

**ANNUAL REPORT REFLECTING PERFORMANCE  
AGAINST PREDETERMINED OBJECTIVES  
FOR THE FINANCIAL YEAR  
01 APRIL 2016 TO 31 MARCH 2017**



**“VIGILANT ALWAYS FOR OUR PEOPLE”  
NORTHERN CAPE PROVINCE: VOTE 2**



## **ANNUAL REPORT 2016/17**

SUBMISSION OF THE ANNUAL REPORT TO THE SPEAKER:

Hon. M Mmoiemang

SPEAKER TO THE NORTHERN CAPE PROVINCIAL LEGISLATURE

**I have the honour of submitting the Annual Report of the Northern Cape Provincial Legislature for the period 1 April 2016 to 31 March 2017.**

---

PB Moopelwa

SECRETARY TO THE LEGISLATURE

31 May 2017

# NORTHERN CAPE PROVINCIAL LEGISLATURE

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# OFFICE BEARERS



**Hon Kenny Mmoiemang, MPL**  
Speaker - ANC



**Hon Juanita Beukes, MPL**  
Deputy Speaker - ANC



**Hon Gail Parker, MPL**  
Chief Whip - ANC



**Hon David Rooi, MPL**  
Chairperson of Committees - ANC



**Hon Maruping Lekwene, MPL**  
Whip - ANC



**Hon Alexandra Beukes**  
MPL - ANC



**Hon Gladys Oliphant**  
MPL - ANC



**Hon FBP Makatong**  
MPL - ANC



**Hon G. Nyakama**  
MPL - EFF



# OFFICE BEARERS



**Hon Andrew Louw**  
MPL - ANC  
Leader of the official Opposition



**Hon Harold McGluwa**  
MPL - DA



**Hon Ismail Obaray**  
MPL - DA



**Hon BM Babuseng**  
MPL - DA



**Hon SH Stanley**  
MPL - DA



**Hon Melinda Hatting**  
MPL - DA



**Hon Isak C.C. Fritz**  
MPL - DA



**Hon Aubrey Baartman**  
MPL, WHIP EFF



**Hon Parkes Dikgetsi**  
MPL, WHIP COPE

## LIST OF ABBREVIATIONS

APP	Annual Performance Plan
ERP	Electronic Resource Planning
FMPPLA	Financial Management of Parliament and Provincial Legislatures Act, 2009
FMPPLA	Financial Management of Parliament and Provincial Legislatures Act, 2009
GRAP	Generally Recognised Accounting Practice
HC	Human Capital
HR	Human Resources
IPSAS	International Public Sector Accounting Standards
ITC	Information Technology and Communication
M&E	Monitoring and Evaluation
MEC	Member of the Executive Council
MPL	Member of the Provincial Legislature
MTEF	Medium Term Expenditure Framework
NCOP	National Council of Provinces
NCPL	Northern Cape Provincial Legislature
NCPL	Northern Cape Provincial Legislature
NCPL-OM	Northern Cape Provincial Legislature Oversight Model
PC	Portfolio Committee
PMDS	Performance Management and Development System
PPF	Political Party Fund
SA GAAP	South African Statements of Generally Accepted Accounting Practice
SC	Standing Committee
SITA	South African State Information Technology Agency
SOM	Sector Oversight Model
UIF	Unemployment Insurance Fund

