b>10,000</b>
<b>Private Enterprises</b>							
Transfers	-	-	-	-	-	-	-
Subsidies	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>34,700</b>	<b>-</b>	<b>-</b>	<b>34,700</b>	<b>34,700</b>		<b>10,000</b>

Unaudited supplementary information

VOTE 3

ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010

ANNEXURE 1C

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSE- HOLDS	TRANSFER ALLOCATION			EXPENDITURE		2008/09
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>						
Households	843	-	-	843	540	64%
	843	-	-	843	540	130
<b>Total</b>	<b>843</b>	<b>-</b>	<b>-</b>	<b>843</b>	<b>540</b>	<b>130</b>

**ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2010

**ANNEXURE 1D****STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE**

<b>NATURE OF GIFT, DONATION OR SPONSORSHIP</b> (Group major categories but list material items including name of organisation)	<b>2009/10</b> <b>R'000</b>	<b>2008/09</b> <b>R'000</b>
<b>Paid in cash</b>		
Dutch Reformed Church Winburg	20	20
Kroonstad Collegians Marathon Club	7	7
Fencing material for Rust and Vrede black farmers	3	–
Liquor Traders Association	20	–
Letsema La Tsela	100	
Togoto Tourism EXPO	100	–
AHI Conference Support	20	
<b>Subtotal</b>	<b>270</b>	<b>27</b>

**Made in kind**

Mojau Innoventagration CC – machinery and equipment	–	7
Demokomlo Traiding - machinery and equipment	–	12
Nkataise Sewing and Knitting Project – machinery and equipment	–	3
Social Welfare Game meat roll out	–	146
Three Sisters Game Lodge	–	52
Thitapoho Farm	–	3
Game to black game farmers (Mr Mompoti, Mr J. Muller and Mr I. Nkhooda)	77	–
White Rhino	80	–
Game 10 Ostriches to Mr Mahlelelele at Waterval Farm	5	–
10 SMME Exhibitors – 2009 Game Auction free accommodation and exhibit stand	2	–
<b>Subtotal</b>	<b>164</b>	<b>223</b>
<b>TOTAL</b>	<b>434</b>	<b>250</b>

Unaudited supplementary information

## VOTE 3

ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010

## ANNEXURE 2A

## STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2010 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2009	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2010	Guaranteed interest for year ended 31 March 2010	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank	Housing	-	14	-	-	-	14	-	-
Firstrand Bank	Housing	-	37	-	-	-	37	-	-
ABSA	Housing	-	53	-	-	-	53	-	-
Peoples Bank	Housing	-	6	-	-	-	6	-	-
Nedbank LTD	Housing	-	17	-	-	-	17	-	-
Old Mutual	Housing	-	126	-	-	-	79	-	-
Free State Development Corp	Housing	-	8	-	47	-	8	-	-
	<b>Subtotal</b>	-	261	-	47	-	214	-	-
	<b>TOTAL</b>	-	261	-	47	-	214	-	-

Unaudited supplementary information



**ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2010

**ANNEXURE 2B****STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2010**

NATURE OF LIABILITY	LIABILITIES INCURRED DURING THE YEAR		LIABILITIES PAID/CANCELLED/REDUCED DURING THE YEAR	LIABILITIES RECOVERABLE (PROVIDE DETAILS HEREUNDER)	CLOSING BALANCE 31 MARCH 2010
	OPENING BALANCE				
	1 APRIL 2009				
	R'000	R'000	R'000	R'000	
Claims against the department					
Prinsoo Retief – Review Liquor application	-	15	-	-	15
Styn Jacomina Elizabeth – Review of Liquor Application	-	15	-	-	15
Tshabalala Sabata David – Review of Liquor Application	-	15	-	-	15
Mbatha Makhala Elizabeth – Review of Liquor Application	-	15	-	-	15
Johannes Abram Smith – Summons	-	200	-	-	200
Carse Stephen – Review of Liquor Application	-	15	-	-	15
Thabo Mofutsanyana District – Summons	-	100	-	-	100
SABC – Claim	-	26	-	-	26
Pick n Pay Retailer – Review Liquor Application	-	12	-	-	12
Odendaal G – Claim	-	139	-	-	139
Molebatsi MA – Review Liquor Application	-	14	-	-	14
Gordon AM – Review Liquor Application	-	15	-	-	15
Atkinson JH – Review	-	15	-	-	15
Robgo Trading CC – Review Liquor Application	-	15	-	-	15
Pienaar JW – Review Liquor Application	-	15	-	-	15
Steyn JJ – Review Liquor Application	-	15	-	-	15
Goosen H – Review Liquor Application	-	9	-	-	9
Kotse NE – Review Liquor Application	-	15	-	-	15
Newcolette AM – Review Liquor Application	-	9	-	-	9
Mdi Mtutuzeli Sidney – Review Liquor Application	-	15	-	-	15
Pudumo JS – Review Liquor Application	-	15	-	-	15

Unaudited supplementary information

VOTE 3  
ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010

Majenge FP – Review Liquor Application  
Mayekiso JV and Grobler CL – Review Liquor Application  
Qamakoane F – Review Liquor Application  
Schwarz Waldemar – Review Liquor Application  
Rooyen Van Claudius – Review Liquor Application  
**Subtotal**  
**TOTAL**

	-	9	-	9
	-	15	-	15
	-	15	-	15
	-	15	-	15
	-	15	-	15
	-	773	-	773
	-	773	-	773

Nature of Liabilities recoverable	Opening	Details of Liability and Recoverability	Movement during year	Closing
	Balance			Balance
	1 April 2009			31 March 2010
	R'000			R'000
	-	-	-	
TOTAL	-	-	-	

VOTE 3

ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010

## ANNEXURE 3

### CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2010 R'000	31/03/2009 R'000	31/03/2010 R'000	31/03/2009 R'000	31/03/2010 R'000	31/03/2009 R'000
Department						
Department of Agriculture	78	-	-	-	78	-
South African Police Services	23	-	-	-	23	-
Department of Education	62	-	-	-	61	-
<b>Sub-Total</b>	<b>163</b>	-	-	-	<b>162</b>	-
Other Government Entities						
Free State Investment Promotion	1,688	-	-	-	1,688	-
<b>Sub-Total</b>	<b>1,688</b>	-	-	-	<b>1,688</b>	-
<b>TOTAL</b>	<b>1,851</b>	-	-	-	<b>1,851</b>	-

Unaudited supplementary information

VOTE 3  
ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010

## ANNEXURE 4

### INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2010 R'000	31/03/2009 R'000	31/03/2010 R'000	31/03/2009 R'000	31/03/2010 R'000	31/03/2009 R'000
<b>DEPARTMENTS</b>						
Current						
Premier's Office	-	-	3,869	-	3,869	-
Department of Justice	9	-	-	-	9	-
Public Works & Rural Development	21	-	-	-	21	-
<b>Subtotal</b>	<b>30</b>	<b>-</b>	<b>3,869</b>	<b>-</b>	<b>3,899</b>	<b>-</b>
<b>Non-current</b>						
	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>30</b>	<b>-</b>	<b>3,869</b>	<b>-</b>	<b>3,899</b>	<b>-</b>
<b>OTHER GOVERNMENT ENTITY</b>						
Current						
SITA	31	-	-	-	31	-
<b>Subtotal</b>	<b>31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31</b>	<b>-</b>
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31</b>	<b>-</b>

Unaudited supplementary information

TRUST FUND NATURE CONSERVATION  
VOTE 3  
FINANCIAL STATEMENTS  
for the year ended 31 March 2010

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TRUS FUND NATURE CONSERVATION  
VOTE 3  
MANAGEMENT REPORT  
for the year ended 31 March 2010

## 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 was 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

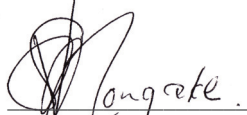
Nature conservation (Ordinance 8 of 1969).

### Future strategic direction

The total balance (capital plus 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 516,309.37 on 31 March 2010) is insufficient, as a result the largest portion of the estimated purchase price would be budgeted funds.

### Approval

The Annual Financial Statements set out on pages 121 to 126 have been approved by the Accounting Officer.



