



Department of Economic Development, Tourism and Environmental Affairs


Annual Report

2011/12

Mrs M.G. Qabathe

Honourable Member of the Executive Council

I have the honour of submitting the Annual Report of the Department of Economic Development, Tourism and Environmental Affairs for the period 1 April 2011 to 31 March 2012.

A handwritten signature in dark ink, appearing to read 'I. OSMAN', is written over a horizontal line.

I. OSMAN

HEAD OF DEPARTMENT: DETEA

31 MAY 2012

DATE

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS**VOTE 3****2011/12 ANNUAL REPORT**

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PART A

GENERAL INFORMATION



1. GENERAL INFORMATION

1.1. Vision, Mission and Values

1.1.1. Vision

The Department of Economic Development, Tourism and Environmental Affairs (DETEA) has adopted the following Vision:

A prosperous Free State that enhances the quality of life through integrated and sustainable economic growth.

1.1.2. Mission

The Department adopted the following Mission:

To provide sound economic and environmental management systems that ensures economic development and poverty reduction in the Free State.

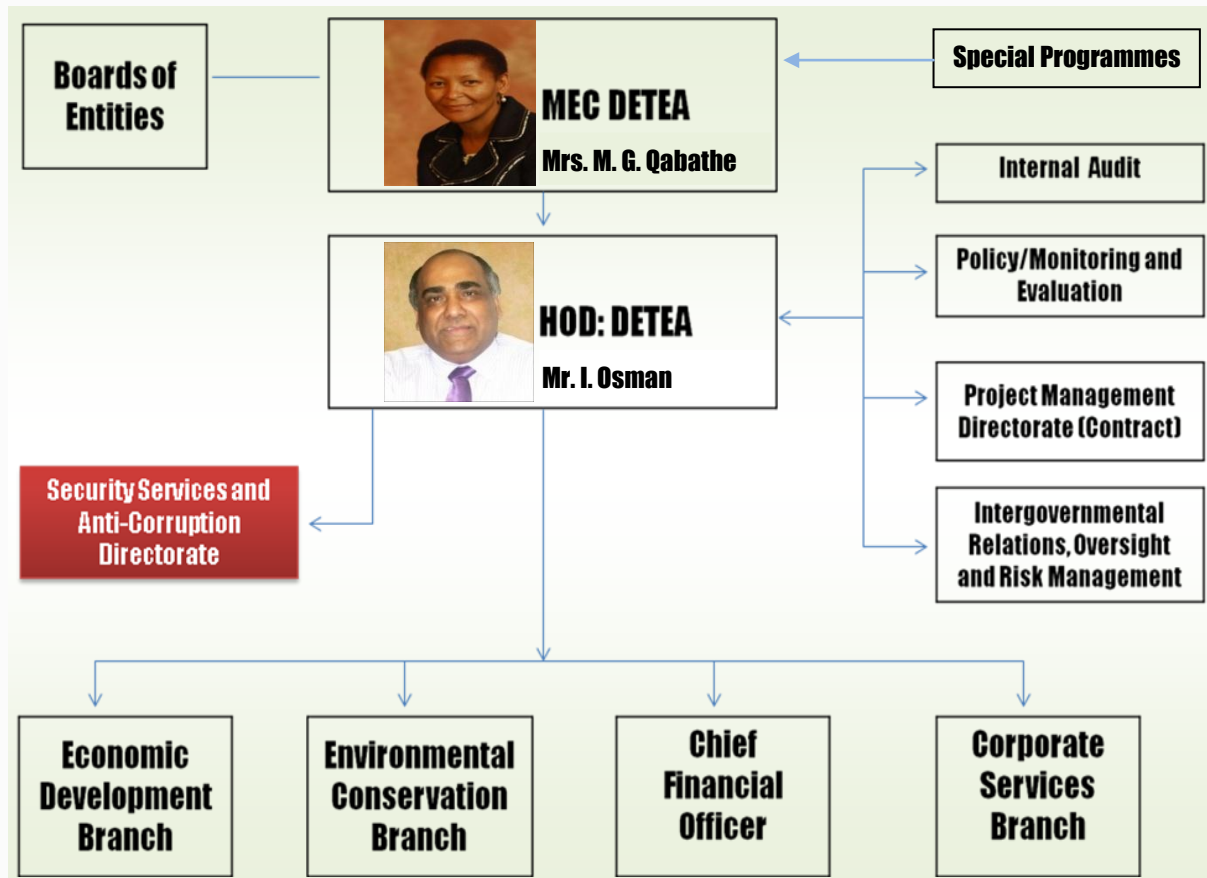
1.1.3. Values

The success of any organisation depends on its culture, which is under-pinned by its shared values. The Department laid particular emphasis on the following shared values:

Batho Pele	Putting People First
Learning and Innovation	Encourages recognition of new information and techniques by instilling a culture of learning and innovation.
Professionalism	All personnel should act professionally at all times when delivering services.
Team work	Encourages team work to accomplish its mandates more effectively.
Trustworthiness	Creates a high level of trust among working groups and individuals.
Integrity	All personnel should hold a sense of justice and fairness towards others and clients.
Honesty	Personnel are always to provide accurate and full feedback to their colleagues, managers and clients.

1.2. Organisational Structure

The Department comprise of three programmes, namely; Administration, Environmental Affairs and Economic Development. Programme 1 is Administration and it comprises of all components that report to Office of the MEC and HOD, Financial Management and Corporate Services. Programme 2 is Environmental Affairs and Programme 3 is Economic Development;



1.3. Constitutional and Legislative Mandate

The Department has adopted the following broad Mandate:

To improve the socio-economic livelihoods of Free State communities through economic and environmental development programmes.

This mandate is derived from the constitution, a wide range of legislation and policies as listed below;

1.3.1. Constitutional Mandates of DETEA

The DETEA's constitutional mandates have been derived from Schedules 4 and 5 of the Constitution of the Republic of South Africa, which requires the Department to oversee and administer the following:

1. Trade
2. Tourism
3. Casinos, racing, gambling and wagering, excluding lotteries and sports pools
4. Consumer protection
5. Environment
6. Industrial promotion
7. Nature conservation
8. Pollution control
9. Provincial public enterprises
10. Soil conservation
11. Liquor licences and control of undertakings that sell liquor to the public

Furthermore, the Department's constitutional mandate is derived from Section 24 of the Constitution, which emphasises that:

Everyone has the right

- a. *to an environment that is not harmful to their health or well-being; and*
- b. *to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that:*
 - i. *prevent pollution and ecological degradation;*
 - ii. *promote conservation; and*
 - iii. *Secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.*

1.3.2. Legislative Mandate

Table 1 indicates core legislative mandates that are applicable to the Department.

Table 1- Legislative Mandate

Programme Name and Core Function	Legal Mandate
Economic Development	
SMME Development	<ul style="list-style-type: none"> National Small Business Act, 1996 (Act No. 102 of 1996) and Amendments Business Act 1991, (Act No. 71 of 1991) National Small Business Amendment Act, 2004 (Act No. 29 of 2004) Broad Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)
Gambling & Betting Administration	<ul style="list-style-type: none"> National Gambling Act (No. 7 of 2004) Free State Gambling and Liquor Authority Act, 2010 (Act No.6 of 2010)
Consumer Protection	<ul style="list-style-type: none"> Free State Consumer Affairs (Unfair Business Practices) Act, 1998 (Act No. 14 of 1998)

Programme Name and Core Function	Legal Mandate
Liquor Administration	<ul style="list-style-type: none"> • Liquor Act 1989, (Act No. 27 Of 1989) • National Liquor Act, 2003 (Act No. 59 of 2003) • Free State Liquor Act, 2007 (Act No. 3 of 2007)
Trade Inspection	<ul style="list-style-type: none"> • Trade Metrology Act, 1973 (Act No. 77 of 1973) • Credit Agreement Act, 1980 (Act No. 75 of 1980)
Environmental Affairs	
Protected Areas Management	<ul style="list-style-type: none"> • National Environmental Management Act, 1998 (Act No.107 of 1998) and Amendments • Environmental Conservation Act, 1989 (Act No. 7 of 1989) • Free State Nature Conservation Ordinance , 1969 (Ordinance No. 8 of 1969) • Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004) • National Environmental Management: Protected Areas Act, 2003 (Act No.57 of 2003) • National Heritage Recourses Act, 1999 (Act No. 25 of 1999) • World Heritage Conservation Act, 1999 (Act No. 49 of 1999) • Game Theft Act, 1991 (Act No. 105 of 1991) • National Water Act, 1998 (Act No. 36 of 1998) • National Environmental Management: Waste Act, 2008 (Act No.59 of 2008) • National Environmental Management: Air Quality Act, 2005 (Act No. 39 of 2005) • Veld and Forest Fire Act, 1998 (Act No. 101 of 1998) • Conservation of Agricultural Resources Act, 1983 (Act No. 43 of 1983) • Animal Protection Act, 1962 (Act No.71 of 1962)
Tourism	
Tourism	<ul style="list-style-type: none"> • Tourism Act, 1993 (Act No.72 of 1993) • Free State Tourism Authority Act, 2005 (Act No. 3 of 2005)

1.3.3. Non-Entity Specific Legislation

This section lists legislation that is not specific to the Department only but is gross cutting with government.

1. Constitution of the Republic of South Africa, 1996 Act 108 of 1996
2. Public Service Act, 1994 (Act No 103 of 1994) and amendments;
3. Public Service Regulations, 2001;
4. Public Finance Management Act 1999 (Act No. 1 of 1999) (as amended by Act No. 29 of 1999);
5. National Treasury Regulations 2007;
6. Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000); and relevant regulations 2004;
7. Promotion of Equality and Elimination of Unfair Discrimination Act, 2000 (Act 4 of 2000);
8. Intergovernmental Relations Framework Act 13 of 2005
9. Protected Disclosures Act - Act No 26 of 2000
10. Employment Equity Act, No. 55 Of 1998
11. Labour Relations Act, 1995 (Act No. 66 of 1995)

12. Promotion of Access to Information Act, 2000 Act 2 of 2000
13. Promotion of Administrative Justice Act 3 of 2000
14. Basic Conditions of Employment Act, 1997 Act 75 of 1999
15. The Companies Act 2004 Act 20 of 2004
16. Occupational Health and Safety Act, 1993 Act 85 of 1999

1.4. Entities Reporting to the MEC

The following entities report to the MEC of DETEA:

Name of entity	Legislation	Nature of Business
Free State Development Corporation	Free State Development Corporation Amendment Act 4 of 2010	<ul style="list-style-type: none"> To finance and advance economic growth and development, Black Economic Empowerment and SMME development and growth. To promote investment and trade within the Province and to identify, analyse, publicise and market investment and trade opportunities in the provincial economy
Free State Gambling and Liquor Authority	Free State Gambling and Liquor Act 6 of 2010	<ul style="list-style-type: none"> To regulate the gambling and racing activities in the Province on behalf of the Provincial Department. To reduce socio-economic and other costs of alcohol abuse. Regulate the micro-manufacturing and retail sale of liquor or methylated spirits.
Free State Tourism Authority	Free State Tourism Authority (FSTA) was established by Free State Tourism Authority Act No 3 of 2005	<ul style="list-style-type: none"> To promote tourism and increase market share in the tourism industry and to coordinate marketing activities of all role players. To market major sport events for tourism promotion.

1.5. MEC's Statement



Our presentation of this Annual Report for the 2011/12 to the Free State Legislature and the people of the Free State Province is an expression of our commitment to service delivery and the execution of our mandate as a department of government. We will through this report give account on how we performed against the targets we set for ourselves in the Annual Performance Plan of 2011/12.

The report will take into consideration, government priorities as set out in the New Growth Path and the Medium Term Strategic Framework. Our programmes during the period under review made a bold attempt to identify areas where employment creation is possible on a larger scale because of substantial changes in economic conditions in South Africa and globally. Our efforts were motivated by Minister Pravin Gordhan's encouragement that ***"we must move into new products and improve ways of producing the things we sell"***.

In line with this new thinking, the Department identified a number of projects aimed at improving the economy of this Province. Many of these initiatives start as ideas and move into a feasibility study stage before real implementation can commence. During the period under review much effort was therefore placed on:

- Ensuring that projects are properly researched and by virtue of their potential, economic, spatial, social and environmental impacts, they will be catalysts for diversified economic growth;
- Earmarking specific financial resources for the promotion and facilitation of specific projects.

In view of this, we have resolved to review some of the projects that were planned for 2011/12 with the aim of putting emphasis and focus on those that can be realized within a shorter turnaround time.

Our efforts towards Small, Micro and Medium Enterprise (SMME) development were bolstered by the partnership with the International Labour Organization (ILO) and the

government of Flanders, which finance the technical cooperation project. This initiative will support SMMEs in the Free State province for an initial duration of three years. We are convinced that the work done through this programme is beginning to have impact, particularly within the local government space.

Working with the private sector and our strategic partners we have mustered a measure of success towards improving socio-economic livelihood through economic and environmental programmes as well as governance systems to ensure job creation and poverty reduction within the Free State.

This report will therefore outline some of our achievements during this period. These include the following:

- Establishment of emerging game farmers to participate in the game industry.
- SMME Development through financial and non-financial support.
- Establishing environmental projects aimed at job creation.
- Effective consumer protection.
- Tourism promotion.

We are the first ones to agree that much still needs to be done, but we are confident that the department's staff and management have the ability and commitment to make a real difference to the lives of the people of the Free State.



Mrs M.G. QABATHE

MEC: Economic Development, Tourism and Environmental Affairs

Signed on this day 31 of May 2012

1.6. Accounting Officer's Overview



The Department of Economic Development, Tourism and Environmental Affairs carries a mandate to provide sound economic and environmental management systems that contribute towards economic development and poverty eradication in the Free State. We have made an honest assessment of the environment within which we operate and we

are convinced that indeed the bar is not too high to reach. Our vision is to become an innovative, professional, ethical and delivery-focussed department that excel in all facets of its mission and commitments.

We realised that we may have fallen short to meet the expectations of those we have committed to serve. Through our interaction with them we have learned that we will need to put more emphasis, among others on the following issues if we were to be relevant and responsive to the needs of the people of the Free State;

- Make the Department more accessible to the people;
- Increase the level of commitment of Departmental staff;
- Ensure that plans and commitments made are carried through;
- Include municipalities and other stakeholders in economic planning;
- Ensure that state owned enterprises like FDC, FSLGA and FSTA respond to the needs of their stakeholders;
- Improve the 99% rate, at which the Department pays small business service providers within 30 days from receipt of invoice, to 100%.
- Enhance support for entrepreneurs to access markets for their goods and services.

We also realised an urgent need to ensure that the Free State economy becomes more robust by creating an environment conducive to improving prioritized sectors that are not performing to expectation. In this respect, five economic sectors were identified with regard to attracting new business in 2012/13 financial year. These include:

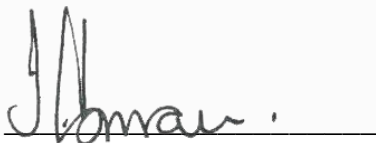
- Mining
- Agro- processing
- Manufacturing

- Petro-chemicals
- Tourism

The focus on these sectors does not mean other sectors such as Information and Communications, Infrastructure, Business Processing and Off-shoring, Pharmaceutical industries, Warehousing and Transport Logistics will be ignored. We are assessing these and other sectors to identify those that will provide the Province the most comparative advantage.

The government alone cannot be and is not adequately resourced to develop the economy to the level where it can grow at a sustainable rate that will generate much needed jobs, business opportunities, generate wealth in an equitable fashion and reduce poverty. We however, commit to creating the necessary environment and call upon the private sector, to come on board and assist in improving the economy of the Free State to the mutual benefit of all stakeholders.

We commit ourselves to the people of the Free State that they can indeed count on us as champions of economic development and job creation by also doubling our efforts in creating a better Free State because together we can do more. As a Department we strongly hold the view that with minor changes such as refocusing and realignment of functions as well as proper placement of staff, we can become a winning team in terms of service delivery excellence.



I. OSMAN

Accounting Officer: Department of Economic Development, Tourism and Environmental Affairs

Signed on this day 31 of May 2012

The cover features a large, curved, golden-yellow graphic element that sweeps across the top and right sides. The background is a collage of three images: a dam on the left, a traditional hut in the center, and a rocky landscape on the right.

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A photograph of a large concrete dam with multiple spillways, situated in a lush green valley with a river flowing through it.

PART B

**INFORMATION ON PREDETERMINED
OBJECTIVES**

2. INFORMATION ON PREDETERMINED OBJECTIVES

2.2. Overall Performance

2.1.1. Voted Funds

Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	Under Expenditure R'000
R 390 303	R 398 514	R 389 855	R 8 659
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		

2.1.2 Aim of Vote

The aim of the Department is to provide sound economic and environmental management systems that ensure economic development and poverty reduction in the Free State. The main focus being on implementing the following principles:

1. Diversification of the Free State economy to ensure:
 - a. Acceleration of the economic growth rate;
 - b. Creation of new employment opportunities; and
 - c. Reduction of economic inequalities.
2. Stimulate business creation and expansion through improved service delivery, export and tourism promotion.
3. Ensuring effective, efficient and sustainable resource management.

2.1.3 Strategic Outcomes Oriented Goals

In order for the Department to fulfil its mandate, it has set the following strategic goals;

	Strategic Goal	Goal Statement
1.	To Stimulate Integrated Sustainable Economic Development within the Province.	Creation of a suitable business environment in the Province to enhance economic growth.
2.	To Ensure Sustainable Environmental Conservation within the Province.	Contributing to sustainable environmental practices and conservation in the Province.
3.	Efficient and Effective Business Processes.	To ensure functioning business processes for the Department.

The Department is further mandated to implement the following prioritised outcomes as part of the initiative to deal with the plight of poverty and unemployment in the country:

Outcome	Outcome Statement
Outcome 4	Decent employment through inclusive economic growth; An efficient, competitive and responsive economic infrastructure network;
Outcome 10	Protecting and enhancing our environmental assets and natural resources;
Outcome 12	An efficient, effective and developmental orientated public service and an empowered, fair and inclusive citizenship.

Planned and achieved activities, as outlined in this report, are aligned and contribute to the achievement of these outcomes. Activities/indicators contributing to outcome 12, 10 and 4 are on page 26-33 (Administration), 35-42 (Environmental Affairs) and 44-47 (Economic Development) respectively.

2.14 Overview of the service delivery environment for 2011/12

The DETEA is mandated to provide services within the economic development, tourism and environmental sectors to the Free State communities. The key services provided directly to the public include:

- Develop and support SMME and Cooperatives;
- Protect consumers from unfair business practices;
- Develop environmental policies and regulations;
- Provide various environmental licences and permits;
- Inspect and address any environmental complaints made by the public;
- Provide accommodation in resorts and reserves;
- Train and raise awareness on environmental issues;
- Develop environmental programmes for schools.

The Department has been under pressure to perform these services effectively and efficiently due to external factors such as high unemployment rates, which reached 29.4% during the third quarter of the financial year. Therefore, the pressure has been to develop and support SMMEs and Cooperatives that can absorb significant number of unemployed people and reduce the unemployment rate. Due to the slow recovery of the economy, a number of unfair business practices have been undertaken by businesses. As a result 474 complaints were received and 425 of them were resolved, which returned R3 126 059.41 back to the consumers.

Some of the services that the Department performed well in, as a contribution to outcome 10, include the rehabilitation of 13 wetlands. This is more than 300% increase from the output achieved in the previous year. The number of enforcement actions undertaken for non-compliance and illegal activities is 230, while investigations and the number of resolved complaints increased from 48 to 60 during the financial year.

During the period under review, the Department made two major virements to its two Public Entities. The first virement of R7 500 000 was from programme 1: Administration to programme 3: Economic Development. This was to fund the Free State Gambling and Liquor Authority, which was in dire need of funds for compensation in February and March 2012. The second virement of R5 million was made to Free State Development Corporation as a reimbursement for a payment made to Unicore LTD.

The table below outlines some of the services provided by the department directly to communities and the number of clients assisted:

Component	Service	Number of clients who use service
Integrated Economic Development	Assist communities to establish primary cooperatives	58
	Provide support to cooperatives	33
	Provide support to existing SMMEs	111
	Develop SMMEs	10
Trade Promotion and Development and Integrated Economic Development	Assist companies/SMMEs/ Cooperatives to access incentive schemes from DTI	15
Business Regulations	Protect consumers from unfair business practices	425
Biodiversity Management, Planning and Research	Provide day and overnight accommodation at reserves and resorts	103 997
	Managed and maintain Provincial reserves and resorts	14 Reserves and 7 resorts (21)
	Donation of game to emerging black game farmer	Game donated to 7 farmers
Environmental Empowerment and Compliance	Licensing (Trophy) Exports	1089
	Licensing (Trophy) Imports	25
	Provision of permits, TOPS	87
	CITES Exports	362
	CITES Imports	45
	Captivity	263
	Game fencing certificates	102
	Enforce compliance to environmental management legislation	89
	Raise awareness and increase participation in environmental activities	63 558
Environmental Quality Management	Environmental authorizations issued	60
Environmental Empowerment and Compliance	Promote sustainable capacity building through Environmental Education Programmes	693

2.15 Overview of the organisational environment for 2010/11

This section aims to provide an overview of significant development that took place in the Department that may, to some extent, have impacted on performance of the Department.

Resignation and Appointments of Key Personnel

Some of these developments include changes in the leadership of the Department during 2011/12 financial year. Towards the end of the third quarter, the Accounting Officer of the Department was transferred from the Department to one of the Departmental Public Entities. Though the impact of this could have been high, it was mitigated by the immediate filling of the post. Another change that took place during the fourth quarter of the year was the replacement of the Executive Authority.

