

PART E: FINANCIAL INFORMATION



the detea

the department of economic
development, tourism and
environmental affairs
FREE STATE PROVINCE

ANNUAL REPORT 2013/2014

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

1. REPORT OF THE AUDITOR GENERAL

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

INTRODUCTION

1. I have audited the financial statements of the Department of Economic Development, Tourism and Environmental Affairs set out on pages 115 to 208, which comprise the appropriation statement, the statement of financial position as at 31 March 2014, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, as well as 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 the Modified Cash Standard (MCS) 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 the Division of Revenue Act of South Africa, 2013 (Act No. 2 of 2013) (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 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.

OPINION

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Economic Development, Tourism and Environmental Affairs as at 31 March 2014, and its financial performance and cash flows for the year then ended, in accordance with the MCS and the requirements of the PFMA and DoRA.

EMPHASIS OF MATTERS

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

MATERIAL UNDER SPENDING OF THE BUDGET

8. As disclosed in the appropriation statement, the department materially underspent the budget on programmes 1, 2, 3 and 4 by a combined R7 842 000. As a consequence, the department did not achieve all of its objectives in respect of environmental affairs and economic development programmes, as reported in the annual performance report on predetermined objectives.

IRREGULAR EXPENDITURE

9. As disclosed in note 31 to the financial statements, the department incurred irregular expenditure of R7 466 000 (2013: R24 705 000) during the year under review due to officials acting in positions more than the required period, non-compliance with supply chain management prescripts and cost-containment measures. The full extent of the irregular expenditure is still being investigated.
10. In addition, possible irregular expenditure of R27 448 053.46 was disclosed. The procurement process regarding the appointment of a service provider to provide services in relation to project and programme management for the department for six months subject to bid documents and the agreement is being reviewed. This review will also include compliance by the implementing agent with the PFMA and supply chain management prescripts where applicable.

ADDITIONAL MATTER

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

UNAUDITED SUPPLEMENTARY SCHEDULES

12. The supplementary information set out on pages 162 to 208 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

PREDETERMINED OBJECTIVES

14. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2014:
 - Programme 2: Environmental Affairs and Conservation (on pages 40 to 48)
 - Programme 3: Economic Development (on pages 49 to 54)
15. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
16. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPP1).
17. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected programmes.

ADDITIONAL MATTER

19. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matter:

ACHIEVEMENT OF PLANNED TARGETS

20. Refer to the annual performance report on pages 29 to 58 and for information on the achievement of the planned targets for the year.

COMPLIANCE WITH LEGISLATION

21. I performed procedures to obtain evidence that the Department of Economic Development, Tourism and Environmental Affairs had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

ANNUAL FINANCIAL STATEMENTS, PERFORMANCE AND ANNUAL REPORT

22. The financial statements submitted for auditing were not prepared in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and supported by full and proper records as required by section 40(1)(a) and (b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements. The supporting records were subsequently provided and that resulted in the financial statements receiving an unqualified audit opinion.

AUDIT COMMITTEE

23. An audit committee was not in place for eight months of the year under review, as required by sections 38(1)(a)(ii) and 77 of the PFMA and Treasury Regulation (TR) 3.1.1.

24. The audit committee did not review the effectiveness of the internal audit function/ annual work programme of the audit function, coordination of the internal audit function and external auditors, responses of management to specific recommendations made by the internal audit function, risk areas of the institution's operations covered in the scope of internal and external audits, effectiveness of the internal control systems, accounting and auditing concerns identified from the internal and external audits as required by TR 3.1.10(a)/ (b)/ (c)/ (e) / (g).
25. The audit committee did not review the institution's compliance with legal and regulatory provisions, as required by TR 3.1.10(f).

INTERNAL AUDIT

26. The internal audit function was not under the control and direction of the audit committee for eight months of the year under review, as required by section 38(1)(a)(ii) of the PFMA.

REVENUE MANAGEMENT

27. The accounting officer did not take effective and appropriate steps to collect all money due, as required by section 38(1)(c)(i) of the PFMA and TR 11.2.1, 15.10.1.2(a) and 15.10.1.2(e).
28. The accounting officer did not ensure that all reasonable steps were taken to recover debts, prior to the debts being written off, as required by TR 11.4.1.
29. Interest was not charged on debts and was not charged at the approved rate determined by the Minister of Finance, as required by TR 11.5.1.

ASSET MANAGEMENT

30. Proper control systems to safeguard and maintain assets were not implemented, as required by section 38(1)(d) of the PFMA and TR 10.1.1(a).

EXPENDITURE

31. The accounting officer did not take effective steps to prevent irregular, and fruitless and wasteful expenditure, as required by section 38(1)(c)(ii) of the PFMA and TR 9.1.1.
32. Contractual obligations and money owed by the Department were not settled within 30 days or an agreed period, as required by section 38(1)(f) of the PFMA and TR 8.2.3.
33. Sufficient appropriate audit evidence could not be obtained that effective and appropriate disciplinary steps were taken against officials who made and permitted irregular expenditure, fruitless and wasteful expenditure, as required by section 38(h)(iii) of the PFMA and TR 9.1.3.

PROCUREMENT AND CONTRACT MANAGEMENT

34. Sufficient appropriate audit evidence could not be obtained that invitations for competitive bidding were advertised for a required minimum period of 21 days, as required by TR 16A6.3(c).
35. Sufficient appropriate audit evidence could not be obtained that contracts were awarded to bidders based on points given for criteria that were stipulated in the original invitation for bidding and quotations, as required by SCM regulation TR 16A6.3(a) and Preferential Procurement Regulations.
36. Contracts were awarded to bidders based on preference points that were not allocated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.
37. Quotations were awarded to bidders who did not 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 TR 16A8.3.

38. Persons in service of the Department who had a private or business interest in contracts awarded by the Department failed to disclose such interest, as required by TR 16A8.4 and Public Service Regulation 3C.

HR MANAGEMENT AND EMPLOYEE RELATED COSTS

39. Sufficient appropriate audit evidence could not be obtained that persons appointed met the requirements for the job or that a deviation was approved as required by section 11(2) of the Public Service Act and Public Service Regulation 1/VII/D.5-8.
40. Sufficient appropriate audit evidence could not be obtained that a proper process was followed to verify the claims made in the candidate's applications before appointment as required by Public Service Regulation 1/VII/D.8.
41. A human resource plan was not in place as required by Public Service Regulation 1/III/B.2(d).