MMV MONGAKE  
ACCOUNTING OFFICER  
31 MAY 2010

TRUST FUND NATURE CONSERVATION  
VOTE 3  
REPORT OF THE AUDITOR-GENERAL  
for the year ended 31 March 2010

## REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE ON THE FINANCIAL STATEMENTS OF THE NATURE CONSERVATION TRUST FUND FOR THE YEAR ENDED 31 MARCH 2010

### REPORT ON THE FINANCIAL STATEMENTS

#### Introduction

I have audited the accompanying financial statements of the Nature Conservation Trust Fund, which comprise the statement of financial position as at 31 March 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 121 to 126.

#### Accounting officer's responsibility for the financial statements

The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and in the manner required by the Public Finance Management Act of South Africa, 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; and making accounting estimates that are reasonable in the circumstances.

#### Auditor-General's responsibility

As required by section 188 of the Constitution of South Africa, 1996 and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on the financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and General Notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Nature Conservation Trust Fund as at 31 March 2010, and its financial performance and its cash flows for the year then ended in accordance with SA Statements of GAAP and in the manner required by the PFMA.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the PAA and General Notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009, I include below my findings on the report on predetermined objectives, compliance with the PFMA and financial management (internal control).

#### Findings

##### Predetermined objectives

No matters to report.

TRUST FUND NATURE CONSERVATION  
VOTE 3  
REPORT OF THE AUDITOR-GENERAL  
for the year ended 31 March 2010

**Compliance with laws and regulations**

No matters to report.

**INTERNAL CONTROL**

I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

No matters to report.

*Auditor-General*

Bloemfontein  
19 July 2010



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



TRUST FUND NATURE CONSERVATION  
VOTE 3  
ACCOUNTING POLICIES  
for the year ended 31 March 2010

The 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 FUND NATURE CONSERVATION  
VOTE 3  
STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2010

	Notes	ENTITY	
		2010 Actual	2009 Actual
		R'000	R'000
<b>REVENUE</b>		-	-
<b>EXPENDITURE</b>		-	-
<b>SURPLUS/(DEFICIT) FROM OPERATIONS</b>		-	-
Income from investments	1	36	49
<b>SURPLUS BEFORE TAX</b>		<b>36</b>	<b>49</b>
<b>SURPLUS AFTER TAX FROM CONTINUING OPERATIONS</b>		<b>36</b>	<b>49</b>
<b>SURPLUS FROM OPERATIONS</b>			
Net asset holders of the controlling entity		36	49
<b>Surplus for the year</b>		<b>36</b>	<b>49</b>

TRUST FUND NATURE CONSERVATION  
VOTE 3  
STATEMENT OF FINANCIAL POSITION  
for the year ended 31 March 2010

	Notes	ENTITY	
		2010 Actual	2009 Actual
		R'000	R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>516</b>	<b>480</b>
Cash and cash equivalents	3	516	480
<b>TOTAL ASSETS</b>		<b>516</b>	<b>480</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
<b>TOTAL EQUITY</b>		<b>516</b>	<b>480</b>
Accumulated surplus	2	516	480
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>516</b>	<b>480</b>

TRUST FUND NATURE CONSERVATION  
VOTE 3  
STATEMENT OF CHANGES IN NET ASSETS  
for the year ended 31 March 2010

	ENTITY	
	2010 Actual	2009 Actual
	R'000	R'000
<b>Notes</b>		
<b>EQUITY</b>		
<b>SURPLUS FOR THE YEAR</b>		
Balance at 1 April as originally stated	-	-
Net profit for the year	36	49
<b>Balance at 31 March</b>	<b>36</b>	<b>49</b>
<b>ACCUMULATED SURPLUS</b>		
Balance at 1 April as originally stated	431	431
<b>Balance at 31 March</b>	<b>480</b>	<b>480</b>
<b>TOTAL EQUITY</b>		
Balance at 1 April as originally stated	480	431
Net profit for the year	36	49
<b>Balance at 31 March</b>	<b>516</b>	<b>480</b>

TRUST FUND NATURE CONSERVATION  
VOTE 3  
CASH FLOW STATEMENT  
for the year ended 31 March 2010

		ENTITY	
		2010 Actual	2009 Actual
	Notes	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received	1	36	49
Net cash inflows from operating activities		36	49
Net increase in cash and cash equivalents		36	49
Cash and cash equivalents at the beginning of the year			
	3	480	431
Cash and cash equivalents at the end of the year		516	480

TRUST FUND NATURE CONSERVATION  
VOTE 3  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010

		ENTITY	
		2010 Actual  R'000	2009 Actual  R'000
<b>1</b>	<b>Income from investments</b>		
	Interest income	36	49
	- Investments	36	49
<b>2</b>	<b>Capital and reserves</b>		
	Surplus for the year		
	Balance at 1 April as originally stated	0	0
	Balance at 31 March	36	49
	Accumulated surplus		
	Balance at 1 April as originally stated	480	431
	Balance at 31 March	516	480
<b>3</b>	<b>Cash and cash equivalents</b>		
	Cash and cash balances with banks	480	431
	<b>Total</b>	<b>516</b>	<b>480</b>

FREE STATE LIQUOR AUTHORITY  
VOTE 3  
ANNUAL FINANCIAL STATEMENT  
for the year ended 31 March 2010

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FREE STATE LIQUOR AUTHORITY  
VOTE 3  
ANNUAL FINANCIAL STATEMENT  
for the year ended 31 March 2010

## GENERAL INFORMATION

### Accounting Officer

Mr B Molotsi

### Registered Office

Bojanala Building  
34 Markgraaf Street  
Bloemfontein  
Free State

### Postal Address

PO Box X20801  
Bloemfontein  
9300

### Contact Numbers

Tel: (051) 400 4919

### Auditors

Office of the Auditor General  
110 Zastron Street  
Bloemfontein  
9300



FREE STATE LIQUOR AUTHORITY  
VOTE 3  
ANNUAL FINANCIAL STATEMENT  
for the year ended 31 March 2010

## REPORT OF THE ACCOUNTING OFFICER

The Free State Liquor Authority was established by the Free State Liquor Authority Act, 2007 (Act No 3 of 2007). The purpose of the Liquor Authority is to reduce socio-economic and other costs of alcohol abuse and to promote development of responsible and sustainable liquor industry. The Liquor Authority is responsible for the registration of micro-manufacturers and retail sellers.

The Liquor Authority considers applications of liquor licences and provides conditions for such licences. It also has enforcements and complaints mechanisms which are used by liquor inspectors to investigate and make recommendations to the Board. The CEO and the Board of the Liquor Authority were appointed in 2008. Some officials from the Department who were responsible for liquor affairs have been seconded to the Liquor Authority to assist. A process to list the Liquor Authority in terms of the Public Finance Management Act, 1999 was stopped. A resolution was taken by the Executive Council to merge Free State Gambling and Racing Board with Free State Liquor Authority with effect from the beginning of April 2010.

For the past financial year, the Free State Liquor Authority showed a surplus for the year. It should further be noted that the profits reported are determined in line with South African Generally Recognised Accounting Practice (GRAP).

The Annual Financial Statements set out on pages 132 - 142 have been approved by the Accounting Officer.



Mr B Molotsi  
Accounting Officer

31 MAY 2010

FREE STATE LIQUOR AUTHORITY  
VOTE 3  
ANNUAL FINANCIAL STATEMENT  
for the year ended 31 March 2010

## REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE ON THE FINANCIAL STATEMENTS OF THE FREE STATE LIQUOR AUTHORITY FOR THE YEAR ENDED 31 MARCH 2010

### REPORT ON THE FINANCIAL STATEMENTS

#### Introduction

I have audited the accompanying financial statements of the Free State Liquor Authority, which comprise the statement of financial position as at 31 March 2010, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 132 to 142.

#### Accounting authority's responsibility for the financial statements

The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by General Notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009. 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; and making accounting estimates that are reasonable in the circumstances.