Restructuring efforts

The Department had vacancies in a number of critical posts that caused leadership vacuums in some branches of the Department such as Economic Development, which led to lack of direction and guidance. This coupled with other issues such as lack of role clarification for some staff members led to low staff morale that impeded on performance and stifled innovation in these branches.

The Head of Department is currently dealing with these challenges and has initiated a number of processes to address them. The following processes have been initiated:

1. Appointment of acting managers in some of the critical posts who can lead and provide the necessary guidance.
2. Placement of official from sections with access capacity to sections that currently do not have staff.
3. Transfer of misplaced officials to sections that are in-line with their areas of speciality.
4. Redefining functions to ensure that the Economic Development branch becomes more focused and service delivery oriented.

Improving internal business processes

The Department has been reviewing internal business processes and policies to improve efficiency and effectiveness when delivering services. The following policies have been developed in 2011/12:

- Network Access Policy
- General Password Policy
- Server Configuration Policy
- Project Management Policy
- IT Governance Charter (Terms and references for the establishment of the IT Steering Committee)
- Standardization of computers in the Department
- Whistle-blowing policy
- Substance abuse policy.

2.1.6 Key policy developments and legislative changes

The following are some of the policies and legislation that changed during the financial year that may have an impact of the services provided by the Department:

1. Consumer Protection Act 68 of 2008, which became effective from the 1st April 2011;
2. National Environmental Management: Biodiversity Act 10/2004: Prohibition of trade in certain Encephalartos (cycad) Species. (Gazette 35344);
3. National Environmental Management: Biodiversity Act 10/2004: Prohibition of trade in certain Encephalartos (cycad) Species. (Gazette 35343);
4. National Environmental Management: Biodiversity Act 10/2004: Norms and standards for the marking of rhinoceros and rhinoceros horn, and for the hunting of rhinoceros trophy hunting purposes. (Gazette 35248);
5. National Environmental Management: Protected Areas Act: Admission of Guilt Fines, 2011. (Gazette 34448);
6. National Environmental Management: Protected Areas Act (57/2003) Notice in terms of section 86. (Gazette 28181);
7. National Environmental Management: Protected Areas Act: Regulations for the proper administration of Special nature reserves, national parks and World heritage Sites. (Gazette 28181);
8. The hunting of lions for trophy hunting purposes and the exportation and transportation of such hunting trophies. (Gazette 106);
9. The hunting of white and black rhinoceros for trophy hunting purposes and the exportation and transportation of such hunting trophies. (Gazette 106)
10. Norms and standards for the keeping and management of Bontebok in the Free State. (Gazette 106)
11. National Environmental Management Act, 10 of 1998. Amendments to Environmental Impact Assessment Regulations, 2010 and listing notices. (Gazette 33842)

2.17 Departmental revenue, expenditure, and other specific topics

Departmental Revenue

Tax Receipts

Revenue collected from tax receipts is 3% above the target of R40, 7 million. This is largely due to the improved turnaround times in the processing of liquor license applications, and more than anticipated collection from casino taxes.

Non-Tax Receipts

Non-tax revenue is 6% below the target due to low collection of revenue from accommodation and entrance fees from the Provincial Resorts and Reserves. The cold and rainy weather that was experienced in the first quarter of 2011/12 (April-June), contributed to low utilization of these facilities.

Renovations at Willem Pretorius and Sterkfontein Resorts also affected utilization of facilities because some chalets could not be used by the public due to construction work that took longer to be completed.

The Department also received income from imposing fines on companies/ organizations that failed to comply with Section 24(G) of the National Environmental Management Act (NEMA), e.g. illegal construction development without the environmental impact authorization.

Sale of Capital Assets

The Department conducts an annual game auction as part of the game management plan to reduce over-population and over-grazing. This is also part of the core function of ensuring bio-diversity conservation in the protected areas. An amount of R13, 8 million was raised from this exercise.

The table below provides a breakdown of the sources of revenue (R '000):

	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual	Deviation from target %
Tax revenue	32,984	32,657	36,790	40,730	42,073	3%
Casino taxes	24,824	24,183	25,739	29,368	30,175	6%
Horse racing	5,848	5,631	5,427	6,854	6,748	-2%
Liquor license	2,312	2,843	5,624	4,508	5,150	14%
Non-tax revenue	24,318	19,534	21,144	24,741	23,275	-6%
Sales of goods and service	23,555	8,168	7,629	10,114	8,811	-13%
Interest dividends and rent	280	20	176	7	123	1.7%
Sales of capital assets	44	300	79	217	198	-9%
Financial transactions (Recovery of loans and advances)	-	9,998	12,012	13,863	13,863	-
Fines	439	1,048	1,248	540	280	-48%
Total Departmental Receipts	57,302	52,191	57,934	65,471	65,348	-0.19%

2.18 Departmental Expenditure

The department had a budget of R398 514 000.00 in 2011/12 financial year and managed to spend R389 869 000.00 of the allocated budget, which translates to 97.8% expenditure. This has marked a significant improvement in spending by the department. In the past the department experienced under-expenditure on Infrastructure, however this financial year the department spent 100% of infrastructure allocation. The implementation of early warning systems and coordinated planning contributed towards achieving this kind of spending.

2.19 Transfer payments

The Department performs some of its functions through three Public Entities, namely the Free State Development Corporation (FDC), the Free State Gambling and Liquor Authority (FSGLA) and the Free State Tourism Authority (FSTA). The following are the functions and transfers made to the Departmental Public Entities:

Name of Entity	Mandates	Amount transferred (R '000)	Actual expenditure incurred by Department (R '000)
Free State Development Corporations	<ul style="list-style-type: none"> • Investment opportunities for the Province; • Stimulate economic growth; • Assist small and medium enterprises with financial assistance; • Promote economic activity within the Province; • Provide for trade promotion. 	R 35 000	R 35 000
Free State Gambling and Liquor Authority	<ul style="list-style-type: none"> • Implementation of essential national norms and standards in the liquor industry. • Regulation of the micro-manufacturing and retail sale of liquor or methylated spirits. • Promotion of responsible and sustainable liquor industry. • Regulate, license, control and police Gambling activities. • Protect public who participate in any licensed gambling activity. • License gambling activities in a transparent, fair and equitable manner. 	R 44 592	R 44 592
Free State Tourism Authority	<p>Ensure effective and efficient:</p> <ul style="list-style-type: none"> • Marketing of tourism; • Promotion of tourism; • Development of sustainable tourism within the Province; • Promotion of major sport events to promote tourism; • Broaden the participation in tourism of previously disadvantaged communities and persons in order to contribute to the improvement of the quality of life of every inhabitant of the Province. 	R 30 532	R 30 532

A further R6 million was transferred to the University of Free State, which will be managing and implementing the Naval Hill project on behalf of the Department. The total funds transferred from the Department in 2011/12 financial year is R116 124 000.

As mandated by the Public Finance Management Act, the Department ensures that financial effectiveness, efficiency and transparency of their financial management and internal control are in place. Currently the monitoring of expenditure of transfers on monthly basis is not as effective as it should be.

2.1.10 Public Entities

Below are some of the significant achievements of Public Entities accountable to the DETEA:

Indicators	Planned Outputs	Actual Outputs
Free State Gambling and Liquor Authority		
Liquor Regulation		
Number of applications received	128	247
Number of licenses issued	40	85
Number of awareness programmes conducted	8	26
Number of inspections conducted	48	191
Gambling and Betting		
Number of licenses issued	40	96
Number of awareness programmes conducted	8	16
Number of inspections conducted	48	32
Number of compliance audits conducted	40	40
Free State Development Corporation		
Number of SMMEs participating in business support programme	15	89
Percentage increase in profitability of the property portfolio	1.25%	18.13%
Percentage of monthly billing v/s monthly collection or repayments	50%	54.16%
Free State Tourism Authority		
Number of events and conferences as per the event strategy	Implement the events and conferences plan	Successfully held and supported these events: <ul style="list-style-type: none"> • Tour de Free State • Wesbank Super Series • Bloem Show • Cherry festival • Beach on the track • David Kau Annual Party
Implement activities as per marketing plan	Review and implement activities as per marketing plan	Participated in the following events: <ul style="list-style-type: none"> • Tourism Indaba, • Macufe • Tourism month • Pro-Tour Exhibitions in: <ul style="list-style-type: none"> • Netherlands – Vakantibeurt • Germany – International Tourism Bureau • London – World Tourism Market

2.1.11 Conditional grants and earmarked funds

The Department did not receive any conditional grants.

2.1.12 Capital investment, maintenance and asset management plan

Capital Investment

The following table lists infrastructure projects implemented by the Department and progress made:

PROJECT	PROGRESS	Budget (Rands)	EXPENDITURE (Rands)
Koppies dam	The project is 82% complete	9 000 000	8 629 516
Maria Moroka	Construction of chalets, road and electricity infrastructure is underway.	5 000 000	4 537 620

PROJECT	PROGRESS	Budget (Rands)	EXPENDITURE (Rands)
Soetdoring train camp	The planning phase has been completed and the tender will be advertised in 2012.	1 500 000	1 144 269
Philip Sanders	Installation of a new pipeline from Maselspoort is 85% completed. Upgrading of staff houses is 35% complete and will be completed in the July 2012.	21 508 000	21 405 275
Gariep – purchase land	Entered into preliminary negotiations with 2 land owners.	7 430 000	Funds redirected to Philip Sanders resort
Construction of new office complex – Karee	No progress. Architect not yet appointed by Public Works.	500 000	Fund redirected to Philip Sanders resort

Asset Management

The Department has experienced a number of challenges regarding asset management. In order to improve management of the assets, the following developments have been undertaken in 2011/2012:

- The post of director: Fleet and Asset Management has been created in the organisational structure to ensure that asset management receives the required attention at all levels in the Department.
- One of the challenges is the management of assets in the departmental reserves and resorts. To address this challenge, the Accounting Officer has officially appointed reserve and resort managers as asset controllers for assets under their control.

Furthermore, the following activities have been undertaken to update the asset registers:

- Asset register has been updated and these include:
 - Full verification of departmental assets,
 - Auctioning of excess game,
 - Identification and recording of redundant and unserviceable assets in the Department. These assets have been stored at a central place in the Soetdoring Reserve, awaiting disposal processes.
 - The property asset register, i.e. U-AMP, has also been updated for 2011/2012.

The value of the Departmental asset changed from R145 648 107.68 as at 1/04/2011 to R165 961 147.15 as at the end of financial year 2011/2012

Maintenance

The main driver of maintenance costs in the Department is in the reserves and resorts. During the 2011/12 financial year the following maintenance projects were undertaken:

Project Name	Project Description	Project Duration		Adjusted Budget 2011/12 (Rands)	Expenditure 2011/12 (Rands)	Progress
		Date: Start	Date: Finish			
Rustfontein Dam	Construction of security fence	Sep-10	Sep-11	3 150 000	3 114 811	Fencing completed
All Reserves and Resorts	Maintenance of staff Houses	Mar-11	Dec-11	-	1 656 234	Houses at Koppies, Sterkfontein and Krugersdrift (Soetdoring) completed
Willem Pretorius	Repairs of Bridges	May-11	Dec-11	1 000 000	-	Funds had to be redirected to Philip Sanders
Gariep Resort	Repairs to Chalets	May-11	Sep-11	-	236 615	The project is completed
Soetdoring N/R	Repair office roof	May-11	Sep-11	400 000	-	The roof has been completed
Sandveld	Hall maintenance	May-11	Mar-12	-	126 594	The project is completed
Sterkfontein	Chalet maintenance	Apr-11	Mar-12	703 000	511 252	Revamping is completed
Total Maintenance & repairs				5 253 000	5 645 506	

The Department is working together with the National Department of Environmental Affairs (DEA) to reduce the infrastructure development backlog and maintenance in the resorts and reserves. The project is implemented directly by the DEA and therefore funds are not transferred to the Department. DEA is therefore directly responsible for the quality of these deliveries although the Department is negotiating with DEA for a role to ensure delivery according to expectations. The fund allocation is as follows:

Resorts/Reserves	Allocation
Maria Moroka	R16 000 000
Willem Pretorius	R27 500 000
Sandveld	R28 000 000
Tussen die Riviere	R10 000 000
Sterkfontein	R17 800 000

The upgrades of Willem Pretorius and Sandveld game reserves have commenced and the expected date of completion is 31 March 2013.

2.2. Programme Performance

The activities of the Department of Economic Development, Tourism and Environmental Affairs are organized in the following programmes:

- Programme 1: Administration
- Programme 2: Environmental Affairs
- Programme 3: Economic Development

2.2.1 Programme 1: Administration

Purpose

To provide leadership and strategic management in accordance with legislation, regulations and policies as well as providing appropriate support service to other programmes.

Strategic Objectives

The following are strategic objectives of programme 1:

- Render advisory, secretarial, administrative and office support services to the MEC, including parliamentary liaison services.
- To promote the interest of targeted and vulnerable groups by means of Departmental programmes.
- To manage and direct the Departmental transversal, administrative programmes which provide leadership to the Department.
- To effectively maintain an oversight function of the whole Department's mandate and function.
- To ensure an effective and efficient Internal Audit function by performing audits according to an approved audit plan.
- To provide efficient and effective legal functions to the Department.
- To coordinate Security activities in the Department and render advice on security management.
- To ensure effective and efficient Financial Management by ensuring proper financial and non-financial planning, reporting and an effective supply chain management.
- To provide and retain a well developed and competent workforce.
- To enhance the effectiveness and efficiency of current working systems.
- To enhance effective and efficient Human Resource Management.
- To maintain discipline and labour peace in the Department.
- To ensure effective & efficient internal and external communication.
- To ensure that IT and ICT systems in the Department are annually reviewed in terms of technology improvements, maintenance, cost efficiency and aligned with operational systems to support workflow.

Service Delivery Objectives and Indicators:

This programme contributes towards Priority Outcome 12: An efficient, effective and developmental orientated public service and an empowered, fair and inclusive citizenship.

Programme 1 - Administration: Service Delivery Indicators, Targets and Outputs

Sub-programme: Special Programmes					
	Performance Measure/indicator	Baseline (Audited Outputs)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.1	Number of consultative sessions to ensure the promotion of the interest of targeted and vulnerable groups	0	4 Consultative sessions	4 Consultative sessions	
1.2	Capacity training sessions for SMS & MMS women members conducted on the 8 principles on women's empowerment and gender equality	0	2 Training sessions	Not achieved	Not done due to financial constraints, however arrangements for training have been made with PALAMA, starting in May 2012
1.3	Number of SMS & MMS Women's forum meetings coordinated	0	4 Meetings	4 Meetings	
1.4	Participation of DETEA in provincial campaigns celebrated and commemorated in terms of Provincial calendar of events	9 Campaigns	14 Campaigns	14 Campaigns	
1.5	Review DETEA APP draft to assess mainstreaming of designated groups	0	1 Review	Not achieved	The review was replaced by a presentation in the strategic planning workshop
1.6	Monitor and evaluate progress on empowerment for designated groups	4 Monitoring reports compiled	4 Monitoring reports	Not achieved	Lack of appropriate baseline data

Sub-programme: Management Services					
	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.1	Percentage of received audit queries followed up	100%	100%	100%	
1.2	Percentage of incoming and outgoing documents recorded	100%	100%	100%	
1.3	Percentage of incoming queries/ requests responded to within 10 days	100%	100%	100%	
Internal Audit					
1.4	Number of Internal audit reports developed	10 Reports	12 Reports	9 Audit reports	The challenges with the software delayed completion of the other 3 reports
1.5	Number of consulting and advisory services provided	2 Services	3 Services	2 Services	The challenges with the software delayed completion of the third report

Sub-programme: Management Services					
	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.6	Number of follow-up reports on implementation of assurance and consultative recommendations	1 Follow-up Report	3 Follow-up Reports	2 Follow-up reports	The challenges with the software delayed completion of the 3 rd report
1.7	Audit committee meetings coordinated	4 Meetings	4 Meetings	4 Meetings	
1.8	Assist with drafting of Annual Audit Committee Report	1 Final report approved	1 Draft report	1 Draft report 1 Final Report	Draft was based on unaudited financial statements. The Final report is on audited financial statements
1.9	Number of reports on Internal / External Quality assurance review	10 Reports	14 Reports	14 Reports	
1.10	Annual review of Audit charters, 3 years rolling plan and audit manual reviewed	1 Review	1 Review	1 Review	
Policy, Monitoring and Evaluation (M&E)					
1.11	Number of monitoring and evaluation reports compiled	0	12 Reports	Not achieved	The M&E unit was only established during the final quarter of the financial year, after arrival of new HOD
1.12	Number of Plans submitted to Treasury	1 APP	1 APP	1 APP	
1.13	Number of performance reports submitted to Treasury	4 Reports	4 Reports	4 Reports	
1.14	An annual report submitted for tabling	1 Annual Report	1 Annual Report	1 Annual Report	
1.15	Performance analysis reports developed	5 Reports	5 Reports	5 Reports	
1.16	Service Delivery Charter developed	Charter reviewed	Review Charter	Not achieved	The charter was developed but not approved yet
1.17	Service Delivery Improvement Plan (SDIP) and implementation plan developed	1 SDIP developed 1 Implementation plan developed	 1 Implementation plan	Not achieved	The draft SDIP was developed but was never approved
Project Management					
1.18	Number of projects managed	Not applicable	1 Project managed	Not achieved.	Projects managed in line functions of department as unit is not activated
Security Services and Anti-Corruption					
1.19	Performance of Security service provider monitoring	8 Reports developed	12 Reports developed	Not achieved	Management and systems need to be improved
1.20	Security provided for Special Events	10 Special events	All requests	5 Special events	Only 5 events held that required security services

Sub-programme: Management Services					
	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.21	Screening of service providers coordinated	1 Service Provider screened	All requests coordinated	2 Service providers screened	
1.22	Officials entrusted with sensitive information vetted	35 Officials vetted	All officials	1 Official vetted	Only one new official entered the system
1.23	Number of security monitoring reports on resorts and reserves	0	84 Reports	Not achieved	The 84 was supposed to be 4 reports. Lack of managerial capacity to assess security environment in resorts and reserves
1.24	Fraud and Anti-corruption strategy developed	0	Strategy finalized	Not achieved	The 2008 was still applicable and it will be reviewed during 2012/13
1.25	Fraud and Anti-corruption committee established	0	Committee established	Not achieved	The terms of reference and mandate yet to be approved
Inter-Governmental Relations, Oversight and Risk Management					
1.26	Risk Assessment plan revised	1 Risk Plan	1 Revised plan	1 Revised plan	
1.27	Number of agency performance reports	4 Reports	12 Reports	3 Reports	There was no personnel dedicated to this function
1.28	IGR plan developed	0	IGR plan developed	Not achieved	There was no personnel dedicated to this function
1.29	Donor coordination meetings	0	4 Meetings	Not achieved	There was no personnel dedicated to this function

Sub-programme: Financial Management					
	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
	Management Accounting				
1.1	Budget statement submitted to Treasury on time	1 Budget statement	1 Budget statement	1 Budget statement	
1.2	Number of In-Year monitoring reports submitted to Treasury	12 Reports	12 Reports	12 Reports	
	Financial Accounting				
1.3	Annual Financial statement compiled according to prescripts	1 Annual Financial statement	1 Annual Financial statement	Annual Financial statement for 2010/11	
1.4	Number of financial reports developed (payroll, PMG and certificate of compliance)	39 Reports	12 Reports	12 Reports	
1.5	Number of bank reconciliation reports	12 Reports	12 Reports	12 Reports	
1.6	Number of inspection reports of Resorts and Reserves on	10 Inspection reports	4 Inspection reports	4 Inspection reports	

Sub-programme: Financial Management					
	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
	revenue management				
1.7	Percentage of debt recovered	23% of debt recovered	Recover 20% of Debt	1 % of debt recovered	Slow and long legal process in the recovery of debts affected
1.8	Number of reports on debtors reconciliation	0	4 Reports	4 Reports	
Supply Chain Management					
1.9	Percentage of payments made to creditors within 30 days from receipt of an invoice	92.75 %	100%	99%	This minute variation resulted from an order amount that differed from the invoice amount and the supplier being slow to respond
1.10	Percentage of orders placed within prescribed days	100%	100%	100%	
1.11	Number of commitment reports developed	0	12 Reports	12 Reports	
1.12	Approved Demand Management Plan compiled	1 Approved document	1 Approved DMP	1 Approved DMP	
1.13	Monitoring reports on DMP	5 Reports	4 Reports	Not achieved	Capacity required elsewhere in the unit
1.14	Number of monitoring reports on Inventory	0	4 Reports	Not achieved	Inventory management not yet implemented in the Department
1.15	Percentage of local (FS) procurement made from BBBEE	0	70%	70%	
1.16	Number of reports on 15 most procured items made from SMME's (women, youth) per district	0	4 Reports	3 Reports	The introduction of the Preferential Procurement Regulation 2011 invalidated the measuring of SMMEs affirmative procurement. No guidelines were issued for the new Regulation by Treasury
1.17	Number of asset related status reports: (12xBAS/ Logis reconciliation reports, 4xLogis asset reports balancing, 12x AM: KPI Reports and 12x Fleet Utilisation Reports)	11 Reports	40 Reports	40 Reports	
Fleet and Asset Management					
1.18	Status reports: Prompt processing of payment for rented fleet.	4 Reports	12 Reports	12 Reports	
1.19	Status reports: (U-AMP) User Asset Management Plan (GIAMA)	0	4 Reports	4 Reports	