INTERNAL CONTROL

42. I considered internal control relevant to my audit of the financial statements, the annual performance report on predetermined objectives and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, and the findings on non-compliance with legislation included in this report.

LEADERSHIP

43. The accounting officer did not exercise oversight responsibility regarding compliance with laws and regulations and related internal controls due to lack of compliance evaluation system, which resulted in non-compliance, irregular expenditure as well as fruitless and wasteful expenditure.
44. Management did not adequately monitor the implementation of actions plans to address internal control deficiencies. This resulted in repeat findings being reported in compliance with laws and regulations.
45. There was a slow response to the message communicated by the AGSA to the administrative and political leadership.

FINANCIAL AND PERFORMANCE MANAGEMENT

46. The financial statements were not properly reviewed for completeness and accuracy prior to submission for auditing. This resulted in many findings relating to incorrect disclosure.
47. 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 available to support financial and performance reporting.

GOVERNANCE

48. On-going monitoring and supervision were not undertaken by audit committee to enable an assessment of the effectiveness of internal control over financial and performance reporting due to the fact that the audit committee was not being in existence for part of the financial year.
49. The audit committee could not adequately promote accountability and service delivery by evaluating and monitoring responses to risks and providing oversight of the effectiveness of the internal control environment, including financial and performance reporting and compliance with laws and regulations due to the ineffective functioning of the internal audit unit.

OTHER REPORTS

INVESTIGATIONS

50. During the 2009-10 financial year, the executive committee requested an independent consulting firm to conduct an investigation at 10 departments in the Free State. The investigation aims to establish whether the departments complied with legislative prescripts relating to payroll and supply chain management and whether any transgressions occurred in this respect. The report has been finalised but has not yet been submitted to or received by the department.
51. An investigation has been conducted by Public Service Commissioner through hotline and whistleblowing. The investigation relates to allegations of irregularities into alleged supply chain management and travel claims abuse at the department. The report is finalised and submitted to the department but the department has not acted on that at the reporting date.

AUDITOR - GENERAL

Bloemfontein
31 July 2014



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

2. ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

		2013/14							2012/13	
		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	
1. ADMINISTRATION		128,876	-	820	129,696	127,005		2,691	99,350	96,942
Current payment		121,801	47	2,460	124,308	124,912	100.5%	(604)	97,639	95,655
Transfers and subsidies		4,527	100	(1,470)	3,157	57	1.8%	3,100	231	250
Payment for capital assets		1,748	203	-	1,951	1,969	100.9%	(18)	1420	979
Payment for financial assets		800	(350)	(170)	280	67	23.9%	213	60	58
2. ENVIRONMENTAL AFFAIRS		141,267	-	(500)	140,767	136,426		4,341	158,975	154,307
Current payment		113,425	(164)	(1,150)	112,111	110,949	99.0%	1,162	122,868	120,272
Transfers and subsidies		3,346	-	600	3,946	3,863	97.9%	83	327	264
Payment for capital assets		24,496	164	-	24,660	21,553	87.4%	3,107	35,280	33,329
Payment for financial assets		-	-	50	50	61	122.0%	(11)	500	442
3. ECONOMIC DEVELOPMENT		119,309	-	(840)	118,469	117,784		685	99,670	97,885
Current payment		28,155	(582)	(1,710)	25,863	25,668	99.2%	195	23,642	21,804
Transfers and subsidies		91,004	(598)	870	91,276	91,261	100.0%	15	75,526	75,600
Payment for capital assets		150	1,180	-	1,330	809	60.8%	521	472	453
Payment for financial assets		-	-	-	-	46		(46)	30	28
4. TOURISM		50,744	-	520	51,264	51,139		125	60,052	58,005
Current payment		8,582	(230)	400	8,752	8,686	99.2%	66	12,538	9,951
Transfers and subsidies		41,952	230	-	42,182	42,171	100.0%	11	47,314	47,511
Payment for capital assets		210	-	-	210	167	79.5%	43	200	543
Payment for financial assets		-	-	120	120	115	95.8%	5	-	-
SUBTOTAL		440,196	-	-	440,196	432,354		7,842	418,047	407,139
Statutory Appropriation										
Current payment										
Transfers and subsidies										
Payment for capital assets										
Payment for financial assets										
TOTAL		440,196	-	-	440,196	432,354		7,842	418,047	407,139

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	2013/14		2012/13	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	45,842		35,755	
Aid assistance	-		-	
Actual amounts per statement of financial performance (total revenue)	486,038		453,802	
ADD				
Aid assistance				
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance (total expenditure)		432,354		407,139

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	APPROPRIATION PER ECONOMIC CLASSIFICATION								
	2013/14				2012/13				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
CURRENT PAYMENTS									
Compensation of employees	181,017	(1,000)	(660)	179,357	179,251	106	99.9%	164,084	163,024
Goods and services	90,949	71	660	91,677	90,915	762	99.2%	92,603	84,658
Interest and rent on land	-	-	-	-	-	-	-	-	-
TRANSFERS AND SUBSIDIES									
Provinces and municipalities	5,739	(50)	(1,470)	4,219	-	4,219	-	-	-
Departmental agencies and accounts	93,282	(25)	-	93,257	93,211	46	100%	95,734	95,615
Higher education institutions	2,000	-	-	2,000	-	2,000	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	22,545	17,000	-	39,545	42,767	(3,222)	108.1%	27,245	27,245
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	17,263	(17,193)	1,470	1,540	1,383	157	89.8%	419	765
Gifts and donations	-	-	-	-	-	-	-	-	-
PAYMENTS FOR CAPITAL ASSETS									
Buildings and other fixed structures	24,385	-	-	24,385	21,242	3,143	87.1%	34,050	32,430
Machinery and equipment	2,219	1,547	-	3,766	3,297	469	87.5%	3,322	2,874
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
PAYMENTS FOR FINANCIAL ASSETS	800	(350)	-	450	288	162	64%	590	528
TOTAL	440,196	-	-	440,196	432,354	7,842	98.2%	418,047	407,139