#### Auditor-General's responsibility

As required by section 188 of the Constitution of the Republic of South Africa, 1996, section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 22 of the Free State Liquor Act, 2007 (Act No. 3 of 2007), my responsibility is to express an opinion on the financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and General Notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 judgment, 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Free State Liquor Authority as at 31 March 2010, and its financial performance and its cash flows for the year then ended in accordance with SA Standards of GRAP and in the manner required by General Notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009.

#### Emphasis of matters

I draw attention to the matters below. My opinion is not modified in respect of these matters:

#### Restatement of corresponding figures

As disclosed in note 5.11 to the financial statements, the corresponding figures for 31 March 2009 have been restated as a result of errors discovered during 2010 in the financial statements of the Free State Liquor Authority at, and for the year ended, 31 March 2009.

#### Fruitless and wasteful expenditure

As disclosed in note 5.12 to the financial statements, fruitless and wasteful expenditure to the amount of R69 791 was incurred during the financial year, as the Free State Liquor Authority paid claims submitted by members of the accounting authority for attendance of board meetings although the meetings did not materialise due to insufficient members being present to form a quorum.

FREE STATE LIQUOR AUTHORITY  
VOTE 3  
ANNUAL FINANCIAL STATEMENT  
for the year ended 31 March 2010

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the PAA and General Notice No. 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009, I include below my findings on the report on predetermined objectives, compliance with the Free State Liquor Act and financial management (internal control).

#### Findings

##### Predetermined objectives

- **Non-compliance with regulatory and reporting requirements**  
No reporting against predetermined objectives, indicators and targets  
The entity has not reported performance against predetermined objectives, as required by General Notice No. 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009.

##### Compliance with laws and regulations

No matters to report.

### INTERNAL CONTROL

I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the Free State Liquor Act, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

- **Leadership**  
The accounting authority did not exercise adequate oversight responsibility over reporting on predetermined objectives and internal control.
- **Governance**  
The accounting authority did not take decisive action to establish an internal audit unit, since the Free State Liquor Authority was in the process of merging with the Free State Gambling and Racing Board. Owing to the lack of an internal audit unit, ongoing monitoring and supervision were not undertaken to enable an assessment of the effectiveness of internal control over performance reporting.

*Auditor-General*

Bloemfontein

30 July 2010



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

FREE STATE LIQUOR AUTHORITY  
VOTE 3  
STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2010

		2010	2009
REVENUE	Notes	R'000	R'000
Transfers and subsidies		5,383	1,713
<b>TOTAL REVENUE</b>	<b>5.1</b>	<b>5,383</b>	<b>1,713</b>
<b>EXPENDITURE</b>			
Administrative expenses	5.2	(2735)	(680)
Staff costs	5.2	(815)	(631)
Marketing costs	5.2	(153)	(48)
Audit fees	5.2	(139)	-
Gifts, sponsorships and donations	5.2	(101)	-
Other operating expenses	5.2	(1029)	(480)
<b>TOTAL EXPENDITURE</b>		<b>(4,972)</b>	<b>(1,839)</b>
<b>SURPLUS/(DEFICIT) FROM OPERATIONS</b>		<b>411</b>	<b>(126)</b>
<b>SURPLUS/(DEFICIT) FOR PERIOD</b>			
Attributable to:			
Net asset holders of the controlling entity		411	(126)
<b>Surplus/(Deficit) for the year</b>		<b>411</b>	<b>(126)</b>

FREE STATE LIQUOR AUTHORITY  
VOTE 3  
STATEMENT OF FINANCIAL POSITION  
for the year ended 31 March 2010

		2010	2009
ASSETS	Notes	R'000	R'000
<b>Non-current Assets</b>		<b>285</b>	
Property, plant and equipment	5.3	285	-
<b>Current Assets</b>		<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>285</b>	<b>-</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Current Liabilities</b>		<b>-</b>	<b>126</b>
Trade and other payables	5.4	-	126
<b>TOTAL LIABILITIES</b>		<b>-</b>	<b>126</b>
<b>NET ASSETS</b>		<b>285</b>	<b>(126)</b>
Accumulated surplus/(deficit)		285	(126)

FREE STATE LIQUOR AUTHORITY  
VOTE 3  
STATEMENT OF CHANGES IN NET ASSETS  
for the year ended 31 March 2010

**TOTAL NET ASSETS AND LIABILITIES**

	285	-
	Accumulated Sur- plus/(Deficit) R'000	Total R'000
<b>At 31 March 2008</b>	-	-
Deficit for the period	(126)	(126)
- correction of prior period error	5.11 (126)	(126)
Surplus for the period	411	411
<b>At 31 March 2010</b>	285	285

FREE STATE LIQUOR AUTHORITY  
VOTE 3  
CASH FLOW STATEMENT  
for the year ended 31 March 2010

	Notes	2010 R'000	2009 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		-	-
Cash receipts from customers		5,838	1,713
Cash paid to suppliers and employees		(4,972)	(1,839)
Cash flow generated from Operations	5.5.1	411	(126)
Net cash flow from investing activities		411	(126)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of: Property, plant and equipment	5.5.2	(285)	-
Adjustments	5.5.2	(126)	126
Net cash flow from investing activities		(411)	126
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		-	-
<b>CASH AND CASH EQUIVALENTS AT 1 APRIL</b>		-	-
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>		-	-

FREE STATE LIQUOR AUTHORITY  
VOTE 3  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010

## 1. CORPORATE INFORMATION

The annual financial statements of the Free State Liquor Authority for the year ended 31 March 2010 were authorised for issue by the accounting officer on the 31st of May 2010.

The entity is domiciled in Bloemfontein within the Free State Province, South Africa.

## 2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the effective standards of Generally Recognised Accounting Practice (GRAP) including any interpretations of such statements issued by the Accounting Standards Board (ASB).

### 3.1 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the entity's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

### 3.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Minister of Finance issued General Notice 516 of 2008 in Government Gazette no. 31021 of 9 May 2008 which made the following 2 additional standards of GRAP effective for the entity as of 1 April 2009:

Reference	Topic
GRAP 14	Events After the Reporting Date
GRAP 17	Property, Plant and Equipment

The recognition and measurement principles did not change as a result of the adoption of the additional standards of GRAP.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 4.1 Property, Plant & Equipment

#### Office Equipment

Equipment is stated at cost, less accumulated depreciation and accumulated impairment in value. Such costs include the cost of replacing part of such plant and equipment when the cost is incurred if the recognition criteria are met. Office equipment is depreciated over a useful life of 5 years, on a straight-line basis.

#### Office Furniture

Furniture is stated at cost, less accumulated depreciation and accumulated impairment in value. Such costs include the cost of replacing part of such plant and equipment when the cost is incurred if the recognition criteria are met. Office furniture is depreciated over a useful life of 3 years, on a straight-line basis.

#### Computer Equipment

Equipment is stated at cost, less accumulated depreciation and accumulated impairment in value. Such costs include the cost of replacing part of such plant and equipment when the cost is incurred if the recognition criteria are met. Computer equipment is depreciated over a useful life of 3 years, on a straight-line basis.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.



FREE STATE LIQUOR AUTHORITY  
VOTE 3  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010

## 4.2 Impairment of Assets

The entity assesses at each reporting date whether there is objective evidence that a (financial) asset/group of (financial) assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the entity makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

## 4.3 Employment Benefits

### Short-term Employee Benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are only recognised if the outflow of economic benefits is probable and the obligation can be reliably measured.

## 4.4 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received.

## 4.5 After Reporting Period Events

These are events, both favourable and unfavourable, that occur between the balance sheet date and the date on which the financial statements are authorised for issue.

## 4.6 Contingent Liability

A contingency is a condition, the ultimate outcome of which (gain or loss) will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.

## 4.7 Trade Payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method.

## 4.8 Financial Instruments

Financial instruments carried on the statement of financial position included payables.