## Contents

SUBMISSION OF THE ANNUAL REPORT TO THE SPEAKER: .....	i
OFFICE BEARERS.....	iii
<b>LIST OF ABBREVIATIONS .....</b>	<b>v</b>
<b>PART A: GENERAL INFORMATION .....</b>	<b>8</b>
1.1.2 PROGRAMME EXPENDITURE .....	16
<b>STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT .....</b>	<b>17</b>
2.1 VISION .....	18
2.2 MISSION.....	18
2.3 MOTTO.....	18
2.4 VALUES.....	18
<b>3. LEGISLATIVE AND OTHER MANDATES .....</b>	<b>18</b>
3.4. New policy mandates: .....	19
3.5. Relevant court rulings: .....	19
3.6. Planned policy initiatives: .....	20
<b>4. ORGANISATIONAL STRUCTURE.....</b>	<b>20</b>
<b>5. ENTITIES REPORTING TO THE SPEAKER.....</b>	<b>21</b>
<b>PART B: PERFORMANCE INFORMATION.....</b>	<b>22</b>
1. OVERVIEW OF LEGISLATURE PERFORMANCE.....	23
<b>PART C: CORPORATE GOVERNANCE .....</b>	<b>43</b>
<b>1. INTRODUCTION .....</b>	<b>44</b>
<b>2. RISK MANAGEMENT .....</b>	<b>44</b>
<b>3. CONFLICT OF INTEREST .....</b>	<b>44</b>
<b>4. CODE OF CONDUCT .....</b>	<b>45</b>
<b>5. HEALTH SAFETY AND ENVIRONMENTAL ISSUES .....</b>	<b>45</b>
<b>6. OVERSIGHT COMMITTEES .....</b>	<b>46</b>
<b>7. SCOPA RESOLUTIONS .....</b>	<b>47</b>
<b>8. INTERNAL AUDIT REPORT .....</b>	<b>48</b>
<b>9. AUDIT COMMITTEE REPORT.....</b>	<b>57</b>
<b>INTRODUCTION .....</b>	<b>62</b>
<b>2. OVERVIEW OF HUMAN CAPITAL .....</b>	<b>62</b>
<b>3. HUMAN RESOURCES OVERSIGHT STATISTICS.....</b>	<b>67</b>
<b>PART E: FINANCIAL INFORMATION.....</b>	<b>96</b>

<b>Report of the auditor-general to the Northern Cape Provincial Legislature on vote no. 2: Provincial Legislature.....</b>	<b>97</b>
Report on the audit of the financial statements .....	97
Opinion     97	
Basis for opinion .....	97
Responsibilities of the accounting officer for the financial statements .....	97
Auditor-general’s responsibilities for the audit of the financial statements.....	98
Report on the audit of the annual performance report .....	98
Introduction and scope .....	98
Other matter .....	99
Achievement of planned targets .....	99
Report on audit of compliance with legislation.....	99
Introduction and scope .....	99
Other information.....	99
Internal control deficiencies .....	100
<b>Annexure – Auditor-general’s responsibility for the audit.....</b>	<b>101</b>
Financial statements .....	101
Communication with those charged with governance.....	102
<b>Annual Financial Statements for the year ended 31 March 2017.....</b>	<b>103</b>





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# PART A: GENERAL INFORMATION

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## FORWARD BY THE SPEAKER

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Hon. MK Mmoiemang- SPEAKER

It is a privilege to present the Annual Report for the 2016/7 financial year to the people of the Northern Cape Province. Guided by our five year Strategic Plan, this annual report gives a full account of our achievements and shortcomings for the year under review.



We are particularly honored to present our annual report during the year when we celebrate 20 years of the Constitution of a democratic South Africa; this is but one of the greatest achievements of our National Democratic Revolution towards building a desired National Democratic Society. Our Constitution has been hailed as the most progressive in the world because of its human rights considerations and its unifying spirit.

The achievement of the National Development Plan (NDP) goals rests on the effectiveness of our strategy, one that is operationalized in order to conduct oversight, public participation and law-making.

It is our constitutional imperative to ensure that the Legislature holds the Executive and Municipalities accountable in executing both the manifesto of the ruling party as well as the action plan of the NDP. In line with the NDP we are pursuing a developmental agenda under conditions of extreme poverty and widening inequality. Our primary role in the legislative sector is to ensure that “the people shall govern”, as anticipated by the Freedom Charter.

As the Legislature we draw pride and courage from the achievement of a clean audit in the 2016/17 financial year; which is crucial and effectively exemplary in our role of oversight of the executive and municipalities.

With a number of cost-cutting measures inculcated for this period; we had to ensure that we achieve more with less. Resource constraint cannot be an excuse for non-performance, and this should be the attitude of all three spheres of government.