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

STATUTORY APPROPRIATION									
	2013/14					2012/13			
	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
Direct changes against the National/Provincial Revenue Fund									
List all direct charges against the National/Provincial Revenue Fund President and Deputy President salaries Member of executive committee / parliamentary officers Judges and magistrates salaries Sector education and training authorities (SETA) National Skills Fund									
TOTAL									

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

STATUTORY APPROPRIATION PER ECONOMIC CLASSIFICATION										
Per Economic classification	2013/14					2012/13		Expenditure as % of final appropriation	Variance	Actual Expenditure
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure			
CURRENT PAYMENTS	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Compensation of employees										
Goods and services										
Interest and rent on land										
TRANSFERS AND SUBSIDIES										
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households										
Gifts and donations										
PAYMENTS FOR CAPITAL ASSETS										
Buildings and other fixed structures										
Machinery and equipment										
Heritage assets										
Specialised military assets										
Biological assets										
Land and subsoil assets										
Intangible assets										
PAYMENTS FOR FINANCIAL ASSETS										
TOTAL										

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

DETAIL PER PROGRAMME 1 – ADMINISTRATION									
Detail per sub-programme	2013/14					2012/13			
	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	11,099	900	-	11,999	12,367	(368)	103.1%	9,921	8,901
Transfers and subsidies	25	100	-	125	-	125		172	171
Payment for capital assets	40	-	-	40	521	(481)	1,302.5%	176	134
Payment for financial assets	-	-	-	-	-	-		60	1
1.2 MANAGEMENT SERVICES									
Current payment	35,719	(825)	-	34,894	35,787	(893)	102.6%	21,345	19,934
Transfers and subsidies	-	-	-	-	13	(13)		-	26
Payment for capital assets	29	125	-	154	149	5	96.8%	417	213
Payment for financial assets	-	-	-	-	10	(10)		-	-
1.3 FINANCIAL MANAGEMENT									
Current payment	47,172	(335)	2,460	49,297	50,002	(705)	101.4%	40,494	40,166
Transfers and subsidies	1	50	-	51	7	44	13.7%	49	47
Payment for capital assets	129	25	-	154	279	(125)	181.2%	248	374
Payment for financial assets	800	(350)	(170)	280	32	248	11.4%	-	25
1.4 CORPORATE SERVICES									
Current payment	27,811	307	-	28,118	26,756	1,362	95.2%	25,879	26,654
Transfers and subsidies	4,501	(50)	(1,470)	2,981	37	2,944	1.2%	10	6
Payment for capital assets	1,550	53	-	1,603	1,020	583	63.6%	579	258
Payment for financial assets	-	-	-	-	25	(25)		-	32
TOTAL	128,876	-	820	129,696	127,005	2,691	97.9%	99,350	96,942

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

Programme 1 - Administration Economic classification	2013/14						2012/13		
	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	71,821	(1,000)	-	70,821	70,793	28	100,0%	61,538	60,621
Goods and services	49,980	1,047	2,460	53,487	54,077	(590)	101,1%	36,101	35,034
Interest and rent on land									
TRANSFERS AND SUBSIDIES TO:									
Provinces and municipalities	2,500	(50)	(1,470)	980	-	980	.	-	-
Departmental agencies and accounts	2	-	-	2	-	2		2	-
Higher education institutions	2,000	-	-	2,000	-	2,000		-	-
Foreign governments and international organisations	-	-	-	-	-	-		-	-
Public corporations and private enterprises	-	-	-	-	-	-		-	-
Non-profit institutions	-	-	-	-	-	-		-	-
Households	25	150	-	175	59	116	33,7%	229	251
Gifts and donations	-	-	-	-	-	-		-	-
PAYMENT FOR CAPITAL ASSETS									
Buildings and other fixed structures	-	-	-	-	-	-		-	-
Machinery and equipment	-	203	-	1,951	2,010	(59)	103,0%	1,420	978
Heritage assets	-	-	-	-	-	-		-	-
Specialised military assets	-	-	-	-	-	-		-	-
Biological assets	-	-	-	-	-	-		-	-
Land and subsoil assets	-	-	-	-	-	-		-	-
Intangible assets	-	-	-	-	-	-		-	-
PAYMENTS FOR FINANCIAL ASSETS									
	800	(350)	(170)	280	66	214	23,6%	60	58
TOTAL	128,876	-	820	129,696	127,005	2,691	97,9%	99,350	96,942

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

Detail per sub-programme	2013/14							2012/13	
	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	17,098	(7,671)	(200)	9,227	7,152	2,075	77.5%	16,490	8,620
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	50	136	-	186	59	127	31.7%	94	7
Payment for financial assets	-	-	-	-	-	-	-	-	-
2.2 ENVIRONMENTAL POLICY COORDINATION, PLANNING									
Current payment	4,679	6,985	(313)	11,351	11,507	(156)	101.4%	4,343	3,832
Transfers and subsidies	-	-	-	-	36	(36)	-	-	21
Payment for capital assets	-	-	-	-	24	(24)	-	147	47
Payment for financial assets	-	-	-	-	-	-	-	-	-
2.3 COMPLIANCE AND ENFORCEMENT									
Current payment	7,269	-	(130)	7,139	10,161	(3,022)	142.3%	7,363	9,137
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	42	-	-	42	81	(39)	192.9%	133	110
Payment for financial assets	-	-	-	-	-	-	-	-	-
2.4 BIODIVERSITY MANAGEMENT									
Current payment	71,885	(34)	(507)	71,344	73,950	(2,606)	103.7%	82,229	83,728
Transfers and subsidies	3,190	-	600	3,790	3,814	(24)	100.6%	327	215
Payment for capital assets	24,404	28	-	24,432	21,230	3,202	86.9%	34,815	33,072
Payment for financial assets	-	-	50	50	58	(8)	116.0%	500	442
2.5 ENVIRONMENTAL EMPOWERMENT									
Current payment	12,494	556	-	13,050	8,179	4,871	62.7%	12,443	14,955
Transfers and subsidies	156	-	-	156	13	143	8.3%	-	28
Payment for capital assets	-	-	-	-	159	(159)	-	91	93
Payment for financial assets	-	-	-	-	3	(3)	-	-	-
TOTAL	141,267	-	(500)	140,767	136,426	4,341	96.9%	158,975	154,307