FREE STATE LIQUOR AUTHORITY  
VOTE 3  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010

	2010 R'000	2009 R'000
<b>5. NOTES TO THE FINANCIAL STATEMENTS</b>		
<b>5.1 Revenue</b>	<b>5,383</b>	<b>1,713</b>
Revenue comprises:		
- Transfer Payment Received	5,383	1,713
<b>5.2 Expenses</b>	<b>(4972)</b>	<b>(1839)</b>
<b>Administrative Expenses:</b>		
General Administrative Expenses		
- Board Meetings	1,522	501
- Catering	356	11
Legal fees	324	-
Entertainment	24	94
Stationery and Printing	437	62
Venues and Facilities	25	12
Training and development	47	-
<b>Staff Costs:</b>		
Wages and Salaries		
- Basic Salaries	815	631
<b>Marketing Cost:</b>		
Advertisement	153	21
Décor for Campaign	-	12
Marketing	-	15
<b>Audit fees:</b>		
Statutory Audit	139	-
<b>Gifts, donations and sponsorships paid:</b>	101	-
<b>Other Operating Expenses:</b>		
Consultant, Contractors and Special Services	-	
Sundry Expenses	13	200
Recording at Public Hearing	17	29
Travel and Subsistence	274	104
Communication Costs	39	136
Accommodation	428	11
Clothing	36	-
PEO 2 SHEER	80	-
Maintenance, repairs and running costs	1	-
Rental of photocopier and repairs	86	-
Rental of vehicle	55	-

FREE STATE LIQUOR AUTHORITY  
VOTE 3  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010

	2010 R'000	2009 R'000
<b>5.3. Property, plant and equipment</b>		
<b>Plant and equipment</b>		
<b>Opening net carrying amount</b>	-	-
Assets acquired through a business/entity combination 16	16	-
<b>Closing net carrying amount 31 March</b>	16	
Gross carrying amount	16	
 Computer equipment		
Opening net carrying amount	-	
	-	
Assets acquired through a business/entity combination	124	
	-	
Closing net carrying amount 31 March	124	
Gross carrying amount	124	
 Office furniture and fittings		
Opening net carrying amount	-	-
Assets acquired through a business/entity combination	145	-
Closing net carrying amount 31 March	145	-
Gross carrying amount	145	-
 <b>Total property, plant and equipment</b>		
<b>Opening net carrying amount</b>	-	-
Assets acquired through a business/entity combination	285	-
<b>Closing net carrying amount 31 March</b>	285	-
Gross carrying amount	285	-

FREE STATE LIQUOR AUTHORITY  
VOTE 3  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010

## 5.4 Trade and other payables

### Accruals

## 5.5 Notes to the Cash Flow Statement

### Cash flows from operating activities

Cash receipts from customers

Cash payments to suppliers and employees

#### 5.5.1 Cash flow generated from operations

### Cash flows from investing activities

Acquisition of:

5.5.2 Property, plant and equipment

5.5.2 Accruals

Net cash flows from investing activities

2010 R'000	2009 R'000
-	126
5,383 (4,972)	1,713 (1,839)
411	(126)
(285) 126)	- 126
(411)	126

#### 5.5.3 Acquisition of Property, Plant and Equipment

During the period, the entity acquired property, plant and equipment with an aggregate cost of R 285,000 (2009: RNil).

## 5.6 Related Parties

The Department of Economic Development, Tourism and Environmental Affairs are seen as the only related party to the Free State Liquor Authority. During the financial year the Free State Liquor Authority did not have their own separate bank account therefore the Department of Economic Development, Tourism and Environmental Affairs made all payments on behalf of the entity. The total amount of expenses paid by the Department of Economic Development, Tourism and Environmental Affairs was transferred to the Free State Liquor Authority. This amount is made up of the grant/funds received.

The following provides the total amount of transactions, which has been entered into with related parties for the related financial year:

## 5.7 Key Management Personnel

	2010 R'000	2009 R'000
Remuneration of key management	815	631

The entity did not recognise accrued expenses relating staff costs as a liability at the end of the previous period. Therefore the remuneration of key management is restated.

## 5.8 Events after the Reporting Period

No significant events came to management's attention, since the balance sheet date that might impact on the financial statements as at 31 March 2010.

FREE STATE LIQUOR AUTHORITY  
VOTE 3  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010

## 5.9 Financial Risk Management Objectives and Policies

### Credit Risk

The entity does not trade in any credit terms, all is cash based. Therefore credit risk is very low.

### Market Risk

Market risk is the risk that the value of a financial instrument will fluctuate with changing market prices whether caused by factors specific to the instrument or to general external market changes. The entity has no financial instruments which are affected by changing market prices.

### Liquidity Risk

Liquidity risk is the risk of the entity defaulting on its financial obligations as a result of insufficient funding capacity in relation to such obligations. The entity does not consider this a risk in view of the fact that its assets sufficiently cover its liabilities. The entity also has access to possible assistance from the Provincial Treasury in terms of Treasury Regulation 19.5.

### Foreign Currency Risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate with changes in foreign currency. The entity has no financial instruments which are affected by changes in foreign currency, as it has no foreign currency transactions.

### Interest Rate Risk

Interest rate risk stems from the risk associated with an entity's exposure to changes within the interest rate. The entity does not make use of interest rate derivatives and does not have any interest bearing loans or receivables at that may be impacted by movements within the interest rate.

### Sensitivity Analysis

Interest rate risks are presented by way of sensitivity analysis in accordance with IFRS 7. These show the effects of changes in market interest rates on interest income and interest expense. Management feels that due to the fact that market interest rate does not contain any significant risk element for the entity, the performance of a sensitivity analysis is not applicable, and would not reveal any significant information.

## 5.10 General Risk Management Principles

### Financial Liabilities

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques.

The entity uses a variety of methods and makes assumptions that are based on market conditions existing at balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to the short-term nature of trade receivables and payables.

FREE STATE LIQUOR AUTHORITY  
VOTE 3  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010

### 5.11 Prior period error

The entity did not recognise certain accrued expenses (staff costs, travelling & subsistence and catering) as a liability at the end of the previous reporting period. Comparative figures have been restated in accordance with GRAP 3. The effect of restatement on 2009 is as follows:

	<b>2009 R'000</b>
Increase in staff costs	101
Increase in travelling and subsistence expense	14
Increase in catering expenses	11
Increase in Trade and other payables	(126)

### 5.12 Fruitless and Wasteful Expenditure

	2010 R'000	2009 R'000
Opening balance	-	-
Fruitless and Wasteful Expenditure – current year	70	-
Fruitless and Wasteful Expenditure condoned	-	-
Transferred to receivables for recovery	-	-
<b>Closing balance</b>	<b>70</b>	<b>-</b>

Board members submitted claims that were subsequently paid for meetings that did not materialise due to the fact that a quorum could not be formed.

## 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.

The tables in this report are revised on a regular basis by the Department of Public Service and Administration (DPSA). If you wish to see additional information included in this report, please send suggestions (with a clear motivation) to:-

#### The Director-General

Department of Public Service and Administration  
ATTENTION: Public Service Information Unit  
P.O. Box 916, Pretoria, 0001  
psiu@dpsa.gov.za  
fax: (012) 314-7020

To ensure that enough time is available to evaluate and incorporate your suggestions, please ensure that all submissions are submitted on or before 31 August.

For a detailed description and explanation of the terminology used in this section of the report, please consult the publication from the DPSA entitled 'A guide to understanding the oversight report of departmental annual reports'. A copy of the guide is available from all departments or can be accessed from the DPSA website ( [www.dpsa.gov.za](http://www.dpsa.gov.za) ).

## 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**

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
				No monitoring

**Table 1.2 – Consultation arrangements with customers**

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Workshops	SMMEs Cooperatives	Entrepreneurs	No monitoring

**Table 1.3 – Service delivery access strategy**

Access Strategy	Actual achievements
Establishment of District Offices	3 Offices established.