	Sub-programme: Corporate Services				
	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.1	Number of vacant and funded posts filled	2 Posts filled	132 Posts	90 Posts filled	Moratorium was placed on filling vacancies
1.2	Number of people recruited within designated groups	Blacks: 100% Females= 0 % Disability = 0 % of the 44 posts	Blacks: 119 people Females= 63 (1-12) Female= 8 (SMS) Disability = 10 people	Blacks = 88 posts, Indian= 1, Females= 42, Female SMS= 1, Disability= 0	Vacancies were not filled
1.3	Number of HR Policies developed	1 Policy approved	1 Policy	1 Policy on Whistle-blowing	
1.4	Regularity leave audit conducted	All files audited	All files audited	All files audited (623)	
1.5	Compliance leave inspection conducted	8 Inspections	4 Inspections conducted	4 Inspections conducted	
1.6	Percentage of temporary incapacity leave applications finalised within 60 days	63%	100%	60% Finalised within 60 days (71 of the 118 applications received), 14% (17) applications finalised after 60 days	The response from the external Health Risk Manager was received late
1.7	Reconciliation of probation reports done	12 Reconciliation of probation reports	Quarterly reconciliation of probation reports done	4 Reconciliation reports	
1.8	Training provided according to Workplace Skills Plan and HR plan	2 Training programmes	6 Training programmes	12 Training programmes conducted	There was more interest by employees for training
1.9	Percentage of interns recruited as compared to staff establishment	57 Interns recruited	2.5% of staff establishment	Not achieved	Approval was not granted to recruit interns
1.10	Number of induction sessions held	1 Induction	2 Induction sessions	2 Induction sessions held	
1.11	Number of reports on determination of attrition rate	1 Report	4 Reports	4 Reports compiled	
1.12	Annual excellence awards function held	Annual excellence awards function	1 Annual excellence award	1 Annual excellence award function	
1.13	ABET literacy programmes sites maintained	0	2 Sites	3 ABET sites established	Due to high interest from other employees to enrol for ABET programme
1.14	Competency assessments undertaken for SMS members	0	All new appointed SMS assessed	Not achieved	Two new SMS members were appointed during last quarter but they were not available for competency assessment
1.15	Management Plan on PMDS implementation developed	1 Management Plan on PMDS	1 Management Plan	1 Management Plan	

	Sub-programme: Corporate Services				
	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.16	Number of inspections on adherence to PMDS Management Plan	4 Inspections per Chief Directorate	4 Inspections per Chief Directorate	3 Inspections per Chief Directorate	Shortage of staff in the unit
1.17	Number of monitoring and evaluation reports on submitted PMDS documents done	4 M&E reports	4 M&E reports	4 M&E reports	
1.18	Number of training session on PMDS	16 Training sessions	5 Sessions (1 per chief directorate)	Not achieved	Concentrated on other aspects of HRD programmes such as HR conference, inductions, PMDS reports and commissioning of courses
1.19	Number of inspections on compilation of job descriptions	0	2 Inspections per directorate	Not achieved	Concentrated on other aspects of HRD programmes such as HR conference, inductions, PMDS reports and commissioning of courses
1.20	Number of HIV/AIDS Counselling and Testing (HCT) conducted	0	2 HCT	2 HCT conducted	
1.21	Number of Health Risk Assessment (HRA) conducted	0	2 HRA to be conducted	2 HRA conducted	
1.22	Enrol employees in the Disease Management Programme (DMP)	0	All infected employees enrolled in the DMP	38 infected employees on DMP	
1.23	Train Occupational health and safety reps	0	All reps trained	Not achieved	Unavailability of funds
1.24	Percentage of corrective measures identified in the Health Risk/hazard register implemented	0	60%	57% Achieved	Some measures identified were not corrected due to limited funds
1.25	Number of reports on Departmental Consultative Committee (DCC) decision distributed to SMS members	2 DCC reports	4 DCC reports	5 DCC reports compiled and distributed	Special meeting was requested by Labour resulting in an additional DCC report
1.26	Number of information session held (Sessions between the HOD and Labour on topical issues)	1 Information session	4 Information sessions	Not achieved	Information sessions were not held because PSA questioned the relevance of the sessions and NEHAWU wanted the employer to transport them
1.27	Annual HR Conference held	1 HR Conference	1 HR Conference	1 HR Conference	

	Sub-programme: Corporate Services				
	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.28	Number of reports on decision of FS Chamber and Council communicated to SMS members	6 Reports	8 Reports distributed	8 Reports compiled and distributed	
1.29	Grievances resolved within prescribed time limit (30 days).	10 Grievance cases	All grievances	19 Grievance cases received and finalized within prescribed time limit	
1.30	Resolve misconduct cases within prescribed time limit (60 days).	18 Misconduct cases	All misconduct cases	2 Misconduct cases finalized within time frame	
1.31	Monthly status reports on cases compiled	12 Monthly reports	12 Reports	12 Reports compiled and distributed	
1.32	Number of reports on grievances, misconduct cases and disputes submitted to PSC	4 Reports	4 Reports to be submitted	4 Reports compiled and distributed	
1.33	Number of workshops conducted on Labour Relations matters	10 Workshops	40 Workshops	20 Workshops conducted	The topics that were to be covered by the other 20 workshops were presented in the HR Conference
1.34	Number of evaluated posts	29 Posts	52 Posts evaluated	35 Posts evaluated	Lack of capacity
1.35	Review the macro- and micro-structures of the department	0	Organisational structure captured on Orgplus	Organisational structure captured on Orgplus	
1.36	Number of HR processes mapped out	0	4 HR processes mapped out	6 HRM processes	2 Additional processes mapped out as per the request of the HOD
Communication					
1.37	Reach and impact of used communication channels	69.2 % Coverage	50% of economically active population	272 Appearances received from media houses on the media list. Therefore reach 11745804 people (accumulative)	
1.38	Number of speeches developed that are coherent and consistent with policy and approved guidelines	8 Speeches	15 MEC and HOD speeches	20 Speeches prepared	Depends on requests from HOD and MEC

	Sub-programme: Corporate Services				
	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.39	Annual Communication strategy and plan developed to align it to government priorities and messages	0	Approved Annual Communication strategy	1 Strategy	
1.40	Number of communication programmes submitted and approved through CCC Unit	0	4 Communication Programmes	4 Communication Programmes	
1.41	Number of campaigns managed	3 Exhibitions	4 Campaigns	4 Campaigns coordinated	
Legal Services					
1.42	Percentage of received High Court applications were dealt with	100% Court applications	100% Court Applications	100% (5 High Court Applications)	
1.43	Percentage of received Summonses dealt with	100% of received summonses	100% of received summonses	-	
1.44	Percentage of requested Legal opinions provided within 14 days	100% of received request	100% of received request	100% (12 Legal Opinions, 6 PAIA Applications)	
1.45	Number of meetings attended to monitor compliance	14 PEC meetings 13 EMC meetings	PEC: 48 EMC:24 OTHER: 7	PEC: 0 EMC: 5 OTHER: 25	Due to conflicting commitments
1.46	Assist the State Law Advisor with legislative drafting of the department and SOE's	0	As the need arises	-	
1.47	Agreements drafted within 30 days	100% of received request	As the need arises	3 Memorandum of Agreements, 8 Service Level Agreements	
Sub-programme: Information Technology and Knowledge Management					
1.48	Number of IT infrastructure projects upgraded as per MSP	0	2 Projects	2 Projects	
1.49	Number of reports on status of the ICT	4 Reports	4 Reports	4 Reports	

2.2.2 Programme 2: Environmental Affairs

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 and Waste Management.

Strategic Objectives

- To Ensure Sustainable Development;
- To Build Capacity in Environmental Management;
- To Ensure Compliance with environmental legislation;
- To Ensure a Healthy Environment, and
- To Ensure Biodiversity Conservation.

Service Delivery Objectives and Indicators:

This programme contributes towards Priority Outcome 10: Protect and enhance our environmental assets and natural resources. All achieved activities under this section were planned to protect and enhance the environmental assets and natural resources of the Province.

Programme 2 – Environmental Affairs: Service Delivery Indicators, Targets and Outputs

Sub-programme: Biodiversity Management, Planning and Research					
No	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.1	Number of wetlands rehabilitated	4 Wetlands	6 Wetlands	13 Wetlands	Water Affairs increased the budget for the rehabilitation of the wetlands
1.2	Finalise evaluation of Private Nature Reserves (PNR)	0	80 PNR	80 PNR evaluated	
1.3	Number of game farmers established	Game delivered to 5 farmers and Buffalo loan scheme to 1 farmer	Establish 5 Black game Farmers	7 Game farmers established and 4 new farms are in the pipeline	More requests received
1.4	The percentage of all provincial land under conservation (both private and public)	3.24%	3.5%	3.24%	No funds were available to purchase additional land
1.5	Number of Provincial Protected Areas with approved Management plans	0	13	11 Management plans reviewed and approved	2 Management plans still under review
1.6	Is there an approved or published or gazetted Biodiversity Conservation Plan?	0	Yes	Draft Plan developed	To be completed in December 2012
1.7	Number of hectares proclaimed in public land as protected area in terms of Protected Areas Act	207 033 ha	210 000 ha	207 033 ha	No funds were available to purchase land as per plan
1.8	Number of hectares proclaimed in private land as protected areas in terms of the Protected Areas Act	215 000	191 645 ha	191 645 ha	
1.9	Number of day visitors that visit public conservation areas per annum	49 082	50 000	47 707	Willem Pretorius, which is one of the main day visit nature reserve, was closed for renovations
1.10	Number of overnight visitors that visit public conservation areas per annum	63 308	40 000	56 290	Increased number of events in other resorts
1.11	Is a list of threatened and protected ecosystem available?	National list available	Yes	Yes	
1.12	Is a provincial map of threatened and protected ecosystems available for ecosystems identified in the national list?	No	Yes	Yes	

Sub-programme: Biodiversity Management, Planning and Research					
No	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.13	The number of hectares of land that was cleared of invasive alien species in the province per annum within protected areas	110 ha	120 ha	928.5 ha	Biological control was used instead of chemical control
1.14	Percentage of land which was previously cleared of invasive species within protected areas kept clear in the year	255 ha	80%	60%	The growth season started late and staff could only start alien control in 4th quarter
1.15	Number of Provincial Government resort graded	3 Resorts	3 Resorts	Not achieved	Request sent to the Master grader and our grading could only be scheduled for April 2012
1.16	Number of research projects as per environmental legislation	19	15	15	This are ongoing projects
1.17	Number of specialist inputs/recommendations	24	15	36 Specialist inputs	More specialist inputs were requested
1.18	Number of Professional Hunters trained	0	10 Professional Hunters	Not achieved	Decision was taken that training will be placed on hold until aftercare processes have been finalised to prevent fronting
1.19	Number of Taxidermists trained	0	5 Taxidermists	Not achieved	The programme is under review because of fronting that was taking place
1.20	Number of compliance report against Environmental Implementation Plan (EIP)	0	Draft annual report	Report not produced because EIP still has to be gazetted	EIP still to be presented at EXCO and gazetted
1.21	Number of engagements conducted on EIP implementation	25	25	25	
1.22	Number of IDPs reviewed for environmental content as per legislative requirements	25	25	25	
1.23	Number of IDPs reviewed containing Air Quality Management Plans	0	3	3	
1.24	Number of IDPs reviewed containing Integrated Waste Management Plans (IWMP)	4	2	5	IWMPs had to be developed for all 5 District Municipalities
1.25	Number of Environmental Management Frameworks or similar documents developed per province	0	1	3	Due to additional requests from Mangaung and Metsimaholo

Sub-programme: Environmental Quality Management					
No	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.1	Number of Air Quality management priority areas that have been declared in the province	0	1	1	
1.2	Number of local municipalities and metros in the province with poor or potentially poor air quality who have prepared AQM plans	1	2	2	
1.3	Number of existing Provincial Air Quality (PAQ) forum meetings held	2	4	3	1 PAQ forum was replaced by Provincial Climate Change Summit was held as per national directive
1.4	Is there a functioning air quality monitoring system?	No	No	No	
1.5	Is there a Provincial Air Quality Management Plan?	Yes	Yes	Yes	
1.6	Is there an emission inventory of all sources?	No	Yes	No inventory	National Emissions Inventory available. The provincial inventory will be developed in 2012/13
1.7	Has a Green House Gas Inventory been developed?	No	Yes	No	National Strategy available and being used
1.8	Has a climate Change Strategy been developed?	No	No	No	
1.9	Number of awareness campaigns concerning climate change	3	5	12	More campaigns conducted in preparation of CoP 17 summit
1.10	Has climate change vulnerability, adaptation and mitigation strategy been prepared?	No	No	No	
1.11	Number of Provincial climate change committees established	0	1	Not achieved	Coordination for establishment of the committee took longer than anticipated due to the number of stakeholders involved
1.12	Number of facilities reporting into the Waste Information System (WIS)	7	10 Facilities	1 Facility	Reporting is on a voluntary basis
1.13	Annual report on Free State WIS submitted to DEA	0	Report on WIS	1 Report	
1.14	Is there a functioning waste information system?	Yes	Yes	Yes	
1.15	Number of waste management facilities licensed	0	6	4 Facilities licensed	Licensing depends on applications received
1.16	Quantity of waste handled per facility	0	350 000 tons	350 000 tons	

Sub-programme: Biodiversity Management, Planning and Research					
No	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.17	Is there a waste management licensing plan in place?	No	Yes	Yes	
1.18	Is there an approved Provincial Integrated Waste Management Plan (IWMP)?	Draft IWMPs	Yes	Not achieved	Priority was given to development of the district IWMPs
1.19	Number of buy-back centres revitalised or established	1 Buy back centre	1 Buy-back centre	Not achieved	The implementation was delayed by negotiations between DETEA and the municipality
1.20	Number of clean-up campaigns initiated in District Municipalities	5 Clean-up campaigns	10 Clean-up campaigns	17 Clean-up campaigns	There were more requests for clean-up campaigns
1.21	Hazardous Waste source inventory developed	0	1	Not achieved	The terms of reference for a service provider was not approved in time for implementation
1.22	Environmental hazardous incidents attended to	4 Incidents	All Incidents addressed	No incidents were reported	
1.23	Number of district, local municipalities and metros with approved Integrated Waste management Plans	0	5	5	
1.24	Number of Waste License applications received	10	10	16 Applications	16 Applications were received
1.25	Number of Waste Licenses applications finalised	3	10	2 Applications	Only 2 final reports were received from consultants
1.26	Number of waste facilities reporting into the Waste Information System	7	10	1 Facility	Reporting is on a voluntary basis.
1.27	Number of EIA applications received	90	160	108	The number depends on applications received
1.28	Number of Environmental Authorizations issued	90	150	60	Delays in the submission of reports by Consultants
1.29	Number of EIAs finalised within legislated time frames	176	150	60	Delays in the submission of reports by Consultants
1.30	Number of EIA applications finalised	173	150	60	Delays in the submission of reports by Consultants
1.31	Number of EIA data files electronically captured	0	60 EIA data files	77 EIA data files	The number depends on applications received
1.32	Number of appeals received	2	5	4 Appeals received	The number depends on appeals received.
1.33	Number of appeals finalised	3	5	2 Appeals finalised	The finalisation of appeal process is dependent on the State Law Advisors' Office.
1.34	Number of Air Emission Licences applications received	0	2	No applications received	

Sub-programme: Biodiversity Management, Planning and Research					
No	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.35	Number of Air Emission Licences processed	0	2	No applications processed	
1.36	Participate in water demand planning forums	0	4 Forum meetings	2 Forum meetings	Water Affairs organised only 2 meetings
1.37	Rehabilitate degraded Wetlands in the Free State	0	6 Wetlands	13 Wetlands	Water Affairs increased the budget for the rehabilitation of the wetlands
1.38	Number of Provincial catchment management Areas Committee meetings attended to monitor Catchment Areas	0	4 Meetings	2 Meetings	Water Affairs organised only 2 meetings
1.39	Number of Provincial River Health Committee meetings attended to monitor water quality	0	2 Meetings	3 Meetings	Water Affairs organised only 3 meetings

Sub-programme: Environmental Empowerment and Compliance					
No	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.1	Number of landscaping activities undertaken	0	100	106	More requests received than planned for
1.2	Number of indigenous plants produced	25 653	30 000	30 187	More cultivated due to higher demand
1.3	Number of indigenous plants planted	19 763	20 000	19 334	The extended cold weather delayed planting
1.4	Various Environmental outreach programmes conducted	68 programmes	60 Programmes	53 Programmes	Willem Pretorius, which is used as Environmental Education Center, was closed for renovations
1.5	Number of Municipalities participating in Greenest Municipal Competition (GMC) Programme	14	25	25	
1.6	Number of teachers were trained in environmental education	404	100	194	There were more educators interested in environmental training
1.7	Number of environmental clubs established	55 Enviro-clubs	10 Enviro-clubs established	130 Enviro-clubs	Eco-school also registered as enviro-clubs
1.8	Number of conservancies Established	7 Urban and 1 industrial	6 Conservancies	6 Conservancies	
1.9	Number of Local Environmental Forums established	3 Environmental Forums	1 Local Environmental Forum	1 Local Environmental Forum	

Sub-programme: Environmental Empowerment and Compliance					
No	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.10	Number of Community members trained as Urban Rangers	123	100 Community members	264 Community members	The higher than expected demand and requests from municipalities and communities to enhance environmental knowledge
1.11	Number of Honorary Nature Conservators (HNC) trained	58	20 HNC	18 HNC	Only 18 HNC requested to be trained
1.12	Number of Eco Schools registered	185	50 Schools	120 Schools	The increased popularity of the eco-school programme resulted in more registrations
1.13	Number of environmental education resources developed	51	10	17	Resources developed as required
1.14	Number of educators that attended capacity building workshops	538	100	238 Educators	The increased popularity of the eco-schools programme led to more educators participating
1.15	Number of environmental awareness campaigns conducted	24	13	31	Due to success of the previous campaigns it became necessary to conduct more
1.16	Number of environmental exhibitions conducted	18	8	6	The exhibitions were replaced by the awareness campaigns because they are more cost effective and reached more people
1.17	Number of schools participating in environmental programmes	764	120	404	Through the eco-schools program and the enviro-quiz more schools participated in environmental programs
1.18	Number of youth groups participating in environmental programmes	103	10	24	A successful urban ranger programmed resulted in more youth groups participating
1.19	Number of outreach visits to schools	767	120	466	The popularity of the eco-school programme resulted in more invites from schools
1.20	Number of outreach visits to communities	57	5	123	A successful urban ranger programmed resulted in more communities participating
1.21	Number of outreach visits to municipalities	24	5	20	More visits done due to increased demand from municipalities

Sub-programme: Environmental Empowerment and Compliance					
No	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.22	Number of learners participating in environmental education programmes through environmental education centres	1120	800	633	Output low because renovations were taking place at Maria Moroka & Willem Pretorius EE centres
1.23	Number of learners that attended environmental awareness programmes per annum	41 193	800	3825	Through the eco-schools program and the enviro-quiz more schools participated in environmental programs
1.24	Number of stakeholders who attended environmental awareness programmes	12 899	10 000	32400	The popularity of the environmental programmes led to more stakeholders participating
1.25	Number of stakeholders that attended capacity building workshops	1 200	30	445	More demand from stakeholders
1.26	Number of Biodiversity permits of all types issued	4 917	4 000 Permits	3971	These were the only applications received and approved
1.27	Number of Environmental Management Inspectors (EMI) trained	5 EMIs	6 Provincial EMI 6 Municipal EMI	Not achieved	Approval for training was granted after the registration period
1.28	Number of enforcement actions undertaken for non-compliance with biodiversity/conservation management legislation	457	150	182	More complaints were received than anticipated
1.29	Number of cases registered for non-compliance with biodiversity/conservation management legislation	16	5	30	More cases were registered than anticipated
1.30	Number of actions taken with regard to illegal activities	41	14	48	More complaints were received and had to be investigated
1.31	Number of activities that comply with legislation	4917	2500	2153	Less applications for permits were received and issued
1.32	Number of compliance investigations conducted in relation to pollution and waste legislation	44	20	41	More complaints were received
1.33	Number of complaints related to environmental quality management received	73	20	41	More complaints were received
1.34	Number of complaints related to environmental quality management followed-up	55	20	34	More complaints were received

Sub-programme: Environmental Empowerment and Compliance					
No	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.35	Number of complaints related to environmental quality management resolved	4	15	19	More complaints were received
1.36	Number of emergency incidents reports received	9	5	25	More incidents were reported
1.37	Number of emergency incidents reports responded to	9	5	15	15 Incidents were responded by DETEA and others by DEA (this depends on the nature of the incident)
1.38	Number of emergency incidents closed	7	5	9	Awaiting relevant documentations from the implicated companies and the rehabilitation processes to be finalised
1.39	Is there a system for recording and monitoring reported emergency incidents?	Yes	Yes	Yes	
1.40	Number of registered Environmental management Inspectors	21	47	21	Some of the registered EMIs resigned and others could not complete the course.
1.41	Number of biodiversity permits acted on for no-compliance with permit conditions	20	35	31	These were all the complaints received
1.42	Number of s24G applications received	8	5	6	More applications received
1.43	Number of received s24G applications finalized	4	5	2	The other 4 are still in the process of being finalised
1.44	Amount of s24G fines issued	R35 000	R50 000	R220,000	The fine depends on the severity of the offence
1.45	Amount of s24F fines issued	0	R10 000	0	Pending court proceedings
1.46	Number of cases registered for non-compliance with air quality legislation	0	1	1	

2.2.3 Programme 3: Economic Development

Purpose

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.