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

Programme 2 - Economic Affairs Economic classification	2013/14							2012/13	
	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	86,755	-	250	87,005	86,967	38	100.0%	82,811	82,843
Goods and services	26,670	(164)	(1,400)	25,106	23,982	1,124	95.5%	40,057	37,429
Interest and rent on land	-	-	-	-	-	-	-	-	-
TRANSFERS AND SUBSIDIES TO:									
Provinces and municipalities	3,239	-	-	3,239	-	3,239	-	-	-
Departmental agencies and accounts	107	(25)	-	82	38	44	46.3%	167	50
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	3,222	(3,222)	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	25	600	625	603	22	96.5%	160	213
Gifts and donations	-	-	-	-	-	-	-	-	-
PAYMENT FOR CAPITAL ASSETS									
Buildings and other fixed structures	24,385	-	-	24,385	21,242	3,143	87.1%	34,050	32,430
Machinery and equipment	111	164	-	275	311	(36)	113.1%	1,230	900
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
PAYMENTS FOR FINANCIAL ASSETS									
	-	-	50	50	61	(11)	122.0%	500	442
TOTAL	141,267	-	(500)	140,767	136,426	4,341	96.9%	158,975	154,307

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

DETAIL PER PROGRAMME 3 – ECONOMIC DEVELOPMENT									
Detail per sub-programme	2013/14					2012/13			
	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 INTEGRATED ECONOMIC PLANNING AND DEVELOPMENT									
Current payment	11,871	(1,582)	(810)	9,479	10,472	(993)	110.5%	11,056	8,238
Transfers and subsidies	22,695	402	-	23,097	22,952	145	99.4%	27,275	27,343
Payment for capital assets	150	1,180	-	1,330	809	521	60.8%	372	303
Payment for financial assets	-	-	-	-	46	(46)		30	28
3.2 SECTOR DEVELOPMENT									
Current payment	4,884	1,000	(900)	4,984	4,580	404	91.9%	3,048	4,067
Transfers and subsidies	17,000	(1,000)	870	16,870	17,000	(130)	100.8%	-	-
Payment for capital assets	-	-	-	-	-	-		-	-
Payment for financial assets	-	-	-	-	-	-		-	-
3.3 BUSINESS REGULATIONS AND GOVERNANCE									
Current payment	11,400	-	-	11,400	10,616	784	93.1%	9,538	9,499
Transfers and subsidies	51,309	-	-	51,309	51,309	-	100.0%	48,251	48,257
Payment for capital assets	-	-	-	-	-	-		100	150
Payment for financial assets	-	-	-	-	-	-		-	-
TOTAL	119,309	-	(840)	118,469	117,784	685	99.4%	99,670	97,885

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

Programme 3 - Economic Development Economic classification	2013/14							2012/13	
	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	16,606	-	(810)	15,796	15,758	38	99.8%	13,038	14,569
Goods and services	11,549	(582)	(900)	10,067	9,903	164	98.4%	10,604	7,235
Interest and rent on land	-	-	-	-	-	-	-	-	-
TRANSFERS AND SUBSIDIES TO:									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	51,309	-	-	51,309	51,309	-	100.0%	48,251	48,251
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	22,545	17,000	-	39,545	39,545	-	100.0%	27,245	27,245
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	17,150	(17,598)	870	422	414	8	98.1%	30	104
Gifts and donations	-	-	-	-	-	-	-	-	-
PAYMENT FOR CAPITAL ASSETS									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	150	1,180	-	1,330	809	521	60.8%	427	453
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
PAYMENTS FOR FINANCIAL ASSETS									
TOTAL	119,309	-	(840)	118,469	117,784	685	99.4%	99,670	97,885

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

DETAIL PER PROGRAMME 4 - TOURISM											
Detail per sub-programme	2013/14						2012/13				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
4.1 TOURISM PLANNING											
Current payment	8,582	(230)	400	8,752	8,686	66	99,2%	12,538	9,951		
Transfers and subsidies	41,952	230	-	42,182	42,171	11	100,0%	47,314	47,511		
Payment for capital assets	210	-	-	210	167	43	79,5%	200	543		
Payment for financial assets	-	-	120	120	115	5	95,8%	-	-		
TOTAL	50,744	-	520	51,264	51,139	125	99,8%	60,052	58,005		

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

Programme 4 - Tourism Economic classification	2013/14							2012/13	
	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	5,835	-	(100)	5,735	5,733	2	100.0%	6,697	4,991
Goods and services	2,747	(230)	500	3,017	2,953	64	97.9%	5,841	4,960
Interest and rent on land	-	-	-	-	-	-	-	-	-
TRANSFERS AND SUBSIDIES TO:									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	41,864	-	-	41,864	41,864	-	100.0%	47,314	47,314
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	88	230	-	318	307	11	96.5%	-	197
Gifts and donations	-	-	-	-	-	-	-	-	-
PAYMENT FOR CAPITAL ASSETS									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	210	-	-	210	167	43	79.5%	200	543
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
PAYMENTS FOR FINANCIAL ASSETS									
	-	-	120	120	115	5	95.8%	-	-
TOTAL	50,744	-	520	51,264	51,139	125	99.8%	60,052	58,005

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

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 (A-H) 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	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	129,696	127,005	2,691	98%
Under spending due to the transfer to CUT that was not finalised.				
Environmental Affairs	140,767	136,426	4,341	97%
Under spending due to infrastructure projects. A roll over has been requested.				
Economic Development	118,469	117,784	685	99%
Underspending due to high vacancy rate.				
Tourism	51,264	51,139	125	100%
Underspending due to high vacancy rate.				
4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	179,357	179,251	106	100%
Goods and services	91,677	90,915	762	99%
Interest and rent on land	-	-	-	
Unauthorised expenditure approved	-	-	-	
Transfers and subsidies				
Provinces and municipalities	4,219	-	4,219	0%
Departmental agencies and accounts	93,257	93,211	46	100%
Higher education institutions	2,000	-	2,000	0%
Public corporations and private enterprises	39,545	42,767	(3,222)	108.1%
Foreign governments and international organisations	-	-	-	
Non-profit institutions	-	-	-	

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Households	1,540	1,383	157	90%
Gifts and donations	-	-	-	
Payments for capital assets				
Buildings and other fixed structures	24,385	21,242	3,143	87.0%
Machinery and equipment	3,766	3,297	469	87.5%
Heritage assets	-	-	-	
Specialised military assets	-	-	-	
Biological assets	-	-	-	
Land and subsoil assets	-	-	-	
Intangible assets	-	-	-	
Payments for financial assets	450	288	162	64%

Under spending due to the transfer to CUT not finalised, projects and high vacancy rate.