**Table 1.4 – Service information tool**

Types of information tool	Actual achievements
Website developed	Updated regularly

**Table 1.5 – Complaints mechanism**

Complaints Mechanism	Actual achievements
<p>If one wants to complain about service standards not met, he/she can contact the following person in writing, verbally, post or telephonically:</p> <p>Mr. K. Tau Director Communication Private Bag x 20801 Bloemfontein 9300</p> <p>Tel: 051) 400 9542/400 9567, Call Centre: 086 110 2185 Email: ktau@detea.fs.gov.za, or Fax: 051 400 9541 during working hours (Weekdays between 07:30 and 16:00).</p>	<p>Queries attended to.</p>



## 5.2 Expenditure

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 2.1) and by salary bands (Table 2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

**TABLE 2.1 – Personnel costs by programme, 2009/10**

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)
P. 1. Administration	65,263	36,796	116	7,711	56.4%	338
P. 2. Inter and Intra Governmental Relations	12,511	2,947	10	1,561	23.6%	268
P. 3. Environmental Affairs	113,017	48,550	2	2,831	43%	180
P. 4. Economic Affairs	42,979	28,956	11	3,226	67.4%	158
P. 5. Transversal	82,670	-	-	-	-	-
Theft and losses	-	-	-	-	-	-
Total	316,441	117,249	139	15,329	37.1%	944

**TABLE 2.2 – Personnel costs by salary bands, 2009/10**

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	13,935	11.3	106,374
Skilled (Levels 3-5)	16,322	13.2	89,191
Highly skilled production (Levels 6-8)	38,648	31.3	226,012
Highly skilled supervision (Levels 9-12)	24,644	19.9	404,000
Senior management (Levels 13-16)	14,544	11.8	727,200
Other	-	-	-
Contract ( level 3-5)	159	0.1	39,750
Contract (level 6-8)	390	0.3	195,000
Contract (level 9-12)	1,055	0.9	527,500
Contract (level 13-16)	1,929	1.6	643,000
Periodical remuneration	6,195	5	67,337
Total	117,821	95.3	176,115

The following tables provide a summary per programme (Table 2.3) and salary bands (Table 2.4), of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

**TABLE 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2009/10**

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
P. 1. Administration	24,498	66.6	3	0	751	2.1	1,100	3.1
P. 2. Inter and Intra Governmental Relations	3,471	88	0	0	147	2.7	262	4.8
P. 3. Environmental Affairs	30,299	62.4	131	0.3	1,375	2.6	2,630	5
P. 4. Economic Affairs	20,290	70.1	1	0	1,105	3.6	2,007	6.5
<b>Total</b>	<b>78,558</b>	<b>63.6</b>	<b>135</b>	<b>0.1</b>	<b>3,378</b>	<b>2.7</b>	<b>5,999</b>	<b>4.9</b>

**TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2009/10**

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)	9,206	65.1	16	0.1	937	6.6	1,312	9.3
Skilled (Levels 3-5)	10,913	65.5	36	0.2	860	5.2	1,471	8.8
Highly skilled production (Levels 6-8)	25,631	62.3	70	0.2	897	2.2	2,282	5.5
Highly skilled supervision (Levels 9-12)	18,267	68.4	12	-	261	1	712	2.7
Senior management (Levels 13-16)	11,787	78.5	-	-	299	2	174	1.2
Contract (level 3-5)	132	83	-	-	-	-	-	-
Contract (level 6-8)	266	68.2	-	-	6	1.5	39	10
Contract (level 9-12)	770	71.6	-	-	-	-	8	0.7
Contract (level 13-16)	1,587	78.1	-	-	118	5.8	-	-
Periodical remuneration	-	-	-	-	-	-	-	-
<b>Total</b>	<b>78,559</b>	<b>63.6</b>	<b>134</b>	<b>0.1</b>	<b>3,378</b>	<b>2.7</b>	<b>5,998</b>	<b>4.9</b>

## 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 2010**

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
P. 1. Administration, permanent	198	109	44.95	0
P. 2. Inter & Intra Governance permanent	23	11	52.17	0
P. 3. Environmental Affairs, permanent	553	269	51.36	0
P. 4. Economic Affairs, permanent	422	183	56.63	1
<b>Total</b>	<b>1 196</b>	<b>572</b>	<b>52.17</b>	<b>0</b>

**TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2010**

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	361	154	57.34	0
Skilled (Levels 3-5)	285	161	43.51	0
Highly skilled production (Levels 6-8)	370	172	53.51	0
Highly skilled supervision (Levels 9-12)	150	60	60.00	0
Senior management (Levels 13-16)	25	20	20.00	1
Contract (level 3-5) permanent	1	1	0	0
Contract (level 6-8) permanent	2	2	0	0
Contract (level 9-12) permanent	2	2	0	0
<b>Total</b>	<b>1 196</b>	<b>572</b>	<b>52.17</b>	<b>1</b>

**TABLE 3.3 – Employment and vacancies by critical occupation, 31 March 2010**

Critical Occupations	Number of posts	Number of posts filled	Vacancy rate%
Admin. Related, permanent	20	11	45.0
Agric. Animal forestry & other science, permanent	27	6	77.77
Agric. Related, permanent	46	12	73.91
All artisans in building etc, permanent	46	3	93.48
Auxiliary & related workers, permanent	29	15	48.27
Building & property caretakers, permanent	43	8	81.39
Bus & heavy vehicle drivers, permanent	2	2	0
Cleaners in offices, permanent	9	9	0
Communication & information related , permanent	4	3	25.0
Conservation laborers	379	212	44.06
Finance & economic related	15	10	33.33
Financial & related professionals, permanent	33	14	57.57
Financial clerks & credit controller, permanent	46	17	63.04
Food services aids & waiters	2	0	100
HOD / CEO, permanent	1	1	0
Horticulturists & forestry technicians	5	5	0
Human resources & org. Development & related professions	22	15	31.82
Human resources clerks	18	11	38.89
Human resources related	5	3	40.0
Language practitioners & other communications	10	4	60.0
Librarians & related professionals	1	1	0
Library Mail & related clerks	5	3	40.0
Light vehicle drivers	7	1	85.71
Material-recording & transport clerks, permanent	4	2	50.0
Messengers & deliverers	1	1	0
Natural science related	7	0	100
Nature conservation & related technicians	105	69	34.28
Other admin. & related clerks	148	60	59.46
Other admin. Policy & related officers	6	4	33.33
Other information technology personnel	5	3	40.0
Other occupations	0	0	0
Regulatory inspectors	26	10	61.54
Secretaries & keyboard operating clerks	25	17	32.0
Security guards	4	4	0
Security officers	6	2	66.67
Senior managers	23	19	17.39
Trade / industry advisers & related professions	58	13	77.59
Veterinarians	2	1	50.0
<b>Total</b>	<b>1196</b>	<b>572</b>	<b>52.17</b>

## 5.4 Job evaluation

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

The following table (Table 4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

**TABLE 4.1 – Job Evaluation, 1 April 2009 to 31 March 2010**

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)	0	0	0	0	0	0	0
Contract (level 6-8)	0	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0	0
Senior Management Service Band A	0	0	0	0	0	0	0
Senior Management Service Band B	0	0	0	0	0	0	0
Senior Management Service Band C	0	0	0	0	0	0	0
Senior Management Service Band D	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

**TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2009 to 31 March 2010**

Beneficiaries	African	Asian	Coloured	White	Total
<b>FEMALE</b>	0	0	0	0	0
<b>MALE</b>	0	0	0	0	0
<b>TOTAL</b>	0	0	0	0	0
<b>EMPLOYEES WITH A DISABILITY</b>	0	0	0	0	0

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

**TABLE 4.3 – Employees whose salary level exceed the grade determined by job evaluation, 1 April 2009 to 31 March 2010 (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
<b>Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2009/10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Percentage of total employment	0	0	0	0

Table 4.4 summarises the beneficiaries of the above in terms of race, gender, and disability.

**TABLE 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2009 to 31 March 2010 (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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with a disability	0	0	0	0	0

## 5.5 Employment changes

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

Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 5.1) and by critical occupations (Table 5.2). (These “critical occupations” should be the same as those listed in Table 3.3).

**TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2009 to 31 March 2010**

Salary Band	Number of employees per band as on 1 April 2009	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2) permanent	161	0	8	4.97%
Skilled (Levels 3-5) permanent	165	0	4	2.42%
Highly skilled production (Levels 6-8)	177	0	4	2.26%
Highly skilled supervision (Levels 9-12) permanent	68	1	9	13.04%
Senior Management Service Band A, permanent	12	1	0	0%
Senior Management Service Band B permanent	3	1	0	0%
Senior Management Service Band C permanent	1	1	0	50%
Senior Management Service Band D permanent	1	1	1	50%
Contract (level 3-5, permanent)	1	0	0	0%
Contract ( level 6-8, permanent)	2	0	0	0%
Contract ( level 9-12, permanent )	2	0	0	0%
<b>Total</b>	<b>593</b>	<b>5</b>	<b>26</b>	<b>4.35%</b>

**TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2009 to 31 March 2010**

Occupation:	Number of employees per occupation as on 1 April 2009	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Admin. Related, permanent	10	1	1	9.09%
Agric. Animal forestry & other science, permanent	8	0	0	0
Agric. Related, permanent	25	0	0	0
All artisans in building etc, permanent	3	0	0	0
Auxiliary & related workers, permanent	22	0	0	0
Building & property caretakers, permanent	8	0	0	0
Bus & heavy vehicle drivers, permanent	3	0	0	0
Cleaners in offices, permanent	14	0	0	0
Communication & information related , permanent	1	0	0	0
Conservation labourers	164	0	12	7.32%
Farm labourers	73	0	5	6.85%

Occupation:	Number of employees per occupation as on 1 April 2009	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Finance & economics related	10	0	3	30%
Financial & related professionals, permanent	15	0	1	6.66%
Financial clerks & credit controller, permanent	17	0	0	0
Food services aids & waiters	0	0	0	0
Horticulturists & forestry technicians	16	0	0	0
Human resources & org. Development & related professions	10	0	1	10%
Human resources clerks	3	0	0	0
Human resources related	3	0	0	0
Language practitioners & other communications	1	0	0	0
Librarians & related professionals	3	0	0	0
Library Mail & related clerks	2	0	0	0
Light vehicle drivers	2	0	0	0
Messengers & deliverers	2	0	0	0
Natural science related	0	0	0	0
Nature conservation & related technicians	72	0	1	1.38%
Other admin. & related clerks	38	0	0	0
Other admin. Policy & related officers	4	0	0	0
Other information technology personnel	1	0	0	0
Other occupations	1	0	0	0
Regulatory inspectors	7	0	0	0
Secretaries & keyboard operating clerks	17	0	0	0%
Security guards	0	0	0	0%
Security officers	7	0	0	0%
Senior managers	17	4	1	4.76%
Trade / industry advisers & related professions	13	0	1	7.69
Veterinarians	1	0	0	0%
<b>Total</b>	<b>593</b>	<b>5</b>	<b>26</b>	<b>4.35%</b>

Table 5.3 identifies the major reasons why staff left the department.

**TABLE 5.3 – Reasons why staff are leaving the department**

Termination Type	Number	% of total resignations	% of total employment
Death	4	15.38	0.69
Resignation	8	30.77	1.39
Dismissal	4	15.38	0.69
Transfer	6	23.08	1.04
Retirement	4	15.38	0.69
Total	26	100	4.54
Total number of employees who left as a % of the total employment		100	4.54



**TABLE 5.4 – Promotions by critical occupation**

<b>Occupation:</b>	<b>Employees as at 1 April 2009</b>	<b>Promotions to another salary level</b>	<b>Salary level promotions as a % of employees by occupation</b>
Admin. Related, permanent	10	0	0
Agric. Animal forestry & other science, permanent	8	0	0
Agric. Related, permanent	25	0	0
All artisans in building etc, permanent	3	0	0
Auxiliary & related workers, permanent	22	0	0
Building & property caretakers, permanent	8	0	0
Bus & heavy vehicle drivers, permanent	3	0	0
Cleaners in offices, permanent	14	0	0
Communication & information related , permanent	1	0	0
Conservation labourers	164	0	0
Farm labourers	73	0	0
Finance & economics related	10	0	0
Financial & related professionals, permanent	15	0	0
Financial clerks & credit controller, permanent	17	0	0
Food services aids & waiters	0	0	0
Horticulturists & forestry technicians	16	0	0
Human resources & org. Development & related professions	10	0	0
Human resources clerks	3	0	0
Human resources related	3	0	0
Language practitioners & other communications	1	0	0
Librarians & related professionals	3	0	0
Library Mail & related clerks	2	0	0
Light vehicle drivers	2	0	0
Messengers & deliverers	2	0	0
Natural science related	0	0	0
Nature conservation & related technicians	72	0	0
Other admin. & related clerks	38	0	0
Other admin. Policy & related officers	4	0	0
Other information technology personnel	1	0	0
Other occupations	1	0	0
Regulatory inspectors	7	0	0
Secretaries & keyboard operating clerks	17	0	0
Security guards	0	0	0
Security officers	7	0	0
Senior managers	17	0	0
Trade / industry advisers & related professions	13	0	0
Veterinarians	1	0	0
<b>Total</b>	<b>593</b>	<b>0</b>	<b>0</b>

**TABLE 5.5 – Promotions by salary band**

Salary Band	Employment at the beginning of period , April 2009	Promotion to another salary level	Salary level promotions as % of employment
Lower skilled (Levels 1-2)	161	0	0
Skilled (Levels 3-5), permanent	165	0	0
Highly skilled production (Levels 6-8) permanent	177	0	0
Highly skilled supervision (Levels 9-12) permanent	68	0	0
Senior management (Levels 13-16) permanent	17	0	0
Contract (level 3-5, permanent) permanent	1	0	0
Contract ( level 6-8, permanent)	2	0	0
Contract ( level 9-12, permanent )	2	0	0
<b>Total</b>	<b>593</b>	<b>0</b>	<b>0</b>

## 5.6 Employment Equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

**TABLE 6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2010**

Occupational categories (SASCO)	African Male	African Female	Coloured Male	Coloured Female	Asian Male	Asian Female	White Male	White Female
Legislators, senior officials and managers, permanent	13	5	0	1	0	0	0	1
Professionals, permanent	26	18	1	0	0	0	15	2
Clerks , permanent	56	72	4	2	0	0	36	25
Service and sales workers, permanent	0	0	0	0	0	0	0	0
Craft and related trades workers, permanent	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers, permanent	26	3	2	0	0	0	1	1
Elementary occupations, permanent	197	55	2	3	0	0	4	1
<b>Total</b>	<b>318</b>	<b>153</b>	<b>9</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>56</b>	<b>30</b>
Employees with disabilities	1	1	0	0	0	0	1	0

**TABLE 6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2010**

Occupational Bands	African Male	African Female	Coloured Male	Coloured Female	Asian Male	Asian Female	White Male	White Female
Top Management, permanent	4	1	0	1	0	0	0	1
Senior Management, permanent	9	3	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management, permanent	24	18	1	0	0	0	15	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents, permanent	54	71	4	2	0	0	36	25
Semi-skilled and discretionary decision making, permanent	116	17	2	0	0	0	4	2
Unskilled and defined decision making, permanent	107	41	2	3	0	0	1	0
Contract (professionally qualified), permanent	2	1	0	0	0	0	0	0
Contract (skilled technical), permanent	2	1	0	0	0	0	0	0
<b>Total</b>	<b>318</b>	<b>153</b>	<b>9</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>56</b>	<b>30</b>

**TABLE 6.3 – Recruitment for the period 1 April 2009 to 31 March 2010**

Occupational Bands	African Male	African Female	Coloured Male	Coloured Female	Asian Male	Asian Female	White Male	White Female
Senior Management	2	1	0	1	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	1	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**TABLE 6.4 – Promotions for the period 1 April 2009 to 31 March 2010**

Occupational Bands	African Male	African Female	Coloured Male	Coloured Female	Asian Male	Asian Female	White Male	White Female
Senior Management	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with disabilities	0	0	0	0	0	0	0	0

**TABLE 6.5 – Terminations for the period 1 April 2009 to 31 March 2010**

Occupational Bands	African Male	African Female	Coloured Male	Coloured Female	Asian Male	Asian Female	White Male	White Female
Senior Management	1	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	4	2	1	0	0	0	1	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	2	0	0	0	0	1	0
Semi-skilled and discretionary decision making	4	1	0	0	0	0	0	0
Unskilled and defined decision making	5	2	0	0	0	0	0	0
<b>Total</b>	<b>15</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>

**TABLE 6.6 – Disciplinary action for the period 1 April 2009 to 31 March 2010**

	Male				Female				Total
	African	Co-loured	Indian	White	African	Co-loured	Indian	White	
Disciplinary action	9	0	0	1	2	0	0	0	12

**TABLE 6.7 – Skills development for the period 1 April 2009 to 31 March 2010**

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	3	0	0	0	5	1	0	0	9
Professionals	13	0	0	10	14	0	0	0	37
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	16	0	0	0	15	0	0	9	40
Service and sales workers	0	0	0	0	10	0	0	0	10
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	36	1	0	2	50	2	0	2	93
<b>Total</b>	<b>68</b>	<b>1</b>	<b>0</b>	<b>12</b>	<b>94</b>	<b>3</b>	<b>0</b>	<b>11</b>	<b>189</b>
Employees with disabilities	1	0	0	0		0	0	0	1

## 5.7 Performance rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 6.1), salary bands (table 6.2) and critical occupations (Table 6.3).