Strategic Objectives:

- To promote and support economic development through shared partnerships,
- Facilitate Economic Empowerment,
- To promote economic growth and development of regional and local economies in partnership with key stakeholders by aligning LED initiatives with Government priorities,
- To facilitate trade, export promotion, attract investment and implement strategies for the positioning of the industrial sector as a key contributor to economic growth and development,
- To facilitate the implementation of strategic economic initiatives that will stimulate the competitiveness of priority sectors,
- To develop, implement and promote measures that ensure the rights and interests of all consumers,
- To monitor performance of departmental public entities in relation to their mandate and set targets,
- Develop, monitor and evaluate implementation of policies and strategies for management of the tourism sector.
- To facilitate Tourism Enterprise and Skills Development programmes for tourism product owners, and
- To facilitate participation by tourism product owners in tourism network structures.

Service Delivery Objectives and Indicators:

This programme contributes towards Priority Outcome 4: Decent employment through inclusive economic growth. Activities under this section were planned to facilitate inclusive economic growth that will lead to creation of employment.

Programme 3 – Economic Development : Service Delivery Indicators, Targets and Outputs
Sub-programme: Integrated Economic Planning and Development

	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.1	Number of Youth Development Projects initiated	2 Youth Development Projects	2 Youth Development Projects	3 Youth developed	More youth groups approached the Department for assistance.
1.2	Number of BBBEE workshops/conference conducted	3 BBBEE Workshops conducted	2 BBBEE workshops	3 Workshops conducted	More workshops held due to an additional request from Lejweleputswa
1.3	Number of new cooperatives developed (established)	25 Cooperatives	33 Cooperatives	58 Cooperatives	Due to increased demand for cooperatives to be established and register with the Department of Trade and Industry
1.4	Number of existing cooperatives supported	325 Cooperatives	50 Cooperatives	33 Cooperatives	Most identified cooperatives were deregistered and not in good standing (members resigned etc.)
1.5	Number of cooperatives assisted to access incentives	9 Cooperatives	33 Cooperatives	10 Cooperatives assisted	Most of the coops do not meet the requirements to access incentives
1.6	Participation at the National Cooperative conference	1 National conference participated	1 National conference	Participated in 1 National conference	
1.7	Provincial Cooperatives Forum (PCF) established	0	Forum established	Not achieved	Due to longer consultation process
1.8	Number of target groups specific opportunities identified	2	1 Disabled group 1 Youth group 2 Women	4 Target groups specific opportunities identified	
1.9	Number of target group specific interventions	2	4	1 Youth group	Still in the process of assisting the other three groups
1.10	Number of monitoring reports on supported SMME and cooperatives	1 Report	2	1 Report	Awaiting finalisation of a research on the number of cooperatives in the province
1.11	Number of integrated craft hub established	0	1	Not achieved	A feasibility study was done by the DTI and the idea of establishing a craft hub was not recommended
1.12	Number of new SMMEs developed	0	10	10 Informal traders (SMMEs) developed	
1.13	Number of existing SMMEs supported	325	50	111	There was more demand for training to support SMMEs
1.14	Development of Provincial LED Framework for district and local municipalities	0	1 LED framework	Not achieved	Awaiting to finalise the role clarification process between the Department and COGTA
1.15	Number of economic development projects supported at municipalities	0	10 Projects	10 Projects	

Sub-programme: Integrated Economic Planning and Development					
	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.16	Number of capacity building interventions to municipalities	0	3	1 LED Capacity building interventions	1 Postponed and 1 not approved
1.17	Number of SMMEs linked to value chain process in major industries	0	12	4 SMMEs linked to value chain process in major industries	Identified SMMEs were producing in small scale and could not be linked to larger manufacturers
1.18	Research Advisory Forum (RAF) established	0	Establish and Launch RAF	Not achieved	Establishment of the forum was put on hold until the Provincial RAF is established by Department of the Premier
1.19	Number of Research Advisory Forum meetings held	0	2	Not achieved	Meetings were not held because the forum has not been established
1.20	Number of Research and Development initiatives supported	2	3	7 Initiatives supported	Due to increased demand from stakeholders
1.21	Number of research reports	1	1 Report	Not achieved	Could not be achieved because the Research Advisory forum has not yet been established
1.22	Number of provincial intelligence reports produced	0	4 Reports	4 Reports produced	
1.23	Consultative meetings with industry associations and organized business hosted	0	4 Meetings	4 Meetings held	
1.24	Number of company visits	47	20 Companies	5 Companies visited	Lack of planning and focus
1.25	Number of export development training conducted	2	4	3	Experience difficulty in scheduling training due to unavailability of the identified service provider

Sub-programme: Sector Development					
	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.1	Obtain approval for establishment of an IDZ	0	Submission of a proposal to DTI	Not achieved	Delayed due to change in policy from IDZ to SEZ by DTI who was still consulting on it by year-end
1.2	Number of investment projects realised	0	10 Projects	Not achieved	The projects are still ongoing and at different levels of progress. Some with take multiple years to finalise. These projects are now housed in a dedicated unit

Sub-programme: Sector Development					
	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.3	Number of infrastructure projects supported	0	5 Projects	4 Projects	Awaiting Public Works to appoint architect. Planning was delayed for one project
1.4	Number of infrastructure developments upgraded	0	5 Developments	5 Developments	
1.5	Number of maintenance projects completed	0	5 Projects	2 Projects	Awaiting Public Works to appoint engineers for remaining projects
1.6	Number of economic development projects supported at local and regional levels	0	8 Projects	10 Projects	These are the same projects reported under indicator 1.15 under Integrated Economic Planning and Development
1.7	Number of people trained	0	816	950	More people needed due to increased number of projects funded DEA
1.8	Number of economic strategies developed in collaboration with Dept. of Premier	0	1	Not achieved	Resolution was taken that development of the strategies will be lead by Dept. of Premier
1.9	Number of sectors developed	0	4 Sectors (Mining Agro-Industry Manufacturing & Petrochemicals)	Work in progress	This is a continuous process

Sub-programme: Business Regulations and Governance					
	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.1	Redress Mechanism Strategy developed	0	Redress mechanism strategy	Not achieved	The National strategy, which must inform the Provincial strategy, has not been developed yet
1.2	Number of complaints received	202	291	474	The marketing of the Consumer Protection services has increased awareness of this service
1.3	Number of complaints resolved	239 Complaints	280	425 Complaints/ cases resolved amounting to R3 126 059.41	Improved capacity and efficiency to handle increased number of cases
1.4	Number of information sessions held	39 Information sessions	36 Information sessions	42 Information sessions held	Increased awareness of consumer protection led to higher demand
1.5	World Consumer Rights Day Celebrated	1	1 Consumer Rights Day Celebration	1 Consumer Rights Day celebration	
1.6	Number of consumer education programmes conducted	39	10	12	Increased awareness of consumer protection led to higher demand

Sub-programme: Tourism Support					
	Performance Measure/indicator	Baseline (Audited Output)	Actual Performance against target		Reasons for Variations
			Target (2011/12)	Actual (2011/12)	
1.1	Number of Tourism Policies/ legislation developed	0	3 Policies/ legislation developed	2 Draft policies developed	National processes are currently underway for development of the National Draft Bill and the Provincial process will be informed by that
1.2	Number of Tourism strategies developed	0	4 Strategies develop	3 Draft Provincial strategies developed	Influence by the development of National strategies
1.3	Provincial Tourism Master Plan Reviewed	0	Reviewed and approved Master Plan	Master plan reviewed	Master plan reviewed but not approved. Awaited the completion of the National Tourism Sectoral Strategy to better inform the provincial plan
1.4	Number of Tourism infrastructure development projects	0	3 Projects (Manthatisi, Xhariep Transfontier & Sentinel Peak)	3 Projects submitted to Department of Tourism	List was reworked and re-submitted to National Tourism for the 2012/13 year
1.5	Number of major Tourism events/ celebrations	0	3 Event/ celebrations (Macufe, World Tourism Day, Month & ANC Centenary celebrations)	7 Tourism events celebrated	Department worked in collaboration with other departments and institutions on additional events.
1.6	Number of PPP projects implemented	0	3 Registration and feasibility and viability study (Jim Fouche, Willem Pretorius & Fika Patso)	Not achieved	Still finalising the transfer process of some of the resorts to the Department

ANNUAL
2011/2012 REPORT

PART C

ANNUAL FINANCIAL STATEMENTS



**DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL
AFFAIRS
VOTE 3**

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012**

ANNUAL FINANCIAL STATEMENTS

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**DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL
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**REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2012**

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2012.

Audit Committee Members and Attendance:

The audit committee consists of the members listed hereunder and met 4 times as per its approved terms of reference.

MEMBERS

Name of Member	Number of Meetings Attended
R G Nicholls	04
T Mnqeta	04
JM Laubscher	03
DJ Block	03

Audit Committee Responsibility

The Audit Committee has not entirely complied with its responsibilities arising from **section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13.**

The Audit Committee adopted appropriate formal terms of reference as its audit committee charter which was adopted by us. We have regulated our affairs in compliance with this charter and have not fully discharged all our responsibilities as contained therein. We note that we were restricted and limited by the resource and time allocated for our function which limitation has been addressed in the new financial year.

The effectiveness of internal control and Risk Management

The system of internal control was not effective for the year under review, as policies and procedure were not in place and/or current in certain instances. Compliance with prescribed policies and procedures in place was lacking in certain instances. During the year under review and at the financial year end, several instances of non-compliance were reported by internal and external audit that resulted from a breakdown in the functioning of controls and management has not responded, or not responded adequately to these findings. The department has undertaken to make this a standing agenda item for the Management Committee meetings.

The Audit Committee further reports that for the reporting year Risk Management was a very new initiative which requires to be advanced and enhanced to provide the correct Risk Mitigation required by the department.

The quality of in year management and monthly/quarterly reports submitted in terms of the PFMA and the Division of Revenue Act. (Select the appropriate paragraph below)

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.

**DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL
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**REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2012**

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed the unaudited annual financial statements and recommended certain changes to be performed;
- Recommended that after the reviews and changes are made the statements can be submitted to the Office of the Auditor General for final audit.
- Met with the Auditor General to review their final report and findings of the annual audit. We are in agreement with the opinions expressed and the findings reported and have recommended the Annual Financial Statements and Audit Report to the Accounting Authority for acceptance and inclusion in the Annual Report.
- The Auditor General declined our invitation to meet to ensure there are no unresolved issues.
- The Interim Financial statements were tabled at our second quarter meeting and noted.

Internal audit

The Audit Committee has reviewed and accepted the annual and three year audit plan. We have received quarterly progress reports on the audit assignments included in the annual plan. We are satisfied that the internal audit function is operating effectively despite its lack of success in turning its findings into value for the department.



Chairperson of the Audit Committee

Date: 01 August 2012

**DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL
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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2012**

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

1. General review of the state of financial affairs

The objective of the Department of Economic Development, Tourism and Environmental 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.

The department under spent by R8.659 million in the financial year resulting in 2.17% under expenditure. It improved significantly as compared from the previous year where the department under spent by R42.717 million. An amount of R109.137 million was transferred to three of the entities that report to the executing authority.

The annual game auction yielded revenue of R13 million in the 2011/2012 financial year. The department spent R42.857 on fixed structures, refurbishing chalets etc. in the Reserves and Chalets.

Additions to the Asset Register amounted to R18.552 million on movable tangible capital assets and most of these were machinery and equipment. The department closed with a positive bank balance of R12.061 million.

There was a virement that was done during the financial year to purchase tractors for the resorts and reserves and it was approved by 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

2.1 Tariff policy

The tariffs for the 2011/12 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.

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;
- Environmental impact

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2012**

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 total inventory on hand at year-end is zero.

3. Capacity constraints

The vacancy rate recorded at year end was 54% against the new, but unbudgeted post establishment for the Department. This, aggravated by a lack of leadership direction and management focus, had an impact on service delivery as we can see from performance information results. These vacancies, as presented by the post establishment, could also not be filled due to lack of budget.

4. Utilisation of donor funds

There were no donor funds in the financial year under review.

5. Trading entities and public entities

Free State Gambling and Liquor Authority:

The purpose of Free State Gambling and Liquor Authority (FSGLA) is to regulate the gambling and liquor industry in the Free State. This function entails processing of applications for and awarding of liquor and gambling licences. The Authority is also responsible for monitoring compliance to gambling and liquor conditions by licensed outlets. The Authority further cooperates with other departments such as the Police and Local Government to address illegal activities in the gambling liquor industry. An amount of R44, 5 million was spent.

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 35 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 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 R29.5 million were made during the financial year.

The provincial government is analyzing the performance of all public entities to determine how these are to be re-positioned.

**DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL
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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2012**

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 such transfers payments are as follows:

Public Entities: To enable Public Entities to achieve objectives as agreed and documented in the annual performance plans. Transfer conditions were complied with.

Households: Employees 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

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

9. Discontinued activities/activities to be discontinued

There were no any discontinued activities under the year review.

10. New/proposed activities

The new or proposed activities will be covered in the revised Annual Performance Plan for the financial year 2012/13.

11. Asset management

There is an improvement in the management of departmental assets. Both the Asset management unit and Internal Audit units conducted physical verification of assets in all the reserves and resorts. There are still challenges though as there is a back log on the disposal of assets as well as capturing all bar codes onto the Logis system

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

- Physical asset verification were completed
- Bar-coding of assets
- Capturing of bar codes on Logis
- BAS/LOGIS monthly reconciliation
- Successful auction of game animals
- Identification and recording of redundant and unserviceable assets was done.

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2012**

Infrastructure Projects 2011/12

PROJECT	PROGRESS	BUDGET (Rands)	EXPENDITURE (Rands)
Koppies dam	The project is 82% complete	9 000 000	8 629 516
Maria Moroka	Construction on chalets, road and electricity infrastructure is underway.	5 000 000	4 537 620
Soetdoring train camp	The planning phase has been completed and the tender will be advertised in 2012/13.	1 500 000	1 144 269
Philip Sanders	Installation of a new pipeline from Maselspoort is 85% completed. Upgrading of staff houses is 35% complete and will be completed in the 2012/13.	21 508 000	21 405 275
Gariep – purchase land	Entered into preliminary negotiations with 2 land owners	7 430 000	Funds redirected to Philip Sanders resort
Construction of new office complex – Karee	No progress from Public Works. Architect not yet appointed	500 000	Fund redirected to Philip Sanders resort

Maintenance Projects 2011/12

Project name	Project description	Project Duration		Adjusted Budget 2011/12	Expenditure 2011/12 (Rands)	Progress
		Start	Finish			
Rusfontein	Construction of security fence	Sep-2010	Sep-2011	3 150 000	3 114 811	Fencing completed
All Reserves and Resorts	Maintenance of staff Houses	Mar-2011	Dec-2011	-	1 656 234	Houses at Koppies, Sterkfontein and Krugersdrift (Soetdoring) completed
Willem Pretorius	Repairs of Bridges	May-2011	Dec-2011	1 000 000	-	Funds had to be redirected to Philip Sanders
Gariep Resort	Repairs to Chalets	May-2011	Sep-2011	-	236 615	The project is completed
Soetdoring N/R	Repair office roof	May-2011	Sep-2011	400 000	-	The roof has been completed
Sandveld	Hall maintenance	May-2011	Mar-2012	-	126 594	The project is completed
Sterkfontein	Chalet maintenance	Apr-2011	Mar-2012	703 000	511 252	Revamping is completed
Total Maintenance & repairs				5 253 000	5 645 506	

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**REPORT OF THE ACCOUNTING OFFICER
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The department has not yet implemented the Inventory Management System. There are some challenges that need to be addressed, such as budget for systems and personnel but the department is committed to implement this function.

12. Events after the reporting date

None

13. Information on predetermined objectives

The information is reported on page 25-47.

14. SCOPA resolutions

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
2/2010	Reports of the Auditor-General on Provincial Departments Accounting officers must investigate all instances of overpayments in staff remuneration as well as the impact of incorrect deductions and payments to SARS. All overpayments must be recovered. Accounting officers must ensure that the financial sections of the department are sufficiently capacitated by skilled officials to ensure that financial functions are properly executed. Accounting officers must ensure that CFO's execute their functions in terms of TR 2 and hold CFO's responsible for non-compliance.	Reports of the Auditor-General on Provincial Departments The Department has registered the overpayment as a fruitless and it has been taken as a debt and is deducted from the official Critical list have been developed even though there is moratorium to feel the posts.
3/2012	Asset Management The department could not manage and control its assets properly. The Accounting Officer must put systems in place to ensure that the asset management issues raised by Auditor General in the audit report are dealt with as a matter of urgency	Asset Management The department has developed the action plan to address the weaknesses that were identified by the Auditor General
	Irregular, Fruitless and Wasteful expenditure The committee is extremely concerned with the serious lack of control over the supply chain management process that resulted in the irregular expenditure	Irregular, Fruitless and Wasteful expenditure The proper supply chain processes were not followed but the expenditure deemed valid as the services were rendered. The expenditure has been condoned. The department will ensure that the supply chain management processes are followed properly

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
	Underspending of the budget The committee noted with concern that the department materially underspent by R42,7 million in the previous financial year	Underspending of the budget The underspent was as a result of slow implementation of the Capital projects by Department of Public Works. Some of the projects will be implemented by the department. The expenditure is monitored on the monthly basis to ensure that the department do not over/under spend on their budget

15. Prior modifications to audit reports

All the matters that were raised by the Auditor General have been given the attention and there is a progress in resolving them. The action plan to address the issues was developed and implemented.

This includes the following:

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Asset management (Qualification)	2010/2011	All plans that were developed have been implemented and there is a great progress in the asset management. Verification of assets was done manually but the challenge was that the asset register was not entirely updated
Lease commitment (Qualification)	2010/2011	All photocopy machines, cellphones and 3G were classified as Finance Lease and calculations were made but, they were based on expired contracts. This remains a problem

16. Exemptions and deviations received from the National Treasury

National Treasury granted deviation for all finance leases to be disclosed as operating leases.

17. Interim Financial Statements

The Interim Financial Statements were prepared and submitted to Treasury.

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18. 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.

19. Approval

The Annual Financial Statements set out on pages 49 to 121 have been approved by the Accounting Officer.



I. OSMAN

HEAD OF DEPARTMENT: DETEA

Date: 31 MAY 2012

**DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL
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**REPORT OF THE AUDITOR GENERAL
for the year ended 31 March 2012**

**REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE ON
VOTE NO. 3: DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND
ENVIRONMENTAL AFFAIRS**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Department of Economic Development, Tourism and Environmental Affairs set out on pages 46 to 118 which comprise the appropriation statement, statement of financial position as at 31 March 2012, the statement of financial performance, statement of changes in net assets, the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of the financial statements in accordance with The *Departmental financial reporting framework* prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and Division of Revenue Act of South Africa, 2011 (Act No. 6 of 2011) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. 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.
4. 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 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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

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Basis for qualified opinion

Movable tangible capital assets

6. As reported in the prior year, I was unable to obtain sufficient appropriate audit evidence about movable tangible capital assets of R3 115 737. I was unable to confirm the movable tangible capital assets by alternative means. Consequently, the existence, valuation and the department's rights to movable tangible capital assets of the corresponding figure as disclosed in note 28 to the financial statements could not be confirmed. My audit opinion on the financial statements for the period ended 31 March 2011 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.
7. I was unable to obtain sufficient appropriate audit evidence for movable tangible assets of R3 081 149 due to the fact that the asset register did not contain adequate descriptions, serial numbers, locations and conditions of the items included in the register and that the bar codes or serial numbers as indicated on the assets do not agree to the asset register. The department's records did not permit the performance of alternative audit procedures. Consequently, I was unable to determine the completeness, and rights pertaining to movable tangible assets of R98 265 000 (2011: R83 228 000) as disclosed in note 28 to the financial statements

Compensation of employees

8. I was unable to obtain sufficient appropriate audit evidence for employee-related cost of R3 677 741 due to an inadequate record management system. The department's records and available information did not permit the application of alternative procedures. Consequently, I was unable to determine the occurrence, accuracy, classification, cut-off and completeness of employee-related cost of R146 874 000 as disclosed in the statement of financial performance and note 4 to the financial statements.

Irregular expenditure

9. I was unable to obtain sufficient appropriate audit evidence to determine whether supply chain management procedures were followed for payments of R16 609 620 due to tender documentation not provided for audit purposes. Furthermore the department made payments in contravention of the supply chain management requirements which were not included in irregular expenditure, resulting in irregular expenditure being understated by R2 416 729. Sufficient appropriate audit evidence was not available to determine the completeness of irregular expenditure of R27 391 000 (2011: R0) as disclosed in note 24 to the financial statements. I was unable to confirm the completeness for irregular expenditure by alternative means. Consequently, I was unable to determine whether any adjustments to the amount

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disclosed for irregular expenditure for the current year and the corresponding figure were necessary.

Fruitless and wasteful expenditure

10. As reported in the prior year, I was unable to obtain sufficient appropriate audit evidence about fruitless and wasteful expenditure of R9 689 000 (2011: R541 000) as disclosed in note 25 to the financial statements. I was unable to confirm the fruitless and wasteful expenditure by alternative means. Consequently, the completeness of the corresponding figure for fruitless and wasteful expenditure could not be confirmed. My audit opinion on the financial statements for the period ended 31 March 2011 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.

Lease commitments

11. As reported in the prior year, I was unable to obtain sufficient appropriate audit evidence about lease commitments of R10 812 000 (2011: R9 300 000) as disclosed in note 22 to the financial statements. I was unable to confirm the lease commitments by alternative means. Consequently, I was not able to determine the implications on finance leases, operating leases, expenditure for capital assets, interest and rent on land, goods and services, machinery and equipment. My audit opinion on the financial statements for the period ended 31 March 2011 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.