4.3 Per conditional grant	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
EPWP Grant	550	497	53	90%
Infrastructure Grant To Province	36,039	32,344	3,695	90%
Revenue Enhancement Allocation	3,058	3,058	-	100%
CATHSETA	1,205	981	224	81%

Underspending of the grants is due to delays in the implementation of the projects.

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2014

	Note	2013/14 R'000	2012/13 R'000
REVENUE			
Annual appropriation	1	440,196	418,047
Statutory appropriation	2	-	-
Departmental revenue	3	45,842	35,755
NRF Receipts		-	-
Aid assistance	4	-	-
TOTAL REVENUE		486,038	453,802
EXPENDITURE			
Current expenditure			
Compensation of employees	5	179,251	163,024
Goods and services	6	90,915	84,658
Interest and rent on land	7	-	-
Aid assistance	4	-	-
Unauthorised expenditure approved without funding	11	-	-
Total current expenditure		270,166	247,682
Transfers and subsidies			
Transfers and subsidies	9	137,361	123,625
Aid assistance	4	-	-
Unauthorised expenditure approved without funding	11	-	-
Total transfers and subsidies		137,361	125,625
Expenditure for capital assets			
Tangible assets	10	24,539	35,304
Intangible assets	10	-	-
Unauthorised expenditure approved without funding	11	-	-
Total expenditure for capital assets		24,539	35,304
Payments for financial assets	8	288	528
TOTAL EXPENDITURE		432,354	407,139
SURPLUS/(DEFICIT) FOR THE YEAR		53,684	46,663
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		7,842	10,908
Annual appropriation		4,094	6,986
Conditional grants		3,748	3,922
Unconditional grants		-	-
Departmental revenue and NRF Receipts	19	45,842	35,755
Aid assistance	4	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		53,684	46,663

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2014

	Note	2013/14 R'000	2012/13 R'000
ASSETS			
Current assets		20,398	16,813
Unauthorised expenditure	11	-	-
Cash and cash equivalents	12	10,329	10,531
Other financial assets	13	-	-
Prepayments and advances	14	345	120
Receivables	15	9,724	6,162
Loans	17	-	-
Aid assistance prepayments	4	-	-
Aid assistance receivable	4	-	-
Non-Current assets		-	-
Investments	16	-	-
Loans	17	-	-
Other financial assets	13	-	-
TOTAL ASSETS		20,398	16,813
LIABILITIES			
Current liabilities		12,729	12,746
Voted funds to be surrendered to the Revenue Fund	18	7,842	10,908
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	19	4,508	1,838
Bank overdraft	20	-	-
Payables	21	379	-
Aid assistance repayable	4	-	-
Aid assistance unutilised	4	-	-
Non-Current liabilities		-	-
Payables	22	-	-
TOTAL LIABILITIES		12,729	12,746
NET ASSETS		7,669	4,067
Represented by:			
Capitalisation reserve		-	-
Recoverable revenue		7,669	4,067
Retained funds		-	-
Revaluation reserves		-	-
TOTAL		7,669	4,067

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 STATEMENT OF CHANGE IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2014

	Note	2013/14 R'000	2012/13 R'000
Capitalisation Reserves			
Opening balance			
Transfers:			
Movement in Equity			
Movement in Operational Funds			
Other movements			
Closing balance			
Recoverable revenue			
Opening balance		4,067	731
Transfers		3,602	3,336
Irrecoverable amounts written off	8.3	288	473
Debts revised		-	-
Debts recovered (included in departmental receipts)		(248)	(536)
Debts raised		3,562	3,399
Closing balance		7,669	4,067
Retained funds			
Opening balance			
Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)			
Utilised during the year			
Other			
Closing balance			
Revaluation Reserve			
Opening balance			
Revaluation adjustment (Housing departments)			
Transfers			
Other			
Closing balance			
TOTAL		7,669	4,067

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	Note	2013/14 R'000	2012/13 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		501,637	471,012
Annual appropriated funds received	1.1	440,196	418,047
Statutory appropriated funds received	2	-	-
Departmental revenue received	3	61,023	52,577
Interest received	3.3	418	388
NRF Receipts		-	-
Aid assistance received	4	-	-
Net (increase)/decrease in working capital		(3,408)	(2,965)
Surrendered to Revenue Fund		(80,691)	(73,454)
Surrendered to RDP Fund/Donor		-	-
Current payments		(270,166)	(247,682)
Interest paid	7	-	-
Payments for financial assets		(288)	(528)
Transfers and subsidies paid		(137,361)	(123,625)
Net cash flow available from operating activities	23	9,723	22,758
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	10	(24,539)	(35,304)
Proceeds from sale of capital assets	3.4	11,012	8,159
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
Net cash flows from investing activities		(13,527)	(27,145)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		-	-
Increase/(decrease) in net assets		3,602	2,857
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		3,602	2,857
Net increase/(decrease) in cash and cash equivalents		(202)	(1,530)
Cash and cash equivalents at beginning of period		10,531	12,061
Cash and cash equivalents at end of period	24	10,329	10,531

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2014

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

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 (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1	BASIS OF PREPARATION The financial statements have been prepared in accordance with the Modified Cash Standard.
2	GOING CONCERN The financial statements have been prepared on a going concern basis.
3	PRESENTATION CURRENCY Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	ROUNDING Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	FOREIGN CURRENCY TRANSLATION Cash flows arising from foreign currency transactions are translated into South African Rands using the exchange rates prevailing at the date of payment / receipt.
6	CURRENT YEAR COMPARISON WITH BUDGET A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	REVENUE
7.1	APPROPRIATED FUNDS Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	DEPARTMENTAL REVENUE Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2014