**TABLE 7.1 – Performance Rewards by race, gender, and disability, 1 April 2009 to 31 March 2010**

Demographics	Beneficiary Profile		
	Number of beneficiaries	Total number of employees in group	% of total within group
African, female	133	174	76.43
African, Male	229	312	73.39
Coloured, Female	4	5	80
Coloured, Male	8	10	80
Total blacks, female	137	179	76.53
Total blacks, male	237	322	73,60
White, female	31	31	100
White, male	56	56	100
Employees with a disability	3	5	60
<b>Total</b>	<b>451</b>	<b>593</b>	<b>76,05</b>

**TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2009 to 31 March 2010**

Salary Bands	Beneficiary Profile		
	Number of beneficiaries	Number of employees	% of total within salary bands
Lower skilled (Levels 1-2)	162	186	87,09
Skilled (Levels 3-5)	137	164	83,53
Highly skilled production (Levels 6-8)	118	158	74,68
Highly skilled supervision (Levels 9-12)	34	68	50
Contract ( level 6-8)	0	0	0
Contract ( level 9-12)	0	0	0
Periodical remuneration	0	0	0
<b>Total</b>	<b>451</b>	<b>576</b>	<b>78,29</b>

**TABLE 7.3 – Performance Rewards by critical occupations, 1 April 2009 to 31 March 2010**

Critical Occupations:	Number of beneficiaries	Total employment	% of total employment within occupation
Admin. Related, permanent	9	12	75
Agric. Animal forestry & other science, permanent	6	8	75
Agric. Related, permanent	10	12	83,33
All artisans in building etc, permanent	3	3	100
Auxiliary & related workers, permanent	21	23	91,30
Building & property caretakers, permanent	7	9	77,77
Bus & heavy vehicle drivers, permanent	3	3	100
Cleaners in offices, permanent	11	14	78,57
Communication & information related , permanent	1	2	50
Conservation labourers	129	181	71,72
Farm labourers	67	78	85,89
Finance & economics related	8	8	100
Financial & related professionals, permanent	14	15	93,33
Financial clerks & credit controller, permanent	14	17	82,35
Food services aids & waiters	6	6	100
Horticulturists & forestry technicians	12	15	80
Human resources & org. Development & related professions	9	9	100
Human resources clerks	3	3	100
Human resources related	3	3	100
Language practitioners & other communications	1	1	100
Librarians & related professionals	3	3	100
Library Mail & related clerks	2	2	100
Light vehicle drivers	2	2	100
Material-recording and transport clerks	2	2	100
Messengers & deliverers	1	1	100
Natural science related	49	66	74,24
Nature conservation & related technicians	25	37	67,56
Other admin. & related clerks	4	4	100
Other admin. Policy & related officers	1	1	100

Critical Occupations:	Number of beneficiaries	Total employment	% of total employment within occupation
Other occupations	3	7	42.85
Regulatory inspectors	13	17	76.47
Secretaries & keyboard operating clerks	3	3	100
Security guards	13	17	76,47
Security officers	9	12	75
Senior managers	6	8	75
Trade / industry advisers & related professions	5	15	33,33
Veterinarians	1	1	100
<b>Total</b>	<b>464</b>	<b>593</b>	<b>78,24</b>

**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	10	12	83,33
Band B	2	3	66,66
Band C	1	1	100
Band D	0	1	0
<b>Total</b>	<b>13</b>	<b>17</b>	<b>76,47</b>

## 5.8 Foreign workers

The tables below summarise the employment of foreign nationals in the department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

**TABLE 8.1 – Foreign Workers, 1 April 2009 to 31 March 2010, by salary band**

Salary Band	1 April 2009		31 March 2010		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**TABLE 8.2 – Foreign Worker, 1 April 2009 to 31 March 2010, by major occupation**

Major Occupation	1 April 2009		31 March 2010		Change	
	Number	% of total	Number	% of total	Number	% change
NONE	0	0	0	0	0	0
	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 5.9 Leave utilization for the period 1 January 2009 to 31 December 2009

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

**TABLE 9.1 – Sick leave, 1 January 2009 to 31 December 2009**

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave
Lower skilled (Levels 1-2)	616	25.56	95
Skilled (Levels 3-5)	917	21.48	113
Highly skilled production (Levels 6-8)	877	20.98	101
Highly skilled supervision (Levels 9-12)	271	23.98	41
Senior management (Levels 13-16)	57	14.03	7
Contract (level 6-8)	0	0	0
Contract (level 9-12)	0	0	0
<b>Total</b>	<b>2738</b>	<b>22.35</b>	<b>357</b>

**TABLE 9.2 – Incapacity leave (temporary and permanent), 1 January 2009 to 31 December 2009**

Salary Band	Total days taken	% days with medical certification	Number of Employees using incapacity leave
Lower skilled (Levels 1-2)	125	100	17
Skilled (Levels 3-5)	220	100	12
Highly skilled production (Levels 6-8)	107	100	9
Highly skilled supervision (Levels 9-12)	74	100	3
Senior management (Levels 13-16)	31	100	2
<b>Total</b>	<b>557</b>	<b>100</b>	<b>43</b>

Table 9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

**TABLE 9.3 – Annual Leave, 1 January 2009 to 31 December 2009**

Salary Bands	Total days taken	Average per employee	Number of employees who took leave
Lower skilled (Levels 1-2)	4351	35.09	124
Skilled Levels 3-5)	6432	34.4	187
Highly skilled production (Levels 6-8)	4331	33.84	128
Highly skilled supervision (Levels 9-12)	3101	30.11	103
Senior management (Levels 13-16)	589	26.77	22
Contract (level 6-8)	0	0	0
Contract (levels 9-12)	0	0	0
<b>Total</b>	<b>18804</b>	<b>33.34</b>	<b>564</b>

**TABLE 9.4 – Capped leave, 1 January 2009 to 31 December 2009**

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2009
Lower skilled (Levels 1-2)	15	4	15
Skilled Levels 3-5)	118	7	39



Highly skilled production (Levels 6-8)	66	4	46
Highly skilled supervision(Levels 9-12)	32	8	40
Senior management (Levels 13-16)	0	0	0
<b>Total</b>	<b>231</b>	<b>6</b>	<b>37</b>

**TABLE 9.5 – Leave payouts for the period 1 April 2009 to 31 March 2010**

The following table summarises payments made to employees as a result of leave that was not taken.