Qualified opinion

12. In my opinion, except for the effects of the matters described in the Basis for qualified opinion paragraphs, 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 2012 and its financial performance and cash flows for the year then ended, in accordance with The *Departmental financial reporting framework* prescribed by National Treasury and the requirements of the PFMA and DoRA.

Emphasis of matter

13. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Material under spending of the budget

14. As disclosed in the appropriation statement, the department has materially under spent the budget by R8 659 000 on programme 1, 2 and 3. As a consequence, the department has not achieved all its objectives in respect of Environmental affairs and Economic development as reported in the predetermined objectives report.

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Exemption from Financial Reporting Framework

15. As disclosed in note 22 to the financial statements: Lease commitments, the National Treasury has allowed the province to continue to account and disclose the payments made to the Free State Government Motor Transport in the same manner as done for these services in the 2010/11 financial year. The exemption allows the department to classify the arrangement as an operating lease in note 5, and also to omit the required disclosure of the leases payments in note 28, **movable tangible capital assets**.

Additional matters

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

Financial reporting framework

17. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework and not that they “present fairly”. Section 20(2)(a) of the PAA however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

Unaudited supplementary information

18. The supplementary information set out on pages 114 to 121 does not form part of the financial statements and is presented as additional information. I have not audited this information and, accordingly, I do not express an opinion thereon.

Loss of revenue generating potential

19. Various resorts and reserves were identified as not operating to their full potential, due to capital projects not being initiated and finalised timeously or ineffective management at the resort. The resorts and reserves are also not being marketed within the province to ensure that the revenue generating potential is maximized.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

20. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

21. I performed procedures to obtain evidence about the usefulness and reliability of the information in the predetermined objectives report as set out on pages 25 to 47 of the annual report.

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22. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*. The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

The material findings are as follows:

Reliability of information

Validity

23. The *National Treasury Framework for managing programme performance information* (FMPPPI) requires that processes and systems which produce the indicator should be verifiable. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the validity of the actual reported performance relevant to 28% of the indicators for programmes: Environmental Affairs and Economic Development. This was due to limitations placed on the scope of my work due to the absence of information systems and the institution's records not permitting the application of alternative audit procedures.

Accuracy

24. The *National Treasury Framework for managing programme performance information* (FMPPPI) requires that the indicator be accurate enough for its intended use and respond to changes in the level of performance. A total of 40% of the actual reported indicators relevant to predetermined objectives report for programmes: Environmental Affairs and Economic Development were not accurate when compared to source information. This was due to a lack of monitoring procedures for the recording of actual achievements by senior management and that standard operating procedures do not specify how each target is measured, the supporting documentation required for each target, the filing procedures for each target, the review and reporting procedures for each target.
25. The *National Treasury Framework for managing programme performance information* (FMPPPI) requires that the indicator be accurate enough for its intended use and respond to changes in the level of performance. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the accuracy of the actual reported performance relevant to 28% of the indicators for programmes: Environmental Affairs and Economic Development reported on in the

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predetermined objectives report. This was due to limitations placed on the scope of my work by the absence of information systems and the institution's records not permitting the application of alternative audit procedures.

Completeness

26. The *National Treasury Framework for managing programme performance information* (FMPPI) requires that documentation addressing the systems and processes for identifying, collecting, collating, verifying and storing information be properly maintained. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the completeness of the actual reported performance relevant to 28% of the indicators for programmes: Environmental Affairs and Economic Development reported on in the predetermined objectives report. This was due to limitations placed on the scope of my work by the absence of information systems and the institution's records not permitting the application of alternative audit procedures.

Additional matter

27. I draw attention to the following matter below. This matter does not have an impact on the predetermined objectives audit findings reported above.

Achievement of planned targets

28. Of the total number of planned targets, only 164 were achieved during the year under review. This represents 39% of total planned targets that were not achieved during the year under review.

29. This was as a result of the institution not considering relevant systems and evidential requirements during the annual strategic planning process.

Compliance with laws and regulations

30. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters.

31. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

Annual financial statements, performance and annual report

32. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 40(1) of the PFMA. Not all

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material misstatements identified by the auditors were adequately corrected, which resulted in the financial statements receiving a qualified opinion.

Procurement and contract management

33. Goods and services with a transaction value below R500 000 were not in all instances procured through obtaining the required price quotations, as required by Treasury Regulation 16A6.1
34. Goods and services of a transaction value above R500 000 were not in all instances procured through inviting competitive bids, as required by Treasury Regulations 16A6.1.
35. Sufficient appropriate audit evidence could not in all instances be obtained to ensure that goods and services of a transaction value above R500 000 were procured by means of inviting competitive bids, as required by Treasury Regulations 16A6.1.
36. Contracts and quotations were awarded to bidders who did not in all instances submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with Treasury Regulation 16A8.3.
37. Sufficient appropriate audit evidence could not be obtained that all contracts and quotations were awarded in accordance with the legislative requirements as the contracts that were entered into by the Department of Public Works were not available for audit purposes.

Human resource management and compensation

38. Sufficient appropriate audit evidence could not be obtained that job descriptions were established for some posts in which appointments were made in the current year as well as prior year, as required by Public Service Regulation 1/III/I.1.
39. Sufficient appropriate audit evidence could not be obtained that all leave taken by employees were recorded accurately and in full as required by Public Service Regulation 1/V/F (b).
40. A written policy on overtime was not in place as required by Public Service Regulation 1/V/D2 (b).
41. Funded vacant posts were not filled within 12 months as required by Public Service Regulation 1/VII/C.1A.2.
42. A human resource plan was not in place as required by Public Service Regulation 1/III/B.2 (d).

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Expenditure management

43. The accounting officer did not take effective steps to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1.
44. Effective and appropriate disciplinary steps were not taken against officials who made and/or permitted irregular expenditure / fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the PFMA and Treasury Regulation 9.1.3.

Transfer of funds

45. The accounting officer transferred funds to entities in some instances without obtaining written assurance that the entity implements effective, efficient and transparent financial management and internal control systems / rendering the transfer of the funds subject to the entity establishing effective, efficient and transparent financial management and internal control systems, as required by section 38(1)(j) of the PFMA.

Internal control

46. I considered internal control relevant to my audit of the financial statements, the predetermined objectives report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis for qualified opinion, the findings on the predetermined objectives report and the findings on compliance with laws and regulations included in this report.

Leadership

47. Management did not in all instances implement effective HR management to ensure that adequate and sufficiently skilled resources are in place as identified by the high vacancy rate in the department which has been a recurring issue since the prior year.
48. The accounting officer does not in all instances exercise oversight responsibility reporting financial and performance reporting and compliance and related internal controls. This resulted in the financial statements being subject to material adjustments.
49. Management did not timeously develop and monitor the implementation of action plans to address the audit qualification findings from the previous year regarding moveable assets and identifying and preventing irregular and fruitless and wasteful expenditure as these matters are again reported on.

Financial and performance management

50. Management did not in all instances implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and

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available to support financial and performance reporting due to critical vacancies not being filled. This resulted in qualifications where no sufficient supporting documentation could be obtained.

51. The department do not have internal controls in place to ensure compliance with laws and regulations do take place and are monitored.

Governance

52. Management did not in all instances implement appropriate risk management activities to ensure that regular risk assessments, including consideration of IT risks and fraud prevention, are conducted and that a risk strategy to address the risks is monitored.

53. The charter of the audit committee was not reviewed or signed for the 2011/12 financial year.

OTHER REPORTS

Investigations

54. During the 2009-10 financial year the executive committee requested an independent consulting firm to conduct an investigation at ten departments in the Free State. The investigation aims to establish whether the complied with legislative prescripts relating to payroll and supply chain management and whether any transgressions occurred in this respect. The investigation was still ongoing at the reporting date.

Auditor-General

Bloemfontein
31 July 2012



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**APPROPRIATION STATEMENT
for the year ended 31 March 2012**

Appropriation per programme									
2.1. APPROPRIATION STATEMENT	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. ADMINISTRATION									
Current payment	92,865	(3,637)	(7,500)	81,728	78,803	2,925	96.4%	88,699	84,994
Transfers and subsidies	-	540	-	540	464	76	85.9%	-	-
Payment for capital assets	1,290	3,097	-	4,387	4,280	107	97.6%	2,262	486
Payment for financial assets	-	-	-	-	-	-	-	-	282
	94,155	-	(7,500)	86,655	83,547	3,108	-	90,961	85,762
2. ENVIRONMENTAL AFFAIRS									
Current payment	106,546	(160)	700	107,086	105,850	1,236	98.8%	88,794	85,589
Transfers and subsidies	600	-	-	600	408	192	68.0%	129	80
Payment for capital assets	53,922	160	(5 000)	49,082	48,157	925	98.1%	52,555	29,850
Payment for financial assets	-	-	-	-	248	(248)	-	-	65
	161,068	-	(4,300)	156,768	154,663	2,105	-	141,478	115,584
3. ECONOMIC DEVELOPMENT									
Current payment	42,350	(3,809)	(700)	37,841	35,162	2,679	92.9%	36,020	25,973
Transfers and subsidies	100,155	3,799	12,500	116,454	116,309	145	99.9%	100,770	99,933
Payment for capital assets	786	10	-	796	174	622	21.9%	776	36
Payment for financial assets	-	-	-	-	-	-	-	-	-
	143,291	-	11,800	155,091	151,645	3,446		137,566	125,942
Subtotal	398,514	-	-	398,514	389,855	8,659	97.8%	370,005	327,288
Statutory Appropriation									
Current payment				-		-			
Transfers and subsidies				-		-			
Payment for capital assets				-		-			
Payment for financial assets				-		-			
TOTAL	398,514			398,514	389,855	8,659	97.8%	370,005	327,288

**DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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**APPROPRIATION STATEMENT
for the year ended 31 March 2012**

	2011/12			2010/11	
	Final Appropriation	Actual Expenditure		Final Appropriation	Actual Expenditure
TOTAL (brought forward)					
Reconciliation with statement of financial performance					
ADD					
Departmental receipts	44,118			45,847	
Direct Exchequer receipts	-			-	
NRF Receipts	-			-	
Aid assistance	14,800			-	
Actual amounts per statement of financial performance (total revenue)	457,432			415,852	
ADD					
Aid assistance		14,800			
Direct Exchequer payments					
Prior year unauthorised expenditure approved without funding					
Actual amounts per statement of financial performance (total expenditure)		404,655			327,288

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APPROPRIATION STATEMENT
for the year ended 31 March 2012

Appropriation per economic classification									
	2011/12							2010/11	
	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	163,792	(7,000)	(7,500)	149,292	146,874	2,418	98.4%	131,070	127,843
Goods and services	76,836	(206)	-	76,630	72,939	3,691	95.2%	82,443	68,714
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	64,155	2,500	7,500	74,155	74,138	17	100%	71,280	70,443
Universities and technikons	6,000	-	-	6,000	6,000	-	100%	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	30,000	-	5,000	35,000	35,000	-	100%	29,490	29,490
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	600	1,439	-	2,039	2,045	(6)	100.3%	129	79
Gifts and donations	-	-	-	-	-	-	-	-	-
Payments for capital assets									
Buildings and other fixed structures	51,237	(3,500)	(5,000)	42,737	42,851	(114)	100.3%	50,886	29,287
Machinery and equipment	5,819	6,767	-	12,586	9,731	2,855	77.3%	4,707	1,085
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	75	-	-	75	29	46	38.7%	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	248	(248)	-	-	347
Total	398,514	-	-	398,514	389,855	8,659	97.8%	370,005	327,288

**DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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**APPROPRIATION STATEMENT
for the year ended 31 March 2012**

Statutory Appropriation per economic classification									
Program 1 Per Economic classification	2011/12							2010/11	
	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	61,599	(3,500)	(7,500)	50,599	48,784	1,815	96.4%	46,700	44,635
Goods and services	30,206	263	-	30,469	30,019	450	98.5%	41,999	40,359
Transfers and subsidies				-		-			
Households	-	140	-	140	464	(324)	331.4%		
Payments for capital assets									
Buildings and other fixed structures									
Machinery and equipment	2,350	3,097	-	5,447	4,280	1,167	78.6%	2,262	486
Payments for financial assets	-	-	-	-	-			-	282
Total	94,155	-	(7,500)	86,655	83,547	3,108	96.4%	90,961	85,762

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APPROPRIATION STATEMENT
for the year ended 31 March 2012

Detail per sub-programme	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 OFFICE OF THE MEC									
Current payment	8,456	(140)	-	8,316	8,112	204	97.5%	7,744	7,628
Transfers and subsidies	-	140	-	140	123	17	87.9%	-	-
Payment for capital assets	50	-	-	50	41	9	82.0%	244	58
Payment for financial assets	-	-	-	-	-	-	-	-	5
1.2 MANAGEMENT SERVICES									
Current payment	22,341	(1,375)	-	20,966	17,121	3,845	81.7%	28,663	25,924
Transfers and subsidies	-	400	-	400	327	73	81.8%	-	-
Payment for capital assets	600	20	-	620	128	492	20.6%	516	107
Payment for financial assets	-	-	-	-	-	-	-	-	16
1.3 FINANCIAL MANAGEMENT									
Current payment	39,131	(1,745)	(7,500)	29,886	32,236	(2,350)	107.9%	26,759	28,112
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	280	2,800	-	3,080	2,821	259	91.6%	118	117
Payment for financial assets	-	-	-	-	-	-	-	-	29
1.3 CORPORATE SERVICES									
Current payment	22,937	(377)	-	22,560	21,334	1,226	94.6%	25,533	23,330
Transfers and subsidies	-	-	-	-	14	(14)	-	-	-
Payment for capital assets	360	277	-	637	1,290	(653)	202.5%	1,384	204
Payment for financial assets	-	-	-	-	-	-	-	-	232
Total	94,155	-	(7,500)	86,655	83,547	3,108	96.4%	90,961	85,762

**DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2012**

Program 2 per Economic classification	2011/12							2010/11	
	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	79,200		700	79,900	79,781	119	99.9%	68,428	67,367
Goods and services	27,273	(160)		27,113	26,068	1,045	96.1%	20,366	18,223
								-	-
Transfers and subsidies to:									
Households	600			600	409	191	68.2%	129	79
Payment for capital assets									
Buildings and other fixed structures	51,237	(3,500)	(5,000)	42,737	42,851	(114)	100.3%	50,886	29,287
Machinery and equipment	2,683	3,660		6,343	5,277	1,066	83.2%	1,669	563
Biological assets	75			75	29	46	38.7%		
	-								
Payments for financial assets				-	248	(248)		-	65
Total	161,068	-	(4,300)	156,768	154,663	2,105	98.7%	141,478	115,584

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3

APPROPRIATION STATEMENT
for the year ended 31 March 2012

Detail per sub-programme	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 ENVIRONMENTAL QUALITY MANAGEMENT									
Current payment	16,953	(1,910)	700	15,743	9,130	6,613	58%	8,050	5,347
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	200	-	-	200	85	115	42.5%	82	-
Payment for financial assets									15
2.2 ENVIRONMENTAL POLICY COORDINATION, PLANNING AND EMPOWERMENT SERVICE									
Current payment	16,650	(55)	-	16,595	15,044	1,551	90.7%	14,040	14,901
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	200	55	-	255	158	97	62.0%	103	44
Payment for financial assets				-	-	-	-		4
2.3 COMPLIANCE AND ENFORCEMENT									
Current payment	7,748	-	-	7,748	8,866	(1,118)	114.4%	6,331	6,879
Transfers and subsidies	600	-	-	600	74	526	12.3%	129	-
Payment for capital assets	156	-	-	156	129	27	82.7%	152	77
Payment for financial assets									
2.4 BIODIVERSITY MANAGEMENT									
Current payment	65,195	1,805	-	67,000	72,810	(5,810)	108.7%	60,373	58,462
Transfers and subsidies	-	-	-	-	334	(334)	-	-	80
Payment for capital assets	53,366	105	(5,000)	48,471	47,785	686	98.6%	52,218	29,729
Payment for financial assets	-	-	-	-	248	(248)	-		46
Total	161,068	-	(4,300)	156,768	154,663	2,105	98.7%	141,478	115,584

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3

APPROPRIATION STATEMENT
for the year ended 31 March 2012

Statutory Appropriation per economic classification									
Program 3 Per Economic classification	2011/12							2010/11	
	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	22,993	(3,500)	(700)	18,793	18,309	484	97.4%	15,942	15,841
Goods and services	19,357	(309)	-	19,048	16,852	2,196	88.5%	20,078	10,132
Interest and rent on land				-	-	-			
Transfers and subsidies									
Provinces and municipalities				-	-	-			
Departmental agencies and accounts	64,155	2,500	7,500	74,155	74,138	17	100%	71,280	70,443
Universities and technikons	6,000	-	-	6,000	6,000	-	100%	-	-
Public corporations and private enterprises	30,000	-	5,000	35,000	35,000	-	100%	29,490	29,490-
Households		1,299		1,299	1,172	127	90.2%	-	-
Gifts and donations	-			-				-	-
Payments for capital assets									
Buildings and other fixed structures				-					
Machinery and equipment	786	10	-	796	174	622	21.9%	776	36
Payments for financial assets									
Total	143,291	-	11,800	155,091	151,645	3,446	97.8%	137,566	125,942

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VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2012**

Detail per sub-programme	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 INTERGRATED ECONOMIC PLANNING AND DEVELOPMENT									
Current payment	12,992	(2,639)	-	10,353	7,987	2,366	77.1%	5,523	3,696
Transfers and subsidies	36,000	299	5,000	41,299	41,228	71	99.8%	29,490	29,490
Payment for capital assets	486	(150)	-	336	116	220	34.5%	89	20
Payment for financial assets	-	-	-	-	-	-	-	-	-
3.2 SECTOR DEVELOPMENT									
Current payment	10,323	(250)	-	10,073	10,786	(713)	107.1%	12,125	8,894
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	250	-	250	-	250	-	287	9
Payment for financial assets	-	-	-	-	-	-	-	-	-
3.3 BUSINESS REGULATIONS AND GOVERNANCE									
Current payment	12,565	(960)	(700)	10,905	9,147	1,758	83.9%	9,013	8,639
Transfers and subsidies	34,592	2,500	7,500	44,592	44,574	18	100%	33,021	32,184
Payment for capital assets	150	(40)	-	110	38	72	34.5%	200	7
Payment for financial assets	-	-	-	-	-	-	-	-	-
3.4 TOURISM SUPPORT									
Current payment	6,470	40	-	6,510	7,242	(732)	111.2%	9,359	4,744
Transfers and subsidies	29,563	1,000	-	30,563	30,507	56	99.8%	38,259	38,259
Payment for capital assets	150	(50)	-	100	20	80	20.0%	200	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	143,291	-	11,800	155,091	151,645	3,446	97.8%	137,566	125,942

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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2012**

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

Detail of these transactions can be viewed in the note on Transfers and Subsidies, disclosure notes and Annexure 1-6 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 payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

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

4.1 Per Programme:	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Administration	86,655	83,541	3,108	4%
Underspending on Compensation of Employees due to vacant and funded posts that were not filled during the financial				
Environmental Affairs	156,768	154,662	2,105	1%
Underspending on Compensation of Employees due to vacancies and Machinery and Equipment				
Economic Development	155,091	151,645	3,446	2%
Underspending on Compensation of Employees due to vacancies and Machinery and Equipment				

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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2012**

4.2	Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
		R'000	R'000	R'000	R'000
	Current payments				
	Compensation of employees	148,892	146,874	2,018	2
	Goods and services	76,792	72,939	3,853	5
	Interest and rent on land				
	Unauthorised expenditure approved				
	Transfers and subsidies				
	Departmental agencies and accounts	74,155	74,137	18	0
	Universities and technikons	6,000	6,000	0	0
	Public corporations and private enterprises	35,000	35,000	0	0
	Households	2,439	2,046	393	17
	Payments for capital assets				
	Buildings and other fixed structures	42,737	42,851	(114)	0
	Machinery and equipment	12,424	9,835	2,589	21
	Biological assets	75	29	46	62
	Payments for financial assets	0	248	(248)	0

Underspending on Compensation of Employees due to vacancies and Machinery and Equipment

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**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2012**

	Note	2011/12 R'000	2010/11 R'000
REVENUE			
Annual appropriation	<u>1</u>	398,514	370,005
Departmental revenue	<u>2</u>	44,118	45,847
Aid assistance	<u>3</u>	14,800	-
TOTAL REVENUE		457,432	415,852
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>4</u>	146,874	127,843
Goods and services	<u>5</u>	72,939	68,714
Aid assistance	<u>3</u>	14,800	-
Total current expenditure		234,613	196,557
Transfers and subsidies			
Transfers and subsidies	<u>7</u>	117,183	100,012
Total transfers and subsidies		117,183	100,012
Expenditure for capital assets			
Tangible capital assets	<u>8</u>	52,611	30,372
Total expenditure for capital assets		52,611	30,372
Payments for financial assets	<u>6</u>	248	347
TOTAL EXPENDITURE		404,655	327,288
SURPLUS/(DEFICIT) FOR THE YEAR		52,777	88,564
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		8,659	42,717
Annual appropriation		8,659	42,717
Departmental revenue and NRF Receipts	<u>14</u>	44,118	45,847
SURPLUS/(DEFICIT) FOR THE YEAR		52,777	88,564

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**STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2012**

	Note	2011/12	2010/11
		R'000	R'000
ASSETS			
Current assets		14,872	48,283
Unauthorised expenditure	<u>9</u>	-	12,143
Cash and cash equivalents	<u>10</u>	12,061	33,720
Prepayments and advances	<u>11</u>	48	10
Receivables	<u>12</u>	2,763	2,410
TOTAL ASSETS		14,872	48,283
LIABILITIES			
Current liabilities		14,141	48,087
Voted funds to be surrendered to the Revenue Fund	<u>13</u>	8,659	42,713
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>14</u>	5,509	5,374
Payables	<u>15</u>	(27)	-
TOTAL LIABILITIES		14,141	48,087
NET ASSETS		731	196

	Note	2011/12	2010/11
		R'000	R'000
Represented by:			
Recoverable revenue		731	196
TOTAL		731	196

**DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL
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**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2012**

	<i>Note</i>	2011/12	2010/11
		R'000	R'000
Recoverable revenue			
Opening balance		196	129
Transfers:		535	67
Irrecoverable amounts written off	6.1	248	(347)
Debts revised		(44)	(89)
Debts recovered (included in departmental receipts)		95	(422)
Debts raised		236	925
Closing balance		731	196
TOTAL		731	196

**DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL
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**CASH FLOW STATEMENT
for the year ended 31 March 2012**

	Note	2011/12 R'000	2010/11 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		449,999	415,927
Annual appropriated funds received	<u>1.1</u>	398,514	370,005
Departmental revenue received	<u>2</u>	51,485	45,992
Aid assistance received	<u>3</u>	14,800	-
Net (increase)/decrease in working capital		11,725	11,520
Surrendered to Revenue Fund		(107,926)	(78,985)
Current payments		(234,613)	(196,557)
Payments for financial assets		(248)	(347)
Transfers and subsidies paid		(117,183)	(100,012)
Net cash flow available from operating activities	<u>16</u>	16,554	51,546
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>8</u>	(52,611)	(30,372)
Proceeds from sale of capital assets	<u>2.4</u>	13,863	12,012
Net cash flows from investing activities		(38,748)	(18,360)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		535	67
Net cash flows from financing activities		535	67
Net increase/(decrease) in cash and cash equivalents		(21,659)	33,253
Cash and cash equivalents at beginning of period		33,720	467
Cash and cash equivalents at end of period	<u>10</u>	12,061	33,720

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**ACCOUNTING POLICIES
for the year ended 31 March 2012**

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 1 of 2010.