7.3	ACCRUED DEPARTMENTAL REVENUE Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: <ul style="list-style-type: none"> • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.
8	EXPENDITURE
8.1	COMPENSATION OF EMPLOYEES
8.1.1	SALARIES AND WAGES Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	SOCIAL CONTRIBUTIONS Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	OTHER EXPENDITURE Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8.3	ACCRUED EXPENDITURE PAYABLE Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department. Accrued expenditure payable is measured at cost.
8.4	LEASES
8.4.1	OPERATING LEASES Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements
8.4.2	FINANCE LEASES Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2014

8.4.2	FINANCE LEASES (CONTINUED) Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	AID ASSISTANCE
9.1	AID ASSISTANCE RECEIVED Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	AID ASSISTANCE PAID Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
10	CASH AND CASH EQUIVALENTS Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position. 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.
11	PREPAYMENTS AND ADVANCES Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. <Indicate when prepayments are expensed and under what circumstances.>
12	LOANS AND RECEIVABLES Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
13	INVESTMENTS Investments are recognised in the statement of financial position at cost.
14	IMPAIRMENT OF FINANCIAL ASSETS Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
15	PAYABLES Loans and receivables are recognised in the statement of financial position at cost.

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2014

16	CAPITAL ASSETS
16.1	<p>IMMOVABLE CAPITAL ASSETS</p> <p>Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.</p> <p>Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.</p>
16.2	<p>MOVABLE CAPITAL ASSETS</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined accurately, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.</p> <p>BIOLOGICAL ASSETS</p> <p>The biological assets are revalued on an annual basis with reference to its values in an open market.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
16.3	<p>INTANGIBLE ASSETS</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2014

17	PROVISIONS AND CONTINGENTS
17.1	PROVISIONS Provisions are recorded in the notes to the financial statements 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 or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
17.2	CONTINGENT LIABILITIES Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
17.3	CONTINGENT ASSETS Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
17.4	COMMITMENTS Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash
18	UNAUTHORISED EXPENDITURE Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: <ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.
19	FRUITLESS AND WASTEFUL EXPENDITURE Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery. Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2014

20	<p>IRREGULAR EXPENDITURE</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the irregularity unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority or transferred to receivables for recovery.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
21	<p>CHANGES IN ACCOUNTING ESTIMATES</p> <p><i>[Insert the nature and amounts of the changes in accounting estimates for current and future periods (if applicable). If the effect on future periods could not reasonably be determined the fact should be disclosed.]</i></p>
22	<p>PRIOR PERIOD ERRORS</p> <p><i>[Insert the nature and amounts of the errors along with whether the errors were corrected retrospectively. Where the amounts could not be reasonably determined the fact should be disclosed.]</i></p>
23	<p>NON-ADJUSTING EVENTS AFTER THE REPORTING DATE</p> <p><i>[Insert the nature of the event and an estimate of its financial effect (or a statement to that effect where such estimate cannot be made) for each material category of non-adjusting event after the reporting date and refer to the relevant note to the financial statements.]</i></p>
24	<p>AGENT-PRINCIPAL ARRANGEMENTS</p> <p><i>[Insert a description of the nature, circumstances and terms related to agency-principal arrangements and refer to the relevant note to the financial statements]</i></p>

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. ANNUAL APPROPRIATION

1.1 Annual Appropriation

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

	2013/14		2012/13	
	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation received R'000
Administration	129,696	129,696	-	99,350
Environmental Affairs	140,767	140,767	-	158,975
Economic Development	118,469	118,469	-	159,722
Tourism	51,264	51,264	-	-
Total	440,196	440,196	-	418,047

1.2 Conditional grants

	Note	2013/14 R'000	2012/13 R'000
Total grants received	46	40,852	47,525
Provincial grants included in Total Grants received		40,628	47,525

1.3 Unconditional grants

	Note	2013/14 R'000	2012/13 R'000
Total grants received	47	-	-

2. STATUTORY APPROPRIATION

	Note	2013/14 R'000	2012/13 R'000
President and Deputy President salaries	46	-	-
Member of executive committee/parliamentary officers		-	-
Judges and magistrates salaries		-	-
Sector education and training authorities (SETA)		-	-
National Skills Fund		-	-
Total		-	-
Actual Statutory Appropriation received			

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

3. DEPARTMENTAL REVENUE

	Note	2013/14 R'000	2012/13 R'000
Tax revenue		50,428	42,886
Sales of goods and services other than capital assets	3.1	9,958	8,629
Fines, penalties and forfeits	3.2	150	284
Interest, dividends and rent on land	3.3	418	388
Sales of capital assets	3.4	11,012	8,159
Transactions in financial assets and liabilities	3.5	487	778
Transfer received	3.6	-	-
Total revenue collected		<u>72,453</u>	<u>61,124</u>
Less: Own revenue included in appropriation	19	<u>26,611</u>	<u>25,369</u>
Departmental revenue collected		<u>45,842</u>	<u>35,755</u>

3.1 Sales of goods and services other than capital assets

	Note	2013/14 R'000	2012/13 R'000
	3		
Sales of goods and services produced by the department		9,943	8,613
Sales by market establishment		20	121
Administrative fees		1,810	1,571
Other sales		8,113	6,921
Sales of goods and services produced by the department		15	16
Total		<u>9,958</u>	<u>8,629</u>

3.2 Fines, penalties and forfeits

	Note	2013/14 R'000	2012/13 R'000
	3		
Fines		150	284
Penalties		-	-
Forfeits		-	-
Total		<u>150</u>	<u>284</u>

3.3 Interest, dividends and rent on land

	Note	2013/14 R'000	2012/13 R'000
	3		
Interest		418	388
Dividends		-	-
Rent on land		-	-
Total		<u>418</u>	<u>388</u>