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee (R)
Capped leave payouts on termination of service for 2009/10	979	74	13230
Current leave payout on termination of service for 2009/10	55	7	7857
<b>Total</b>	<b>1034</b>	<b>81</b>	<b>12765</b>

## 5.10 HIV and AIDS and 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
None	

**TABLE 10.2 – Details of Health Promotion and HIV and AIDS Programmes**

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.	x		Mr M.S. Sani Chief Director: Corporate Services
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.	x		EHWP Unit-Two (2) employees R900 000
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.	x		HIV & AIDS Programme HRA & Screening Disease Management Programme Financial Management and Legal Counselling Executive Medical Assessment

Question	Yes	No	Details, if yes
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.	x		<p>EHWP Committee  Mr MS Sani  Ms TA  Molaodi (EHWP)  Ms K Mampe (EHWP)  Mr R. Mogorosi (Special Programmes)  Mr M Letolo (Conservation)  Mr M. Mohale (Conservation)  Ms N. Pikelela (Environmental Coordinating)  Ms M. Gunundu (Environmental Impact Management)  Ms M. Shuping (HoD's Office)  Ms T. Monareng (MEC's Office)  Ms N. Nduna (CFO)  Mr M. Montsitsi (Security Services)  Ms N. Keiso-Lesole (Special Programmes)  Ms M. Tlailane (Special Programmes)  Ms J. Makubalo (Tourism Development)  Mr N. Mondli (Eco-Tourism)  Ms K. Molokoane (Information and Communication Technology)  Mr T. Nhlapo (Permit Office)  Mr M. Malakoane (Supply Chain Management)  Mr C. Motampane (institutional Monitoring &amp; Evaluation)  Ms P. Mothibedi (Liquor)  Ms M. Mokone (Internal Audit)</p> <p>Mr M. Mahau (Transport)  Ms J. Booysen (Human Resource Management)</p> <p>Mr M. Segopa (Human Resource Development)</p> <p>Mr M. Mahau (Transport section)  Ms J. Booysen (Human Resource Management)  Mr M. Segopa (Human Resource Development)</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.	x		Employee Health and Wellness Policy Directives on Recruitment and Selection
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.	x		Awareness Campaigns and enhancing confidentiality of HIV positive employees by outsourcing treatment and support
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	x		<p>VCT Campaign is conducted twice in a year</p> <p>184 employees participated in the last VCT Campaign</p>
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		<p>Introduction of Absenteeism Management Programme</p> <p>Wellness Climate Survey</p>

## 5.11 Labour Relations

The following collective agreements were entered into with trade unions within the department.

**TABLE 11.1 – Collective agreements, 1 April 2009 to 31 March 2010**

Subject Matter	Date
None	

If there were no agreements, then use the following table

TOTAL COLLECTIVE AGREEMENTS	NONE
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

**TABLE 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2009 to 31 March 2010**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	1	7.1%
Verbal warning	0	0%
Written warning	0	0%
Final written warning	6	42.9%
Suspended without pay	2	14.3%
Fine	0	0%
Demotion	0	0%
Dismissal	3	21.4%
Not guilty	0	0%
Case withdrawn	2	14.3%
Total	14	100%
<b>Disciplinary hearings – 2009/10</b>	<b>14</b>	

**TABLE 11.3 – Types of misconduct addressed at disciplinary hearings**

Type of misconduct	Number	% of total
Misuse of government vehicle	1	8.3%
Abscondment	3	25%
Insubordination	2	16.7%
Absenteeism	1	8.3%
Poor work performance	1	8.3%
Driving government vehicle under the influence of alcohol	1	8.3%
Assault	1	8.3%
Unauthorized broadcasting	1	8.3%
Without approval performs work for compensation in a private sector	1	8.3%
<b>Total</b>	<b>12</b>	<b>100%</b>

**TABLE 11.4 – Grievances lodged for the period 1 April 2009 to 31 March 2010**

	Number	% of Total
Number of grievances resolved	41	89.1%
Number of grievances not resolved	5	10.9%
Total number of grievances lodged		
<b>Total</b>	<b>46</b>	<b>100%</b>

**TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2009 to 31 March 2010**

	Number	% of Total
Number of disputes upheld	0	0%
Number of disputes dismissed	1	14.3%
Total number of disputes lodged	6	85.7%
<b>Total</b>	<b>7</b>	<b>100%</b>

**TABLE 11.6 – Strike actions for the period 1 April 2009 to 31 March 2010**

<b>TOTAL NUMBER OF PERSON WORKING DAYS LOST</b>	None
<b>TOTAL COST (R'000) OF WORKING DAYS LOST</b>	None
<b>AMOUNT (R'000) RECOVERED AS A RESULT OF NO WORK NO PAY</b>	None

**TABLE 11.7 – Precautionary suspensions for the period 1 April 2009 to 31 March 2010**

<b>NUMBER OF PEOPLE SUSPENDED</b>	None
<b>NUMBER OF PEOPLE WHOSE SUSPENSION EXCEEDED 30 DAYS</b>	None
<b>AVERAGE NUMBER OF DAYS SUSPENDED</b>	None
<b>COST (R'000) OF SUSPENSIONS</b>	None

## 5.12 Skills Development

This section highlights the efforts of the department with regard to skills development.

**TABLE 12.1 – Training needs identified 1 April 2009 to 31 March 2010**

Occupational Categories	Gender	Number of employees as at 1 April 2009	Training needs identified at start of reporting period			
			Learner-ships	Skills Pro-grammes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	7	0	6	0	6
	Male	13	0	19	0	19
Professionals	Female	20	0	29	0	29
	Male	42	0	52	0	52
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	99	0	5	0	5
	Male	96	0	2	0	2
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0

Occupational Categories	Gender	Number of employees as at 1 April 2009	Training needs identified at start of reporting period			
			Learner-ships	Skills Pro-grammes & other short courses	Other forms of training	Total
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	4	0	0	0	0
	Male	29	0	0	0	0
Elementary occupations	Female	59	0	29	11	40
	Male	203	0	4	12	16
<b>Sub Total</b>	<b>Female</b>	<b>189</b>	<b>0</b>	<b>69</b>	<b>11</b>	<b>80</b>
	<b>Male</b>	<b>383</b>	<b>0</b>	<b>77</b>	<b>12</b>	<b>89</b>
<b>Total</b>		<b>572</b>	<b>0</b>	<b>146</b>	<b>23</b>	<b>169</b>

**TABLE 12.2 – Training provided 1 April 2009 to 31 March 2010**

Occupational Categories	Gender	Number of employees as at 1 April 2009	Training provided within the reporting period			
			Learnerships	Skills Pro-grammes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	7	0	6	0	6
	Male	13	0	3	0	3
Professionals	Female	20	0	14	0	14
	Male	42	0	23	0	23
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	99	0	24	0	24
	Male	96	0	16	0	16
Service and sales workers	Female	0	0	10	0	10
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	4	0	0	0	0
	Male	29	0	0	0	0
Elementary occupations	Female	59	0	49	5	54
	Male	203	0	37	2	39
<b>Sub Total</b>	<b>Female</b>	<b>189</b>	<b>0</b>	<b>103</b>	<b>5</b>	<b>108</b>
	<b>Male</b>	<b>383</b>	<b>0</b>	<b>79</b>	<b>2</b>	<b>81</b>
<b>Total</b>		<b>572</b>	<b>0</b>	<b>182</b>	<b>7</b>	<b>189</b>

### 5.13 Injury on duty

The following tables provide basic information on injury on duty.

**TABLE 13.1 – Injury on duty, 1 April 2009 to 31 March 2010**

Nature of injury on duty	Number	% of total
Required basic medical attention only	7	1.22%
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
<b>Total</b>	<b>7</b>	<b>1.22%</b>

### 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
Development of a District Integrated Waste Management Plan	6	12 months	R1 094 374.52
Preparation of a business case for the merger of public entities	6	2 Months	R984 960.00
Compilation of a Provincial Vegetation and Land Cover Map	7	12 Months	R2 313 672.00
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration: Work days</b>	<b>Total contract value in Rand</b>
3	19	36 Months	R4 393 006.52

**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
Development of a District Integrated Waste Management Plan	100%	100%	6
Preparation of a business case for the merger of public entities	26%	26%	3
Compilation of a Provincial Vegetation and Land Cover Map	0%	0%	4

**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
Development of a District Integrated Waste Management Plan (3 Districts)	21	12 months	Development Bank of South Africa (DBSA) R1 042 290.60
<b>TOTAL NUMBER OF PROJECTS</b>	<b>TOTAL INDIVIDUAL CONSULTANTS</b>	<b>TOTAL DURATION: WORK DAYS</b>	<b>TOTAL CONTRACT VALUE IN RAND</b>
One	21		R1 042 290.60

**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
Development of a District Integrated Waste Management Plan (3 Districts)	100%	100%	14