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.

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.

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**ACCOUNTING POLICIES
for the year ended 31 March 2012**

Any amount due from the Provincial Revenue Fund at the end of the financial year is recognised as a receivable 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 at the end of the financial year is recognised as a payable in the statement of financial position.

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

2.3 Direct Exchequer receipts

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

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 Direct Exchequer payments

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).

2.5 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)

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**ACCOUNTING POLICIES
for the year ended 31 March 2012**

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 Salaries and wages

Salaries and wages 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 of each year).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

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

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees 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 of each year).

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

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

3.2 Goods and services

Payments made during the year 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.

Rental paid for the use of buildings or other fixed structures is classified as *goods and services* and not as *rent on land*.

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

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**ACCOUNTING POLICIES
for the year ended 31 March 2012**

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 Payments for financial assets

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

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.

Bank overdrafts are shown separately on the face of the statement of financial position.

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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 are derecognised as and when the goods/services are received or the funds are utilised.

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 (including departmental employees) and are derecognised upon recovery or write-off.

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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**ACCOUNTING POLICIES
for the year ended 31 March 2012**

4.8 Capital assets

4.8.1 Movable assets

Initial recognition

A capital asset is recorded in the asset register 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 assets" 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 assets". On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

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

4.8.3 Intangible assets

Initial recognition

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

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.*

Subsequent expenditure

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.

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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 probable 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.

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.

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5.8 Impairment

The department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

5.9 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 National/Provincial Revenue Fund when the underlying 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

	2011/12		2010/11	
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
Administration	86,655	86,655	-	191,731
Environmental affairs	156,768	156,768	-	141,478
Economic development	155,091	155,091	-	36,796
Total	398,514	398,514	-	370,005

2. DEPARTMENTAL REVENUE

	Note	2011/12	2010/11
		R'000	R'000
Tax revenue		42,073	36,790
Sales of goods and services other than capital assets	2.1	8,811	7,629
Fines, penalties and forfeits	2.2	123	176
Interest, dividends and rent on land	2.3	198	79
Sales of capital assets	2.4	13,863	12,012
Transactions in financial assets and liabilities	2.5	280	1,248
Total revenue collected		65,348	57,934
Less: Own revenue included in appropriation	14	21,230	12,087
Departmental revenue collected		44,118	45,847

2.1. Sales of goods and services other than capital assets

	Note	2011/12	2010/11
	2	R'000	R'000
Sales of goods and services produced by the department		8,811	7,629
Sales by market establishment		380	43
Administrative fees		1,492	961
Other sales		6,939	6,625
Sales of scrap, waste and other used current goods		-	-
Total		8,811	7,629

2.2. Fines, penalties and forfeits

	Note	2011/12	2010/11
	2	R'000	R'000
Fines		123	176
Total		123	176

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2.3. Interest, dividends and rent on land

	Note	2011/12	2010/11
	2	R'000	R'000
Interest		198	79
Total		198	79

2.4 Sale of capital assets

	Note	2011/12	2010/11
	2	R'000	R'000
Tangible assets		13,863	12,012
Biological assets	28.2	13,863	12,012
Total		13,863	12,012

2.5 Transactions in financial assets and liabilities

	Note	2011/12	2010/11
	2	R'000	R'000
Receivables		173	253
Stale cheques written back		1	-
Other Receipts including Recoverable Revenue		106	995
Total		280	1,248

3. AID ASSISTANCE

3.1 Aid assistance received in cash from other sources

	2011/12	2010/11
	R'000	R'000
Foreign		
Revenue	14,800	-
Expenditure	(14,800)	-
Current	(14,800)	-
Closing Balance	-	-

3.2 Total assistance

	2011/12	2010/11
	R'000	R'000
Revenue	14,800	-
Expenditure	(14,800)	-
Current	(14,800)	-
Closing Balance	-	-

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4. COMPENSATION OF EMPLOYEES

4.1 Salaries and Wages

	Note	2011/12	2010/11
		R'000	R'000
Basic salary		95,131	78,891
Performance award		1,742	1,679
Service Based		287	114
Compensative/circumstantial		2,481	3,285
Periodic payments		1,647	7,518
Other non-pensionable allowances		25,836	19,281
Total		127,124	110,768

4.2 Social contributions

	Note	2011/12	2010/11
		R'000	R'000
Employer contributions			
Pension		11,720	10,144
Medical		7,995	6,899
Bargaining council		35	32
Total		19,750	17,075
Total compensation of employees		146,874	127,843
Average number of employees		648	546

5. GOODS AND SERVICES

	Note	2011/12	2010/11
		R'000	R'000
Administrative fees		355	290
Advertising		1,378	2,713
Assets less than R5,000	<u>5.1</u>	1,790	708
Bursaries (employees)		90	-
Catering		1,579	1,128
Communication		4,177	3,795
Computer services	<u>5.2</u>	880	869
Consultants, contractors and agency/outourced services	<u>5.3</u>	20,431	27,400
Entertainment		4	19
Audit cost – external	<u>5.4</u>	4,107	4,361
Inventory	<u>4.5</u>	6,735	4,988

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	Note	2011/12 R'000	2010/11 R'000
Housing		-	-
Operating leases		7,912	11,231
Property payments	<u>5.6</u>	2,053	252
Travel and subsistence	<u>5.7</u>	17,790	9,787
Venues and facilities		1,565	301
Training and staff development		648	521
Other operating expenditure	<u>5.8</u>	1,445	351
Total		72,939	68,714

5.1 Assets less than R5,000

	Note	2011/12 R'000	2010/11 R'000
	<u>5</u>		
Tangible assets		1,790	708
Machinery and equipment		1,790	708
Total		1,790	708

5.2 Computer services

	Note	2011/12 R'000	2010/11 R'000
	<u>5</u>		
SITA computer services		369	270
External computer service providers		511	599
Total		880	869

5.3 Consultants, contractors and agency/outsourced services

	Note	2011/12 R'000	2010/11 R'000
	<u>5</u>		
Business and advisory services		10,575	14,063
Infrastructure and planning		373	294
Laboratory services		-	-
Legal costs		674	160
Contractors		2,701	1,264
Agency and support/outsourced services		6,108	11,619
Total		20,431	27,400

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5.4 Audit cost – External

	Note	2011/12	2010/11
	<u>5</u>	R'000	R'000
Regularity audits		4,107	-
Performance audits		-	4,361
Total		4,107	4,361

5.5 Inventory

	Note	2011/12	2010/11
	<u>5</u>	R'000	R'000
Food and food supplies		111	100
Fuel, oil and gas		637	610
Other consumable materials		1,994	1,233
Materials and supplies		1,273	1,543
Stationery and printing		2,597	1,383
Medical supplies		36	16
Military stores		87	103
Total		6,735	4,988

5.6 Property payments

	Note	2011/12	2010/11
	<u>5</u>	R'000	R'000
Other		2,053	252
Total		2,053	252

5.7 Travel and subsistence

	Note	2011/12	2010/11
		R'000	R'000
Employee costs	<u>5</u>	17,770	9,787
Domestic travel costs		16,852	9,188
International travel costs		918	599
Non-employee costs		20	-
Domestic travel costs		20	-
Total		17,790	9,787

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5.8 Other operating expenditure

	Note	2011/12	2010/11
	5	R'000	R'000
Resettlement costs		655	-
Other		790	351
Total		1,445	351

6. PAYMENTS FOR FINANCIAL ASSETS

	Note	2011/12	2010/11
		R'000	R'000
Other material losses written off	6.1	248	64
Total		248	347

6.1 Other material losses written off

	Note	2011/12	2010/11
	6	R'000	R'000
Nature of losses			
Damages and losses		248	64
Total		248	64

6.2 Debts written off

	Note	2011/12	2010/11
	6	R'000	R'000
Nature of debts written off			
Other debt written off			
Breach of contract		-	218
Employee			1
Ex-employee			48
Supplier/dishonoured cheques			11
Telephone			5
Total		-	283
Total debt written off		-	283

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7. TRANSFERS AND SUBSIDIES

	Note	2011/12	2010/11
		R'000	R'000
Departmental agencies and accounts	Annex 1C	74,137	70,443
Universities and technikons	Annex 1D	6,000	-
Public corporations and private enterprises	Annex 1E	35,000	29,490
Households	Annex 1H	665	79
Gifts, donations and sponsorships made	Annex 1K	1,381	-
Total		117,183	100,012

8. EXPENDITURE FOR CAPITAL ASSETS

	Note	2011/12	2010/11
		R'000	R'000
Tangible assets		52,611	30,372
Buildings and other fixed structures	30.1	42,851	29,287
Machinery and equipment	28	9,731	1,085
Biological assets	28	29	-
Total		52,611	30,372

8.1 Analysis of funds utilised to acquire capital assets – 2010/11

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	52,611	-	52,611
Buildings and other fixed structures	42,851	-	42,851
Machinery and equipment	9,731	-	9,731
Biological assets	29	-	29
Total	52,611	-	52,611

8.2 Analysis of funds utilised to acquire capital assets – 2011/12

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	30,372	-	30,372
Buildings and other fixed structures	29,287	-	29,287
Machinery and equipment	1,085	-	1,085
Total	30,372	-	30,372

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9. UNAUTHORISED EXPENDITURE

9.1 Reconciliation of unauthorised expenditure

<i>Note</i>	2011/12	2010/11
	R'000	R'000
Opening balance	12,143	22,544
Less: Amounts approved by Parliament/Legislature with funding	(12,143)	(10,401)
Unauthorised expenditure awaiting authorisation / written off	-	12,143

9.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2011/12	2010/11
	R'000	R'000
Current	-	12,143
Capital	-	-
Transfers and subsidies	-	-
Total	-	12,143

9.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2011/12	2010/11
	R'000	R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote	-	12,143
Total	-	12,143

10. CASH AND CASH EQUIVALENTS

<i>Note</i>	2011/12	2010/11
	R'000	R'000
Consolidated Paymaster General Account	12,040	33,698
Cash on hand	21	22
Total	12,061	33,720

11. PREPAYMENTS AND ADVANCES

<i>Note</i>	2011/12	2010/11
	R'000	R'000
Travel and subsistence	48	10
Total	48	10

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12. RECEIVABLES

		2011/12			2010/11
	<i>Note</i>	Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000
Claims recoverable	<u>12.1</u>	-	-	-	290
Recoverable expenditure	<u>12.2</u>	128	-	-	268
Staff debt	<u>12.3</u>	787	1,773	75	2,635
Other debtors	<u>12.4</u>				1,852
Total		915	1,773	75	2,763
					2,410

12.1 Claims recoverable

	<i>Note</i>	2011/12	2010/11
	12	R'000	R'000
Provincial departments		-	290
Total		-	290

12.2 Recoverable expenditure (disallowance accounts)

	<i>Note</i>	2011/12	2010/11
	12	R'000	R'000
Disallowance Damages and Losses		1	248
Disallowance Miscellaneous		-	7
Sal: Reversal Control		58	22
Sal: Tax Debt		64	(9)
Sal: ACB Recalls		(2)	-
Deductions Disallowance		7	-
Total		128	268

12.3 Staff debt

	<i>Note</i>	2011/12	2010/11
	12	R'000	R'000
Other		535	1189
Tel/Cell Phone debt		10	-
Other (employee debt)		9	159
Ex-employee		627	425
Breach of contract		95	-
Debt receivable income		1,359	79
Total		2,635	1,852

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13. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	<i>Note</i>	2011/12	2010/11
		R'000	R'000
Opening balance		42,713	25,294
Transfer from statement of financial performance		8,659	42,717
Paid during the year		(42,713)	(25,298)
Closing balance		8,659	42,713

14. DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND

	<i>Note</i>	2011/12	2010/11
		R'000	R'000
Opening balance		5,374	1,127
Transfer from Statement of Financial Performance		44,118	45,847
Own revenue included in appropriation		21,230	12,087
Paid during the year		(65,213)	(53,687)
Closing balance		5,509	5,374

15. PAYABLES – CURRENT

	<i>Note</i>	2011/12	2010/11
		Total	Total
Clearing accounts	<u>15.1</u>	(27)	-
Total		(27)	-

15.1 Clearing accounts

	<i>Note</i>	2011/12	2010/11
		R'000	R'000
Medical Fund	15	(4)	-
Pension Fund		(23)	-
Total		(27)	-

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16. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

<i>Note</i>	2011/12	2010/11
	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	52,777	88,564
Add back non cash/cash movements not deemed operating activities	(36,223)	(37,018)
(Increase)/decrease in receivables – current	(353)	1,114
(Increase)/decrease in prepayments and advances	(38)	5
(Increase)/decrease in other current assets	12,143	10,401
Increase/(decrease) in payables – current	(27)	-
Proceeds from sale of capital assets	(13,863)	(12,012)
Expenditure on capital assets	52,611	30,372
Surrenders to Revenue Fund	(107,926)	(78,985)
Own revenue included in appropriation	21,230	12,087
Net cash flow generated by operating activities	16,554	51,546

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

<i>Note</i>	2011/12	2010/11
	R'000	R'000
Consolidated Paymaster General account	12,040	33,698
Cash on hand	21	22
Total	12,061	33,720

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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18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

18.1 Contingent liabilities

		Note	2011/12 R'000	2010/11 R'000
Liable to	Nature			
Housing loan guarantees	Employees	Annex 3A	-	185
Claims against the department		Annex 3B	21	652
Total			21	837

19. COMMITMENTS

	Note	2011/12 R'000	2010/11 R'000
Current expenditure			
Approved and contracted		372	4,990
Approved but not yet contracted		-	9,336
		<u>372</u>	<u>14,326</u>
Capital expenditure			
Approved and contracted		38,235	894
Approved but not yet contracted		-	25
		<u>38,235</u>	<u>919</u>
Total Commitments		38,607	15,245

20. ACCRUALS

			2011/12 R'000	2010/11 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	894	30	924	1,789
Capital assets	131		131	843
Total	1,025	30	1,055	2,632

	Note	2011/12 R'000	2010/11 R'000
Listed by programme level			
Administration		459	771
Environmental Affairs		465	1,861
Economic Development		131	-
Total		1,055	2,632

	Note	2011/12 R'000	2010/11 R'000
Confirmed balances with other departments	Annex 5	-	10
Total		-	10

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21. EMPLOYEE BENEFITS

	<i>Note</i>	2011/12	2010/11
		R'000	R'000
Leave entitlement		5,115	4,052
Service bonus (Thirteenth cheque)		3,709	3,158
Capped leave commitments		6,662	6,689
Total		15,486	13,899

22. LEASE COMMITMENTS
22.1 Operating leases expenditure

2011/12	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	4,057	4,057
Later than 1 year and not later than 5 years	-	-	-	6,614	6,614
Later than five years	-	-	-	141	141
Total lease commitments	-	-	-	10,812	10,812

2010/11	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	3,722	3,722
Later than 1 year and not later than 5 years	-	-	-	5,533	5,533
Later than five years	-	-	-	45	45
Total lease commitments	-	-	-	9,300	9,300

The department has entered into a service level agreement with the Free State Government Motor Transport for the provision of vehicles. A total number of 145 vehicles are leased by the department as at year-end. In the current year all leases is being treated as operating leases in terms of an exemption granted by the National Treasury. The lease was entered into on the 9th May 2007.

23. RECEIVABLES FOR DEPARTMENTAL REVENUE

	<i>Note</i>	2011/12	2010/11
		R'000	R'000
Tax revenue		5,509	-
Interest, dividends and rent on land		1,000	-
Total		6,509	-

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23.1 Analysis of receivables for departmental revenue

	<i>Note</i>	2011/12	2010/11
		R'000	R'000
Opening balance		-	-
Less: amounts received		-	-
Add: amounts recognised		6,509	-
Less: amounts written-off/reversed as irrecoverable	10.7	-	-
Closing balance		6,509	-

24. IRREGULAR EXPENDITURE

24.1 Reconciliation of irregular expenditure

	<i>Note</i>	2011/12	2010/11
		R'000	R'000
Opening balance		-	26,583
Add: Irregular expenditure – relating to prior year		23,449	-
Add: Irregular expenditure – relating to current year		18,263	-
Less: Amounts condoned		(14,321)	(26,583)
Irregular expenditure awaiting condonation		27,391	-

**Analysis of awaiting condonation per age
classification**

Current year	15,967	-
Prior years	11,424	-
Total	27,391	-

24.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2011/12 R'000
Tender procedures not followed	The case is under investigation	14,923
Tender procedures not followed	The case is under investigation	637
Tender procedures not followed	The case is under investigation	407
Total		15,967

24.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2011/12 R'000
Tender Procedures by works-Haasbroek	Accounting Officer	8,065
Jameson Consulting-tender procedures not followed	Accounting Officer	2,062
Payment of overtime	Accounting Officer	350
One quotation used	Accounting Officer	42

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Incident	Condoned by (condoning authority)	2011/12 R'000
No competitive bidding	Accounting Officer	627
No competitive bidding	Accounting Officer	880
One quotation used		5
No approval for travelling outside the Province		7
Tender procedures were not followed by Public Works		1,696
No competitive bidding		587
Total		14,321

24.4 Details of irregular expenditures under investigation

Incident	2011/12 R'000
Quotation not attached	27
Incorrect process followed to acquire goods	123
Incorrect process followed to acquire goods	788
Split invoices	633
No tax clearance attached	6,249
Correct procurement not followed	2,968
Suppliers not on approved supplier list	636
Three quotations not obtained	637
Tender procedures not followed	14,923
Expenditure based on expired contracts	407
Total	27,391

25. FRUITLESS AND WASTEFUL EXPENDITURE

25.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2011/12 R'000	2010/11 R'000
Opening balance		541	593
Fruitless and wasteful expenditure – relating to prior year		5,840	74
Fruitless and wasteful expenditure – relating to current year		4,074	1,019
Less: Amounts condoned		(487)	(1,071)
Less: Amounts transferred to receivables for recovery		(262)	(74)
Fruitless and wasteful expenditure awaiting condonement		9,706	541

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25.2 Analysis of awaiting condonation per economic classification

	2011/12	2010/11
	R'000	R'000
Current	3,866	541
Capital	5,840	-
Total	9,706	541

25.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2011/12 R'000
Compensation paid to former Liquor inspectors who did not perform any inspection	The case is under investigation	3,849
Interest for late payment for Phillip Sanders		225
Total		4,074

26. RELATED PARTY TRANSACTIONS

Revenue received	Note	2011/12 R'000	2010/11 R'000
Tax revenue/ User charges		42,073	36,789
Total		42,073	36,789
Payments made	Note	2011/12 R'000	2010/11 R'000
Interest and rent on land		7,706	-
Total		7,706	-
Year end balances arising from revenue/payments	Note	2011/12 R'000	2010/11 R'000
Receivables from related parties		5509	-
Total		5,509	-

27. KEY MANAGEMENT PERSONNEL

	No. of Individuals	2011/12 R'000	2010/11 R'000
Political office bearers (provide detail below)	2	1,697	1,299
Officials:			
Level 15 to 16	4	3,323	3,040
Level 14 (incl. CFO if at a lower level)	4	3,869	3,580
Total		8,889	7,919

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28. MOVABLE TANGIBLE CAPITAL ASSETS

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2012**

	Opening balance	Current Year Adjustmen ts to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	6	-	-	-	6
Heritage assets	6	-	-	-	6
MACHINERY AND EQUIPMENT	30,165	146	14,741	1,493	43,559
Transport assets	2,588	-	2,659	97	5,150
Computer equipment	10,416	141	1,906	319	12,144
Furniture and office equipment	8,013	(32)	4,191	596	11,576
Other machinery and equipment	9,148	37	5,985	481	14,689
SPECIALISED MILITARY ASSETS	831	-	41	-	872
Specialised military assets	831	-	41	-	872
BIOLOGICAL ASSETS	52,226	-	12,807	11,205	53,828
Biological assets	52,226	-	12,807	11,205	53,828
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	83,228	146	27,589	12,698	98,265

The department has entered into a service level agreement with the Free State Government Motor Transport for the provision of vehicles. A total number of 145 vehicles are leased by the department as at year-end. In the current year all leases are being treated as operating leases in terms of an exemption granted by the National Treasury. The lease was entered into on the 9th May 2007.