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

3.4 Sale of capital assets

	Note	2013/14	2012/13
	3	R'000	R'000
Tangible assets		11,012	8,159
Buildings and other fixed structures	41	-	-
Machinery and equipment	39	-	-
Specialised military assets	39	-	-
Land and subsoil assets	41	-	-
Biological assets	39	11,012	8,159
Intangible assets			
Software	40		
Mastheads and publishing titles	40		
Patents, licences, copyright, brand names, trademarks	40		
Recipes, formulae, prototypes, designs, models	40		
Services and operating rights	40		
Total		11,012	8,159

3.5 Transactions in financial assets and liabilities

	Note	2013/14	2012/13
	3	R'000	R'000
Loans and advances		-	-
Receivables		242	730
Forex gain		-	-
Stale cheques written back		-	1
Other Receipts including Recoverable Revenue		245	47
Gains on GFECRA		-	-
Total		487	778

3.6 Transfers received

	Note	2013/14	2012/13
	3	R'000	R'000
Other governmental units			
Universities and technikons			
Foreign governments			
International organisations			
Public corporations and private enterprises			
Households and non-profit institutions			
Total		-	-

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

4. AID ASSISTANCE

4.1 Aid assistance received in cash from RDP

	Note	2013/14 R'000	2012/13 R'000
Local			
Opening Balance			
Revenue			
Expenditure			
Current			
Capital			
Transfers			
Prepayments			
Surrendered to the RDP			
Closing Balance		-	-
Foreign			
Opening Balance			
Revenue			
Expenditure			
Current			
Capital			
Transfers			
Prepayments			
Surrendered to the RDP			
Closing Balance		-	-

4.2 Aid assistance received in cash from other sources

	Note	2013/14 R'000	2012/13 R'000
Local			
Opening Balance			
Revenue			
Expenditure			
Current			
Capital			
Transfers			
Prepayments			
Surrendered to the RDP			
Closing Balance		-	-
Foreign			
Opening Balance			
Revenue			
Expenditure			
Current			
Capital			
Transfers			
Prepayments			
Surrendered to the RDP			
Closing Balance		-	-

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

4.3 Aid assistance received in cash from CARA Fund

	Note	2013/14 R'000	2012/13 R'000
Opening Balance			
Revenue			
Expenditure			
Current			
Capital			
Transfers			
Prepayments			
Surrendered to the RDP			
Closing Balance		-	-

4.4 Total assistance

	Note	2013/14 R'000	2012/13 R'000
Opening Balance			
Revenue			
Expenditure			
Current			
Capital			
Transfers			
Prepayments			
Surrendered to RDP/Donor			
Transferred to retained funds			
Closing Balance		-	-

4.5 Analysis of balance

	Note	2013/14 R'000	2012/13 R'000
Aid assistance receivable			
RDP			
Other sources			
CARA Fund			
Aid assistance prepayments			
RDP			
Other sources			
CARA Fund			
Aid assistance unutilised			
RDP			
Other sources			
CARA Fund			
Aid assistance repayable			
RDP			
Other sources			
CARA Fund			
Closing Balance		-	-

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

5. COMPENSATION OF EMPLOYEES

5.1 Salaries and Wages

	Note	2013/14	2012/13
		R'000	R'000
Basic salary		120,379	107,618
Performance award		2,230	3,213
Service Based		594	8,166
Compensative/circumstantial		4,651	4,674
Periodic payments		-	46
Other non-pensionable allowances		27,058	16,475
Total		154,912	140,192

5.2 Social contributions

	Note	2013/14	2012/13
		R'000	R'000
Employer contributions			
Pension		14,931	13,832
Medical		9,367	8,963
UIF		-	-
Bargaining council		41	37
Official unions and associations		-	-
Insurance		-	-
Total		24,339	22,832
Total compensation of employees		179,251	163,024
Average number of employees		641	677

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

6. GOODS AND SERVICES

	Note	2013/14 R'000	2012/13 R'000
Administrative fees		521	482
Advertising		2,082	4,358
Capital assets less than R5 000		1,020	1,505
Bursaries (employees)	6.1	198	232
Catering		1,952	1,693
Communication		4,232	4,313
Computer services	6.2	586	688
Consultants, contractors and agency/outsourced services	6.3	32,619	27,346
Entertainment		10	-
Audit cost – external	6.4	6,726	5,485
Fleet services		8,835	-
Inventory	6.5	-	-
Consumables	6.6	5,359	9,212
Housing		-	-
Operating leases		8,278	7,450
Property payments	6.7	91	241
Rental and hiring		-	-
Transport provided as part of the departmental activities		-	-
Travel and subsistence	6.8	15,192	18,216
Venues and facilities		343	952
Training and development		1,308	663
Other operating expenditure	6.9	1,563	1,822
Total		90,915	84,658

6.1 Minor Assets

	Note	2013/14 R'000	2012/13 R'000
	6		
Tangible assets		1,020	1,505
Buildings and other fixed structures		-	-
Biological assets		-	-
Heritage assets		-	-
Machinery and equipment		1,020	1,504
Transport assets		-	1
Specialised military assets		-	-
Intangible assets		-	-
Total		1,020	1,505

6.2 Computer services

	Note	2013/14 R'000	2012/13 R'000
	6		
SITA computer services		263	386
External computer service providers		323	302
Total		586	688

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014
6.3 Consultants, contractors and agency/outsourced services

	Note	2013/14	2012/13
	6	R'000	R'000
Business and advisory services		19,220	4,384
Infrastructure and planning		-	58
Laboratory services		-	-
Legal costs		424	621
Science and technology		-	-
Contractors		7,359	17,322
Agency and support/outsourced services		5,616	4,961
Total		32,619	27,346

6.4 Audit cost – External

	Note	2013/14	2012/13
	6	R'000	R'000
Regularity audits		6,726	5,485
Performance audits		-	-
Investigations		-	-
Environmental audits		-	-
Computer audits		-	-
Total		6,726	5,485

6.5 Inventory

	Note	2013/14	2012/13
	6	R'000	R'000
Clothing material and accessories			
Farming supplies			
Food and food supplies			
Fuel, oil and gas			
Learning, teaching and support material			
Materials and supplies			
Medical supplies			
Medicine			
Medsas inventory interface			
Other supplies	6.5.1		
Total		-	-

6.5.1 Other supplies

	Note	2013/14	2012/13
	6.5	R'000	R'000
Ammunition and security supplies			
Assets for distribution			
Other			
Total		-	-

The comparative figures for inventory have been restated and have been reported under consumables due to reporting framework changes.

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014
6.5.2 Inventories (Western Cape Only)

	Note	2013/14	2012/13
	6	R'000	R'000
Medsas inventory interface			
Learning and teaching support material			
Food and food supplies			
Fuel, oil and gas			
Other consumables			
Materials and supplies			
Stationery and printing			
Medical supplies			
Medicine			
Military stores	6.5.1		
Total		-	-

6.6. Consumables

	Note	2013/14	2012/13
	6	R'000	R'000
Consumable supplies		3,433	9,212
Uniform and clothing		502	-
Household supplies		770	121
Building material and supplies		1,235	3,550
Communication accessories		-	-
IT consumables		29	-
Other consumables		897	5,541
Stationery, printing and office supplies		1,926	-
Total		5,359	9,212

6.7 Property payments

	Note	2013/14	2012/13
	6	R'000	R'000
Municipal services		-	-
Property management fees		-	-
Property maintenance and repairs		-	-
Other		91	241
Total		91	241

6.8 Travel and subsistence

	Note	2013/14	2012/13
	6	R'000	R'000
Local		14,983	17,734
Foreign		209	482
Total		15,192	18,216

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014
6.9 Other operating expenditure

	Note	2013/14	2012/13
	6	R'000	R'000
Professional bodies, membership and subscription fees		-	-
Resettlement costs		406	382
Other		1,157	1,440
Total		1,563	1,822

7. INTEREST AND RENT ON LAND

	Note	2013/14	2012/13
		R'000	R'000
Interest paid		-	-
Rent on land		-	-
Total		-	-

8. PAYMENTS FOR FINANCIAL ASSETS

	Note	2013/14	2012/13
		R'000	R'000
Material losses through criminal conduct		-	-
Theft	8.4	-	-
Other material losses	8.1	-	-
Purchase of equity		-	-
Extension of loans for policy purposes		-	-
Other material losses written off	8.2	-	65
Debts written off	8.3	288	463
Forex losses	8.5	-	-
Debt take overs		-	-
Losses on GFECRA		-	-
Total		288	528

8.1 Other material losses

	Note	2013/14	2012/13
	8	R'000	R'000
Nature of other material losses			
(Group major categories, but list material items)			
Incident	Disciplinary Steps taken/ Criminal proceedings		
Total		-	-

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

8.2 Other material losses written off

	Note	2013/14	2012/13
	8	R'000	R'000
Nature of losses			
Damages and losses		-	65
Total		-	65

8.3 Debts written off

	Note	2013/14	2012/13
	8	R'000	R'000
Nature of debts written off			
Irregular expenditure written off		-	-
Total		-	-
Recoverable revenue written off			
Breach of contract		4	
Ex-employee		222	
Employee		14	
Supplier		3	
Damages & losses		45	
Total		288	-
Other debt written off			
Breach of contract			7
Cellphone			1
Employee			1
Ex-employee			41
Supplier/dishonoured			410
Telephone			3
Total		-	463
Total debt written off		288	463

8.4 Details of theft

	Note	2013/14	2012/13
	8	R'000	R'000
Nature of theft			
(Group major categories, but list material items)			
Total		-	-

8.5. Forex losses

	Note	2013/14	2012/13
	8	R'000	R'000
Nature of theft			
(Group major categories, but list material items)			
Total		-	-

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

9. TRANSFERS AND SUBSIDIES

	Note	2013/14 R'000	2012/13 R'000
Provinces and municipalities	48, 49, Annex 1A, Annex 1B	-	-
Departmental agencies and accounts	Annex 1C	93,211	95,615
Higher education institutions	Annex 1D	-	-
Foreign governments and international organisations	Annex 1F	-	-
Public corporations and private enterprises	Annex 1E	42,767	27,245
Non-profit institutions	Annex 1G	-	-
Households	Annex 1H	597	292
Gifts, donations and sponsorships made	Annex 1K	786	473
Total		137,361	123,625

Unspent funds transferred to the above beneficiaries

10. EXPENDITURE FOR CAPITAL ASSETS

	Note	2013/14 R'000	2012/13 R'000
Tangible assets		24,539	35,304
Buildings and other fixed structures	41	21,242	32,907
Heritage assets	39,41	-	-
Machinery and equipment	39	3,297	2,397
Specialised military assets	39	-	-
Land and subsoil assets	41	-	-
Biological assets	39	-	-
Intangible assets		-	-
Software	40	-	-
Mastheads and publishing titles	40	-	-
Patents, licences, copyright, brand names, trademarks	40	-	-
Recipes, formulae, prototypes, designs, models	40	-	-
Services and operating rights	40	-	-
Total		24,539	35,304

The following amounts have been included as project costs in
Expenditure for capital assets

Compensation of employees	-	-
Goods and services	-	-
Total	-	-

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS: VOTE 3
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

10.1 Analysis of funds utilised to acquire capital assets – 2013/14

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	24,539	-	24,539
Buildings and other fixed structures	21,242	-	21,242
Heritage assets	-	-	-
Machinery and equipment	3,297	-	3,297
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible assets	-	-	-
Software			
Mastheads and publishing titles			
Patents, licences, copyright, brand names, trademarks			
Recipes, formulae, prototypes, designs, models			
Services and operating rights			
Total	24,539	-	24,539

10.2 Analysis of funds utilised to acquire capital assets – 2012/13

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	35,304	-	35,304
Buildings and other fixed structures	32,430	-	32,430
Heritage assets	-	-	-
Machinery and equipment	2,874	-	2,874
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible assets	-	-	-
Software			
Mastheads and publishing titles			
Patents, licences, copyright, brand names, trademarks			
Recipes, formulae, prototypes, designs, models			
Services and operating rights			
Total	35,304	-	35,304

10.3 Finance lease expenditure included in Expenditure for capital assets

	Aid assistance R'000
Tangible assets	1,353
Buildings and other fixed structures	-
Heritage assets	-
Machinery and equipment	1,353
Specialised military assets	-
Land and subsoil assets	-
Biological assets	-
Intangible assets	-
Total	1,353