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28.1 Additions

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
YEAR ENDED 31 MARCH 2012**

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	11,230	3,511	-	-	14,741
Transport assets	2,659	-	-	-	2,659
Computer equipment	1,734	172	-	-	1,906
Furniture and office equipment	1,076	3,115	-	-	4,191
Other machinery and equipment	5,761	224	-	-	5,985
SPECIALISED MILITARY ASSETS	11	30	-	-	41
Specialised military assets	11	30	-	-	41
BIOLOGICAL ASSETS	-	12,807	-	-	12,807
Biological assets	-	12,807	-	-	12,807
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	11,241	16,348	-	-	27,589

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28.2 Disposals

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
YEAR ENDED 31 MARCH 2012**

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT		1,493	1,493	
Transport assets	-	97	97	-
Computer equipment	-	319	319	-
Furniture and office equipment	-	596	596	-
Other machinery and equipment	-	481	481	-
BIOLOGICAL ASSETS	-	11,205	11,205	13,863
Biological assets	-	11,205	11,205	13,863
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	12,698	12,698	13,863

28.3 Movement for 2010/11

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2011**

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	6	-	-	6
Heritage assets	6	-	-	6
MACHINERY AND EQUIPMENT	26,235	5,999	2,069	30,165
Transport assets	2,405	221	38	2,588
Computer equipment	8,676	2,627	887	10,416
Furniture and office equipment	7,085	1,389	461	8,013
Other machinery and equipment	8,069	1,762	683	9,148
SPECIALISED MILITARY ASSETS	714	123	6	831
Specialised military assets	714	123	6	831
BIOLOGICAL ASSETS	47,367	14,305	9,446	52,226
Biological assets	47,367	14,305	9,446	52,226
TOTAL MOVABLE TANGIBLE ASSETS	74,322	20,427	11,521	83,228

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28.4 Minor Assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2012

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	408	16	57	27,134	29,472	57,087
Current Year Adjustments to Prior Year balances	(11)	-	(2)	(98)	-	(111)
Additions	17	16	6	3,792	6,554	10,385
Disposals	9	-	-	1,427	4,881	6,317
TOTAL MINOR ASSETS	405	32	61	29,401	31,145	61,044

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets				28	29	57
Number of minor assets at cost	137	19	12	32,781	22,681	55,230
TOTAL NUMBER OF MINOR ASSETS	137	19	12	32,809	22,310	55,287

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2011

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	17	29	25,828	39,774	65,648
Current Year Adjustments to Prior Year balances	397	-	33	(221)	(9,058)	(8,849)
Additions	22	-	2	3,333	4,923	8,280
Disposals	11	1	7	1,806	6,167	7,992
TOTAL MINOR ASSETS	408	16	57	27,134	29,472	57,087

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets				8	29	37
Number of minor assets at cost	198	6	11	14,231	24,250	38,696
TOTAL NUMBER OF MINOR ASSETS	198	6	11	14,239	24,279	38,733

29. INTANGIBLE CAPITAL ASSETS

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2012**

	Opening balance	Current Year Adjustmen ts to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	45	-	-	-	45
TOTAL INTANGIBLE CAPITAL ASSETS	45	-	-	-	45

29.1 Movement for 2010/11

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2011**

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	45	-	-	45
TOTAL INTANGIBLE CAPITAL ASSETS	45	-	-	45

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30. IMMOVABLE TANGIBLE CAPITAL ASSETS

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
YEAR ENDED 31 MARCH 2012**

	Opening balance	Current Year Adjustmen ts to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES			42,851	42,851	
Dwellings	-	-	-	-	(6)
Non-residential buildings	(6)	-	-	-	-
Other fixed structures	6	-	42,851	42,851	6
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	6	-	42,851	42,851	6

30.1 Additions

**ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
YEAR ENDED 31 MARCH 2012**

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	42,851	-	-	-	42,851
Non-residential buildings	-	-	-	-	-
Other fixed structures	42,851				42,851
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	42,851	-	-	-	42,851

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30.2 Disposals

**DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
YEAR ENDED 31 MARCH 2012**

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	42,851	42,851	
Non-residential buildings				
Other fixed structures	-	42,851	42,851	-
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	-	42,851	42,851	-

30.3 Movement for 2010/11

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
YEAR ENDED 31 MARCH 2011**

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	-	-
Dwellings	(6)	-	-	(6)
Non-residential buildings	-	-	-	-
Other fixed structures	6	-	-	6
HERITAGE ASSETS	6			6
Heritage assets	6	-	-	6
TOTAL IMMOVABLE TANGIBLE ASSETS	6	-	-	6

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ANNEXURE 1C
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2010/11
	Adjusted Appropriation	Roll-Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Free State Tourism Authority	29,563	-	-	29,563	29,563	100	38,259
Free State Gambling and Liquor Authority	44,592	-	-	44,592	44,574	100	33,021
	74,155	-	-	74,155	74,137		71,280

ANNEXURE 1D
STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION				TRANSFER			2010/11
	Adjusted Appropriation	Roll-Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
University of the Free State	6,000	-	-	6,000	6,000	-		-
	6,000	-	-	6,000	6,000	-		-

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ANNEXURE 1E

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2010/11
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
Transfers									
Free State Development Corporation	35,000	-	-	35,000	35,000	100	-	-	29,490
Total	35,000	-	-	35,000	35,000	100	-	-	29,490
TOTAL	35,000			35,000	35,000	100			29,490

ANNEXURE 1H

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2010/11
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Leave gratuity	2,439	-	-	2,439	665	27	
	2,439	-	-	2,439	665	27	
Total	2,439	-	-	2,439	665	27	

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**ANNEXURE 1J
STATEMENT OF AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDI- TURE R'000	CLOSING BALANCE R'000
Received in cash					
Frankfort Kraft Paper Project			14,800	14,800	-
Subtotal			14,800	14,800	-
TOTAL			14,800	14,800	

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

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2011/12 R'000	2010/11 R'000
Paid in cash		
Dutch Reformed Church Winburg	10	7
Kroonstad Collegians Marathon Club	10	7
Masakhane Youth Rehabilitation (To fund the festival for local community)	-	10
Love life (Mini Tournament for you people at Rouxville)	-	1
St Peter's Anglican Youth Guild (Sponsorship to the Annual Youth Summit)	-	36
National Museum (Contributing to the hosting of the 4 th International conference)	-	20
Orange River Basin Symposium. Sponsoring conference bags and gala dinner	65	-
Launch of Steve Bogacu Development Network and Capacity Building(SBDN) for potential SMME's	51	-

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NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2011/12	2010/11
	R'000	R'000
Transport for women's month closing event in Villiers	45	-
Transport for women's month closing event in Villiers	8	-
Transport for women's month closing event in Villiers	53	-
Transport for women's month closing event in Villiers	9	-
Transport for women's month closing event in Villiers	9	-
Launch of Steve Bogacu Development Network and Capacity Building(SBDN) for potential SMME's	98	-
Launch of Steve Bogacu Development Network and Capacity Building(SBDN) for potential SMME's	32	-
Launch of Steve Bogacu Development Network and Capacity Building(SBDN) for potential SMME's	15	-
Funding for Youth Entrepreneurs session	33	-
FSTA paid Sponsorship relating to the Tourism month on behalf of the Department	943	-
Subtotal	1,381	81
Made in kind		
20 x Blesbuck @ R500 per unit (Mr Alfred Buckland)	-	10
20 x Springbok @ R400 per unit (Mr Alfred Buckland)	-	8
10 x Ostrich @ R200 per unit (Mr Alfred Buckland)	-	2
5 x Zebra @ R3 500 per unit (Mr Alfred Buckland)	-	2
8 x Gemsbok @ R2 500 per unit (Mr Sello Khabola)	-	18
20 x Springbok @ R400 per unit (Mr Sello Khabola)	-	20
10 x Ostrich @ R200 per unit (Mr Sello Khabola)	-	8
8 x Blesbuck @ R500 per unit (Mr Sello Khabola)	-	2
5 x Zebra @ R3 500 per unit (Mr Sello Khabola)	-	10
10 x Ostrich @ R200 per unit (Mr Mahlehlelele)	-	17
20 Blesbok, 10 Impala, 5 Zebra, 8 Red Hartebeests and 6 ostrich(Mr Wakaba)	-	2
10 x ostrich @ R200 per unit (Lily Malakoane)	-	20

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NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2011/12	2010/11
	R'000	R'000
5 x Gemsbok @ R2500 per unit (Mr Barnes)	-	2
13 Game Ranch Management book (Black game ranchers)	-	12
Emergency 100 grass bales for victims of veld fire that started in Willem Pretorius(2 farmers)	-	9
Free Accommodation, entrance and exhibition stalls at the game auction	22	29
Donations of game to 3 emerging black game farmers	55	-
Donations of game to 3 emerging black game farmers	23	-
Donations of game to 3 emerging black game farmers	3	-
Subtotal	103	169
Remissions, refunds, and payments made as an act of grace		
Subtotal		
TOTAL	1,484	250

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ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2012 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2011	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2012	Guaranteed interest for year ended 31 March 2012	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
	Motor vehicles	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
Standard Bank	Housing	14	-	-	-	-	-	-	-
FirstRand Bank	Housing	37	21	-	21	-	-	-	-
ABSA	Housing	53	53	-	53	-	-	-	-
Peoples Bank FB	Housing	6	-	-	-	-	-	-	-
Nedbank LTD	Housing	17	17	-	17	-	-	-	-
Old Mutual	Housing	79	79	-	79	-	-	-	-
Free State Development Corp	Housing	7	7	-	7	-	-	-	-
	Subtotal	213	177	-	177	-	-		
	TOTAL	213	177	-	177	-	-		

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ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2012

Nature of Liability	Opening Balance 1 April 2011	Liabilities incurred during the year	Liabilities paid/cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2012
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Prinsloo Retief- Review liquor application	15		15		
Steyn Jacomina 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		
Odendaal G – claim	139		139		
Molebatsi MA- Review Liquor application	14		14		
Steyn IJ – Review Liquor application	15		15		
Goosen H – Review liquor application	9		9		
Newcolette AM – Review liquor application	9		9		
Pudumo JS - Review liquor application	15		15		
Qamakoane F - Review liquor application	15		15		
Schwarz Waldemar - Review liquor application	15		15		
Rooyen Van Claudius - Review liquor application	15		15		
Randum chemicals CC	21				21
Mayekiso JV and Grobler CL - Review liquor application	15		15		
Subtotal	653		632		21
 TOTAL	 653		 632		 21

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ANNEXURE 5
INTER-GOVERNMENT PAYABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Premier's Office		10	-	-	-	10
		10	-	-	-	10
TOTAL		10	-	-	-	10

ANNEXURE 6
INVENTORY

Inventory	Note	Quantity	2011/12	Quantity	2010/11
			R'000		R'000
Opening balance		-	-	-	-
Add/(Less): Adjustments to prior year balance		-	-	-	-
Add: Additions/Purchases - Cash		-	6,735	4,988	-
Add: Additions - Non-cash		-	-	-	-
(Less): Disposals		-	-	-	-
(Less): Issues		-	(6,735)	(4,988)	-
Add/(Less): Adjustments		-	-	-	-
Closing balance			-	-	-

Financial Statements of Other Entities

Annual Financial Statements of

TRUST FUNDS NATURE CONSERVATION

for the year ended 31 March 2012

TRUST FUNDS NATURE CONSERVATION
FINANCIAL STATEMENTS
for the year ended 31 March 2012

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TRUST FUNDS NATURE CONSERVATION
MANAGEMENT REPORT
for the year ended 31 March 2012

Mandate or purpose of the Entity

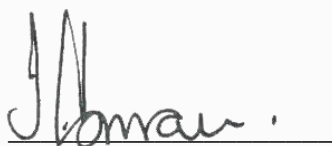
The trust account was opened on 31 March 1984. The initial balance consisted of a donation made to the Provincial Government. No additional money was invested in the trust; any subsequent increases are the result of accumulated interest. Money was donated for the establishment and development of Provincial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

Legislative framework or Act within which the entity operates

Nature Conservation (Ordinance 8 of 1969).

Approval

The Annual Financial Statements set out on pages 127 to 132 have been approved by the Accounting Officer.



I. OSMAN
ACCOUNTING OFFICER
31 MAY 2012

TRUST FUNDS NATURE CONSERVATION
REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2012

**REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE PROVINCIAL
LEGISLATURE ON THE FINANCIAL STATEMENTS OF THE NATURE CONSERVATION
TRUST FUND**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Nature Conservation Trust Fund set out on pages 124 to 132, which comprise the statement of financial position as at 31 March 2012, the statement of comprehensive income, statement of changes in equity the statement of cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. 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 the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. 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.
4. 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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

TRUST FUNDS NATURE CONSERVATION
REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2012

Opinion

6. 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 2012, and its financial performance and cash flows for the year then ended in accordance with SA Statements of GAAP and the requirements of the PFMA.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Compliance with laws and regulations

8. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA.

Internal control

9. I considered internal control relevant to my audit of the financial statements, and compliance with laws and regulations. I did not identify any deficiencies in internal control which I considered sufficiently significant for inclusion in this report.

Auditor-General

Bloemfontein

31 July 2012



Auditing to build public confidence

TRUST FUNDS NATURE CONSERVATION

ACCOUNTING POLICIES
for the year ended 31 March 2012

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 the presentation for the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures reasonable expected to be available.

TRUST FUNDS NATURE CONSERVATION
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2012

Notes	ENTITY	
	2012 Actual R'000	2011 Actual R'000
REVENUE	-	-
Interest, dividends and rent on land	31	32
	31	32
EXPENDITURE	-	-
SURPLUS BEFORE TAX	31	32
SURPLUS AFTER TAX FROM CONTINUING OPERATIONS	31	32
SURPLUS/DEFICIT FOR THE YEAR	31	32
Attributable to:		
Owners of the controlling entity	31	32
	31	32

TRUST FUNDS NATURE CONSERVATION
STATEMENT OF FINANCIAL POSITION AS AT
for the year ended 31 March 2012

		ENTITY	
	Notes	2012 Actual R'000	2011 Actual R'000
ASSETS			
Current assets		579	548
Cash and cash equivalents	3	579	548
TOTAL ASSETS		579	548
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Total Equity		579	548
Accumulated surplus	2	579	548
TOTAL EQUITY AND LIABILITIES		579	548

TRUST FUNDS NATURE CONSERVATION

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 MARCH 2012

	Notes	ENTITY	
		2012 Actual R'000	2011 Actual R'000
Equity			
Surplus for the year			
Balance at 1 April as originally stated		-	-
Net profit for the year		31	32
Balance at 31 March		31	32
Accumulated surplus			
Balance at 1 April as originally stated		516	480
Balance at 31 March		548	516
Total Equity			
Balance at 1 April as originally stated		548	516
Net profit for the year		31	32
Balance at 31 March		579	548

TRUST FUNDS NATURE CONSERVATION

CASH FLOW STATEMENT
for the year ended 31 MARCH 2012

	Notes	ENTITY	
		2012 Actual R'000	2011 Actual R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest, dividends and rent on land	1	31	32
Net cash inflows from operating activities		31	32
Net increase in cash and cash equivalents		31	32
Cash and cash equivalents at the beginning of the year	3	-	-
Cash and cash equivalents at the end of the year		548	516
		579	548

TRUST FUNDS NATURE CONSERVATION

NOTES TO THE ANNUAL FINANCIAL STATEMENT

for the year ended 31 MARCH 2011

		ENTITY	
		2012 Actual R'000	2011 Actual R'000
1	Income from investments		
	Interest, dividends and rent on land	31	32
	- Investments	31	32
2	Capital and reserves		
	Surplus for the year		
	Balance at 1 April as originally stated	0	0
	Balance at 31 March	31	32
	Accumulated surplus		
	Balance at 1 April as originally stated	548	516
	Balance at 31 March	579	548
3	Cash and cash equivalents		
	Cash and cash balances with banks	548	516
	Total	579	548

ANNUAL
2011/2012 REPORT

PART D

HUMAN RESOURCE MANAGEMENT



4. HUMAN RESOURCE MANAGEMENT

The statistics and information published in the Human Resources Management part of this report is prescribed by the Minister for the Public Service and Administration in Chapter 1, Part III J.3 of the Public Service Regulations, 2002 for all departments within the Public Service.

The tables were obtained from Department of Public Service and Administration (DPSA).

4.1 Service delivery

According to Treasury Regulations, 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
Not Applicable				

Table 1.2 – Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Workshops	SMMEs and Cooperatives	Entrepreneurs	Various workshops held in all five districts of the Province

Table 1.3 – Service delivery access strategy

Access Strategy	Actual achievements
Not Applicable	

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>

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, 2011/12

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	83 547	48 784	648	3 233	58.4	75
Environmental Affairs	151 645	18 309	-	4470	12.1	122
Economic Development	154 663	79 781	-	593	51.6	28
Total	389 855	146 874	648	8 296	37.7	225

TABLE 2.2 – Personnel costs by salary bands, 2011/12

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	16 349	10.6	102 824
Skilled (Levels 3-5)	23 263	15.1	127 120
Highly skilled production (Levels 6-8)	45 954	29.7	235 662
Highly skilled supervision (Levels 9-12)	32 406	21	522 677
Senior management (Levels 13-16)	13 594	8.8	755 222
Contract (Levels 1-2)	0	0	0
Contract (Levels 3-5)	1 090	0.7	109 000
Contract (Levels 6-8)	7 699	5	213 861
Contract (Levels 9-12)	1 189	0.8	594 500
Contract (Levels 13-16)	3 087	2	1 029 000
Periodical Remuneration	2 243	1.5	27 354
TOTAL	146874	95.1	195832

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, 2011/12

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 Assistances as a % of personnel cost
Administration	33765	74.2	8	0	1170	2.6	1830	4
Environmental Affairs	54147	63.1	853	1	3416	4	5316	6.2
Economic Development	16687	72.2	0	0	371	1.6	849	3.7
Total	104599	67.7	861	0.6	4957	3.2	7995	5.2

TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2011/12

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)	10109	62.5	245	1.5	1181	7.3	1638	10.1
Skilled (Levels 3-5)	15255	64.7	261	1.1	1624	6.9	2398	10.2
Highly skilled production (Levels 6-8)	31632	64.9	260	0.5	1447	3	2806	5.8
Highly skilled supervision (Levels 9-12)	24257	69.8	95	0.3	376	1.1	875	2.5
Senior management (Levels 13-16)	11212	74.6	0	0	309	2.1	198	1.3
Contract (Levels 1-2)	0	0	0	0	0	0	0	0
Contract (Levels 3-5)	1045	95.9	0	0	10	0.9	0	0
Contract (Levels 6-8)	7547	98	0	0	10	0.1	38	0.5
Contract (Levels 9-12)	839	54.7	0	0	0	0	42	2.7
Contract (Levels 13-16)	2703	78.6	0	0	0	0	0	0
Periodical Remuneration	0	0	0	0	0	0	0	0
Total	104599	67.7	861	0.6	4957	3.2	7995	5.2

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 2012

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administration	273	134	50.91%	4
Environmental Affairs	882	422	51.75%	27
Economic Development	147	54	63.26%	5
Total	1302	610	53.14%	35

TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2012

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	399	161	59.64%	24
Skilled (Levels 3-5)	312	180	42.30%	0
Highly skilled production (Levels 6-8)	392	176	55.10%	11
Highly skilled supervision (Levels 9-12)	166	77	53.61%	0
Senior management (Levels 13-16)	33	16	51.51%	0

TABLE 3.3 – Employment and vacancies by critical occupation, 31 March 2012

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Top Management	10	4	60%	0
Senior Management	23	12	47.82%	0
Professionals & Middle Management	53	38	28.30%	0
Managers & Related Personnel	115	40	65.21%	0
Administrative Office Workers	390	175	55.12%	11
Technicians Associate Professionals	157	63	59.87%	0

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Elementary Occupations	554	278	49.81%	24
Total Permanent	1302	610	53.14%	35

The information in each case reflects the situation as at 31 March 2012. For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this report.

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 2011 to 31 March 2012

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 (Levels 1-2)	399	0	0%	0	0%	0	0%
Skilled (Levels 3-5)	312	0	0%	1	0.31%	0	0%
Highly skilled production (Levels 6-8)	392	14	3.55%	0	7%	0	0%
Highly skilled supervision (Levels 9-12)	166	6	0%	0	3.61%	0	0%
Senior Management Service Band A	24	10	41.6%	0	0%	0	0%
Senior Management Service Band B	6	5	83%	0	0%	0	0%
Senior Management Service Band C	2	2	100%	0	0%	0	0%
Senior Management Service Band D	1	0	0%	0	0%	0	0%
Total	1302	37	2.8%	0	0.61%	0	0%

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 2011 to 31 March 2012

Beneficiaries	African	Asian	Coloured	White	Total
Female	2	0	0	0	2
Male	11	0	0	0	11
Total	13	0	0	0	13
Employees with a disability					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 2011 to 31 March 2012 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Organisational Development Practitioner	1	7	8	Post were evaluated previously and came out on salary level 8. Provincial benchmark were conducted during 2011 and post were recommended on salary level 7
Strategic Planning Practitioner	1	7	8	Post were evaluated previously and came out on salary level 8. Provincial benchmark were conducted during 2011 and post were recommended on salary level 7
Accounting Clerk: Financial Accounting	6	5	6	Provincial benchmark was conducted and posts were recommended on salary level 5
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2011/12				8
Percentage of total employment				1.3%

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 2011 to 31 March 2012 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	7	0	0	0	7
Male	1	0	0	0	1
Total	8	0	0	0	8
Employees with a disability					0

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 2011 to 31 March 2012

Salary Band	Number of employees per band as on 1 April 2011	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	159	10	4	2.42%
Skilled (Levels 3-5)	183	1	6	3.37%
Highly skilled production (Levels 6-8)	195	2	9	4.78%
Highly skilled supervision (Levels 9-12)	62	4	3	4.76%
Senior Management Service Band A	12	0	0	0.0%
Senior Management Service Band B	4	0	1	33.33%
Senior Management Service Band C	1	0	1	100%
Senior Management Service Band D	1	1	1	100%
Total	617	18	25	4.09%

TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2011 to 31 March 2012

Occupation:	Number of employees per occupation as on 1 April 2011	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Top Management	6	1	3	75%
Senior Management	12	0	0	0%
Professionals & Middle Management	37	2	2	5.26%
Managers & Related Personnel	39	2	1	2.5%
Administrative Office Workers	182	2	9	5.14%
Technicians Associate Professionals	68	0	5	7.93%
Elementary Occupations	272	11	5	1.79%
Total Permanent	617	18	25	4.09%

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
Death	12	1.97
Resignation	4	0.65
Expiry of contract	0	0.0
Dismissal – operational changes	0	0.0
Dismissal – misconduct	0	0.0
Dismissal – inefficiency	0	0.0
Discharged due to ill-health	0	0.0
Retirement	3	0.49
Transfers to other Public Service Departments	6	0.98
Other	0	0.0
Total	25	4.11
Total number of employees who left as a % of the total employment		4.11

Table 5.4 – Promotions by critical occupation

Occupation	Employees as at 1 April 2011	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Top Management	6	0	0%	4	66.66%
Senior Management	12	0	0%	12	100%
Professionals & Middle Management	38	0	0%	21	55.26%
Managers & Related Personnel	39	13	33.33%	16	41.02%
Administrative Office Workers	182	0	0.59%	89	48.90%
Technicians Associate Professionals	68	0	0%	55	80.88%
Elementary Occupations	272	0	0%	178	65.44%
Total Permanent	617	13	2.1%	375	60.77%

Table 5.5 – Promotions by salary band

Salary Band	Employees 1 April 2011	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	159	0	0%	76	47.79%
Skilled (Levels 3-5)	183	0	0%	160	87.43%
Highly skilled production (Levels 6-8)	195	0	0%	100	51.28%
Highly skilled supervision (Levels 9-12)	62	13	20.96%	23	37.09%
Senior management (Levels 13-16)	18	0	0%	16	88.88%
Total	617	13	2.74%	375	60.77%

Employment equity

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

6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2012

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	31	1	1	8	12	0	0	2	55
Professionals	0	0	0	6	0	0	0	1	7
Technicians and associate professionals	9	0	0	12	11	0	0	0	32
Clerks	59	3	0	23	65	2	0	24	176
Service and sales workers	125	2	0	4	38	0	0	2	180
Skilled agriculture and fishery workers	9	0	0	0	0	0	0	0	9
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	102	2	0	2	50	4	0	1	161
Total	335	8	1	55	176	6	0	30	611
Employees with disabilities	1	0	0	1	1	0	0	0	3

6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2012

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	1	0	0	0	0	1	4
Senior Management	9	0	0	0	3	0	0	0	12
Professionally qualified and experienced specialists and mid-management	19	1	0	8	9	0	0	1	38
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	64	3	0	40	66	2	0	16	189
Semi-skilled and discretionary decision making	45	2	0	2	28	2	0	10	89
Unskilled and defined decision making	195	2	0	5	70	4	0	2	278
Total	334	8	1	55	176	6	0	30	610

6.3 – Recruitment for the period 1 April 2011 to 31 March 2012

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	1	0	0	0	0	0	1
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	2	0	0	0	0	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	11	0	0	0	19	0	0	0	30
Semi-skilled and discretionary decision making	3	0	0	0	4	0	0	0	7
Unskilled and	26	1	0	1	19	1	0	1	49

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
defined decision making									
Total	45	1	1	1	39	1	0	1	89

Employees with disabilities	0	0	0	0	0	0	0	0	0
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6.4 – Promotions for the period 1 April 2011 to 31 March 2012

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
<i>Top Management</i>	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	1	0	0	11	1	0	0	0	13
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	1
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	3
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	1	0	0	11	1	0	0	0	13

Employees with disabilities	0	0	0	0	0	0	0	0	0
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6.5 – Terminations for the period 1 April 2011 to 31 March 2012

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
<i>Top Management</i>	3	0	0	0	0	0	0	0	3
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced	1	0	0	0	2	0	0	0	3

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
specialists and mid-management									
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	0	2	3	0	0	1	9
Semi-skilled and discretionary decision making	1	1	0	0	3	0	0	0	5
Unskilled and defined decision making	4	0	0	0	1	0	0	0	5
Total	12	1	0	2	9	0	0	1	25

Employees with disabilities	0	0	0	0	0	0	0	0	0
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6.6 – Disciplinary action for the period 1 April 2011 to 31 March 2012

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	16	0	0	2	16	0	0	0	34

6.7 – Skills development for the period 1 April 2011 to 31 March 2012

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	20	0	0	0	8	0	0	0	28
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	8	0	0	0	6	0	0	0	14
Clerks	5	1	0	3	19	0	0	0	28
Service and sales workers	17	0	0	0	24	0	0	0	41
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	0	0	0	0	0	0	0	0	0

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
assemblers									
Elementary occupations	11	0	0	0	8	0	0	0	19
Total	61	1	0	3	65	0	0	0	130
Employees with disabilities	0	0	0	0	0	0	0	0	0

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 2011 to 31 March 2012

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	112	355	31.5%	819	7311
Female	59	196	30.1%	530	8990
Asian					
Male	0	1	0%	0	0
Female	0	0	0%	0	0
Coloured					
Male	0	8	0%	0	0
Female	3	6	50%	19	16258
White					
Male	27	54	50%	439	16258
Female	17	29	58.6%	180	10593
Employees with a disability	1	3	33.3%	13	13379
Total	219	652	33.6%	2001	9135

TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2011 to 31 March 2012

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	48	161	29.8%	194	4042	0.11%
Skilled (Levels 3-5)	64	178	36%	303	4734	0.18%
Highly skilled production (Levels 6-8)	60	160	37.5%	559	9475	0.33%
Highly skilled supervision (Levels 9-12)	47	87	54%	936	19915	0.55%
Total	219	586	37.3	2001	9137	1.18%

TABLE 7.3 – Performance Rewards by critical occupations, 1 April 2011 to 31 March 2012

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Admin. Related, permanent	3	15	20	71	23667
Agric. Animal forestry & other science, permanent	4	9	44,4	110	27500
Agric. Related, permanent	11	24	45,8	209	19000
All artisans in building etc, permanent	3	3	100	25	8333
Auxiliary & related workers, permanent	3	14	21,4	12	4000
Building & property caretakers, permanent	5	7	71,4	28	5600
Bus & heavy vehicle drivers, permanent	1	3	33.3	6	6000
Cleaners in offices, permanent	3	20	15	15	5000
Communication & information related , permanent	0	3	0	0	0
Conservation labourers	53	172	30.8	214	4038
Farm labourers	16	56	28.6	73	4563
Finance & economics related	8	9	88.9	200	25000
Financial & related professionals, permanent	11	20	55	142	12909
Financial clerks & credit controller, permanent	13	22	59.1	109	8385

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Horticulturists & forestry technicians	0	6	0	0	0
Human resources & org. Development & related professions	8	18	44.4	114	14250
Human resources clerks	4	12	33.3	37	9250
Human resources related	5	5	100	104	20800
Language practitioners & other communications	1	8	12.5	9	9000
Librarians & related professionals	0	1	0	0	0
Library Mail & related clerks	1	3	33.3	9	9000
Light vehicle drivers	0	0	0	0	0
Material-recording and transport clerks	1	2	50	5	5000
Messengers & deliverers	0	1	0	0	0
Natural science related	0	0	0	0	0
Nature conservation & related technicians	18	77	23.4	200	11011
Other admin. & related clerks	29	62	46.8	169	5828
Other admin. Policy & related officers	1	2	50	11	11000
Other information technology	3	4	75	30	10000
Other occupations	0	1	0	0	0
Regulatory inspectors	0	8	0	0	0
Secretaries & keyboard operating clerks	9	22	40.9	59	6556
Security officers	0	2	0	0	0
Security guards	2	3	66.7	7	3500
Senior managers	0	13	0	0	0
Trade / industry advisers & related professions	3	22	13.6	33	11000
Veterinarians	0	1	0	0	0
Total	219	652	33.6	2001	9137

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

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	12	12	100%	78420	6535	2.15%
Band B	4	4	100%	125321	31330	1.35%

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band C	0	1	0%	0	0	0%
Band D	0	1	0%	0	0	0%
Total	16	1	88.88%	203741	37865	0.83%

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 2011 to 31 March 2012, by salary band

Salary Band	1 April 2011		31 March 2012		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%
Total	0	0%	0	0%	0	0%

TABLE 8.2 – Foreign Worker, 1 April 2011 to 31 March 2012, by major occupation

Major Occupation	1 April 2010		31 March 2011		Change	
	Number	% of total	Number	% of total	Number	% change
None						
Total						

Leave utilisation for the period 1 January 2011 to 31 December 2011

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 2011 to 31 December 2011

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	1179	95.1%	120	27.6%	10	286
Skilled (Levels 3-5)	1028	91.5%	131	30.1%	8	306
Highly skilled production (Levels 6-8)	793	88.3%	96	22.1%	8	501

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Highly skilled supervision (Levels 9-12)	336	89.9%	49	11.3%	7	362
Senior management (Levels 13-16)	44	93.2%	9	2.1%	5	125
Total	3380	91.6%	405	18.64%	38	1580

TABLE 9.2 – Disability leave (temporary and permanent), 1 January 2011 to 31 December 2011

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	369	100%	18	47.8%	21	87707
Skilled (Levels 3-5)	373	100%	10	26.3%	37	92500
Highly skilled production (Levels 6-8)	163	100%	10	26.3%	16	115951
Highly skilled supervision (Levels 9-12)	0	0%	0	0	0	0
Senior management (Levels 13-16)	0	0%	0	0	0	0
Total	905	100%	38	6.2%	24	296158

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 2011 to 31 December 2011

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	2990.92	20
Skilled Levels 3-5)	3996	22
Highly skilled production (Levels 6-8)	3325	20
Highly skilled supervision (Levels 9-12)	1874	21
Senior management (Levels 13-16)	313	18
Total	12498.92	20

TABLE 9.4 – Capped leave, 1 January 2010 to 31 December 2011

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2011
Lower skilled (Levels 1-2)	4	1	15
Skilled Levels 3-5)	7	2	35
Highly skilled production (Levels 6-8)	48	6	40
Highly skilled supervision (Levels 9-12)	6	6	46
Senior management (Levels 13-16)	6	6	46
Total	65	4	35

TABLE 9.5 – Leave payouts for the period 1 April 2011 to 31 March 2012

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
Leave payout for 2011/12 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2011/12	291	40	7275
Current leave payout on termination of service for 2011/12	901740	13	69365
Total	902031	40	38320

HIV and AIDS & health promotion programmes

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

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Peer educators ,EHWP and OHS committee reps	<ul style="list-style-type: none"> • Education, awareness and training on HIV/AIDS • Provision of first aid kits • Identification of health and safety hazards • Formulation of policies on EHWP and OHS

TABLE 10.2 – Details of Health Promotion and HIV and AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		Mr Sani Chief Director: corporate service
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and wellbeing 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		Three (3) Budget: R900 000

Question	Yes	No	Details, if yes
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 Counselling and Testing (HCT) Programme Health Risk Assessments (HRA) Disease Management Programme(DMP) Promotion of Health & Wellness
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		EHWP Committee Mr.MS Sani Mrs. LGB Molefe(EHWP) Ms K Mampe (EHWP) Ms N Seleokane (EHWP) PEER EDUCATORS: Ms Puleni - Environmental Management Ms Molokoane- Communications Mr Maqhosha- MEC's Office Ms Mollo- Sterkfonteindam Resort Mr. Lesupi- Bathurst Reserve Ms Makolomakoe- Cleaning Services Ms Setsetse-Sandveld Resort Mr. Seisho- Erfenisdam Reserve Ms Motsoane - Game Capture Team Mr. Makubo - Seeikoevlei Reserve Mr. Thamaha- Caledon Reserve Ms Dube - Karee Nursery Mr. Senyakanyaka - Kalkfonteindam Reserve Mr. Mokgele Mr. Mamome- Maria Moroka Reserve Mr. Telane- Sterkfonteindam Resort Mr. Motlohi - Tussen-Die-Riviere (TDR) Reserve Mr. Ntomane - TDR Reserve Mr. Seekane

Question	Yes	No	Details, if yes
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	
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 Keeping confidential information confidential 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		HCT Campaigns done twice a year 205 out of 657, including contract workers participated
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		X	

Labour relations

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

TABLE 11.1 – Collective agreements, 1 April 2011 to 31 March 2012

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 2011 to 31 March 2012

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	1	6.5%
Verbal warning	-	-
Written warning	1	6.25%
Final written warning	1	6.25%
Suspended without pay	0	0%
Fine	0	0%
Demotion	0	0%
Dismissal	0	0%
Not guilty	1	6.25%
Case withdrawn	12	75%
Total	16	100%

TABLE 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Fraud	2	7.1%
Misuse GG Vehicle	6	21.4%
Mismanagement of finances	1	3.6%

Type of misconduct	Number	% of total
Theft	1	3.6%
Refusal to take lawful instruction	15	53.5%
Insulted and threatened to assault	1	3.6%
Mismanagement of leave	1	3.6%
Absenteeism	1	3.6%
Total	28	100%

TABLE 11.4 – Grievances lodged for the period 1 April 2011 to 31 March 2012

	Number	% of Total
Number of grievances resolved	34	100%
Number of grievances not resolved	0	0%
Total number of grievances lodged	34	100%

TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2011 to 31 March 2012

	Number	% of Total
Number of disputes upheld	0	0%
Number of disputes dismissed	0	0%
Total number of disputes lodged	4	100%

TABLE 11.6 – Strike actions for the period 1 April 2011 to 31 March 2012

Total number of person working days lost	6 days
Total cost (R'000) of working days lost	R 1 946.00
Amount (R'000) recovered as a result of no work no pay	R 1 946.00

TABLE 11.7 – Precautionary suspensions for the period 1 April 2011 to 31 March 2012

Number of people suspended	None
Number of people whose suspension exceeded 30 days	None
Average number of days suspended	None
Cost (R'000) of suspensions	None

Skills development

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

12.1 – Training needs identified 1 April 2011 to 31 March 2012

Occupational Categories	Gender	Number of employees as at 1 April 2011	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	14	0	• Project Management	0	1
	Male	31	0	• Project Management	0	1
Professionals	Female	1	0	0	0	0

Occupational Categories	Gender	Number of employees as at 1 April 2011	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
	Male	6	0	0	0	0
Technicians and associate professionals	Female	15	0	<ul style="list-style-type: none"> • Environmental Management Inspection • System Engineering • IT Service Management 	0	3
	Male	22	0	<ul style="list-style-type: none"> • Environmental Management Inspection • System Engineering • IT Service Management 	0	3
Clerks	Female	94	0	<ul style="list-style-type: none"> • Batho Pele Change Management • Business Writing Skills • Document Management (Filing) 	0	3
	Male	88	0	<ul style="list-style-type: none"> • Batho Pele Change Management • Business Writing Skills • Document Management (Filing) 	0	
Service and sales workers	Female	40	0	<ul style="list-style-type: none"> • Job Evaluation • Assessor and Moderator • Public Service Induction (TOT) • Principles of Monitoring and Evaluation 	0	4
	Male	131	0	<ul style="list-style-type: none"> • Project Management • Assessor and Moderator • Business Writing Skills • Principles of Monitoring and Evaluation 	0	4
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	9	0	0	0	0
Craft and	Female	0	0	<ul style="list-style-type: none"> • Facilitation Skills 	0	1

Occupational Categories	Gender	Number of employees as at 1 April 2011	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
related trades workers	Male	0	0	• Facilitation Skills	0	1
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	60	0	• General Maintenance • Housekeeping • Batho Pele Change Management • Document Management (Filing)	0	4
	Male	106	0	• General Maintenance • Housekeeping • Batho Pele Change Management • Document Management (Filing)	0	4
Sub Total	Female	224	0	16	0	16
	Male	393	0	16	0	16
Total		617	0	32	0	0

12.2 – Training provided 1 April 2011 to 31 March 2012

Occupational Categories	Gender	Number of employees as at 1 April 2011	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	14	0	• Project Management • Financial Management • MS Visio 2010 • HR Internal Consulting	0	4
	Male	31	0	• Project Management • Financial Management • MS Visio 2010 • HR Internal Consulting • Job Evaluation Initial and Panel	0	5
Professionals	Female	1	0	0	0	0
	Male	6	0	0	0	0

Occupational Categories	Gender	Number of employees as at 1 April 2011	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Technicians and associate professionals	Female	15	0	<ul style="list-style-type: none"> • Environmental Management Inspection • Project Management • Financial Management 	0	3
	Male	22	0	<ul style="list-style-type: none"> • Environmental Management Inspection • Project Management • Financial Management • Information Technology Infrastructure Library • SEP 12.1 	0	5
Clerks	Female	94	0	<ul style="list-style-type: none"> • Records Management 	0	1
	Male	88	0	<ul style="list-style-type: none"> • Records Management 	0	1
Service and sales workers	Female	40	0	<ul style="list-style-type: none"> • Public Service Induction (TOT) • Job Evaluation Initial • Assessor and Moderator • Employee Assistance Programme • HR Internal Consulting • Records Management 	0	6
	Male	131	0	<ul style="list-style-type: none"> • Public Service Induction (TOT) • Job Evaluation Initial • Assessor and Moderator • HR Internal Consulting • Records Management • Electrical Installation 	0	6
Skilled agriculture and fishery workers	Female	0	0		0	0
	Male	9	0		0	0
Craft and	Female	0	0		0	0

Occupational Categories	Gender	Number of employees as at 1 April 2011	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
related trades workers	Male	0	0		0	0
Plant and machine operators and assemblers	Female	0	0		0	0
	Male	0	0		0	0
Elementary occupations	Female	60	0	0	ABET	1
	Male	106	0	0	ABET	1
Sub Total	Female	224	0	14	1	16
	Male	393	0	17	1	18
Total		617	0	31	2	33

Injury on duty

The following tables provide basic information on injury on duty.

TABLE 13.1 – Injury on duty, 1 April 2011 to 31 March 2012

Nature of injury on duty	Number	% of total
Required basic medical attention only	10	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	10	100

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
Facilitation of Departmental Strategic and Annual Performance Planning Workshop	1	5 days	R80 000
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
1	1	5	R80 000

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
Facilitation of Departmental Strategic and Annual Performance Planning Workshop	100%	100%	1

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
0	0	0	0
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
0	0	0	0

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
0	0	0	0

5. OTHER INFORMATION

5.1. ACRONYMS

Acronyms	Description
APP	Annual Performance Plan
ASGISA	The Accelerated and Shared Growth Initiative in South Africa
ASP	Africa Stockpile Programme
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
BPO&O	Business Processing Outsourcing and Off-shoring
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

Acronyms	Description
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 Cooperation
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 Artist
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)

Acronyms	Description
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 Qualification 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
PMG	Pay Master General
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 Counselling and Testing
WIS	Waste Information System
WSSD	World Summit on Sustainable Development
OHS Act	Occupational Health and Safety Act

5.2. LIST OF CONTACT DETAILS

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D PROVINCIAL DEPARTMENTS**i) WITH CUSTOMISED PERFORMANCE MEASURES**

Customized indicators are included in pages 32 – 43.

ii) WITHOUT CUSTOMISED PERFORMANCE MEASURES

See section 2.1 above.

5.3. ANNEXURE A**CONFIRMATION OF THE ACCURACY AND FAIR PRESENTATION OF THE
ANNUAL REPORT (INCLUDING INFORMATION ON PREDETERMINED
OBJECTIVES) SUBMITTED****TO:** Free State Provincial Treasury**DATE:** 31 May 2012**CC:** **The Auditor-General****ANNUAL REPORT FOR THE 2011/2012 FINANCIAL YEAR END**

I hereby acknowledge that the annual report of Department of Economic Development, Tourism and Environmental Affairs, have been submitted to the Auditor-General for auditing in terms section 40(1)(c) of the PFMA

I acknowledge my responsibility for the accuracy of the accounting records and the fair presentation of the financial statements and confirm, to the best of my knowledge and belief, the following:

The Annual report and Financial Statements have been prepared in accordance with NT determined framework as prescribed in the Treasury Regulations and the PFMA and relevant guidelines specified / issued by the National Treasury

The report on predetermined objectives is complete and accurate and has been prepared in accordance with the Framework for Managing Programme Performance Information and relevant guidelines specified/issued by the National Treasury

The annual report is complete and accurate

All amounts appearing on the annual report and information in the annual report are consistent with the financial statements submitted to the Auditor-General for audit purposes and;

The annual report is free from any omissions.

Yours faithfully



Accounting Officer