In the 2016/17 financial year Members of the Provincial Legislature contemplated strategies to strengthen political oversight and accountability. In continued pursuit towards strengthening this area and enhancing the efficiency of both Standing and Portfolio Committees, MPLs, with the support of the Secretary and officials in the administration, we will continue to pursue strategies for improvement.

House Sittings outside the Legislature seat have created a tremendous interest amongst our respective communities. This is rare but steadily becoming a norm, where our communities observe live proceedings in their own regions, of their political party representatives operating on this democratic platform.

The 2016 Local Government Elections illustrated that South Africans are becoming more adept in utilizing democratic instruments such as the right to vote. This success of our maturing democracy must be celebrated. The right to vote is one of the most important instruments that citizens have and the people must exercise their voice. We thank many of our communities for heading the call and taking the responsibility to make their mark during the 2016 local government elections.

As legislators, we strive to emulate the legacy of Nelson Mandela and OR Tambo to the work that we do, while we selflessly seek to serve our people. The Northern Cape Provincial Legislature will continue to strive to be the voice of our people and fulfill their aspirations, as an activist Legislature and maintain to be a „Home for All“ to our people in the Northern Cape Province. We shall remain, “Vigilant, Always for our People!”

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**Hon. Mosimanegare Kenneth Mmoiemang**  
**Speaker: Northern Cape Provincial Legislature**

## STATEMENT BY THE DEPUTY SPEAKER

Hon. JT Beukes- Deputy Speaker

The financial year 2016/17 marked the occasion of the 5th Democratic Local Government Elections; which took place on 3 August 2016. The cornerstone of any thriving democracy is to hold regular free and fair elections; and we must commend the people of the province for exercising their constitutional right in participating in the 2016 Local Government Election.



It is important to note that whilst the Local Government Elections impacted on the work of the Legislature, we however, managed to remain focussed on the constitutional mandate of law making, oversight and public participation in the legislative processes. Our people can truly embrace this legislature as the people's legislature which remains "Vigilant Always for our People".

The Northern Cape Provincial Legislature continued its path of "renewal" which is aimed at improving institutional effectiveness. We must appreciate the work done by the Accounting Officer and his team in converting the NCPL's accounting system from a cash based system to accrual accounting; whilst simultaneously implementing a new Enterprise Resource Planning (ERP) system which will replace the legacy accounting and procurement systems. The conversion and ERP implementation will also have a consequence on the business processes of the Legislature which should ensure full compliance to the Finance Management of Parliament and Provincial Legislatures Act, 2009 (Act. No 10 of 2009).

One of the strategic imperatives of the Legislature is to ensure public participation in the law making process. The Northern Cape Provincial Legislature continues to set the standard by taking public hearing to all districts of the province and thus ensuring that the people's voices are heard on legislation before Parliament. This involvement is not only limited to people attending but is also further strengthened by public education programmes.

The committee work of the Legislature remains critical to its oversight mandate. In this regard, The Sector Oversight Model (SOM) was rolled out to all 13 votes; from the 5 votes during the 2015/16 financial year. Committees engaged departments on its Annual Performance Plans and Budget, quarterly reports. The cycle will be closed when committees interrogate these departments on its Annual Reports of 2016/17. Furthermore, the Legislature also conducted oversight visits to the Namakwa and ZF Mcgawu Districts. This



oversight was a joint and collaborative effort of both the National Council of Provinces (NCOP) and the Northern Cape Provincial legislature.

The administration must be commended for its sterling support to the political principles; this in spite of the shortages of resources faced by the institution. I wish to extend sincere appreciation our Secretary to the Legislature, Mr Patrick Moopelwa, and officials of the legislature in honouring their commitment to the people of the Province. I thank the Speaker of the Legislature, Hon MK Mmoeimang, for continuously steering the legislature on the right path. Your guidance is truly a blessing to the people of the Province.

Whilst we have achieved much, we should never forget the vision of ensuring a Better Life for ALL. The Northern Cape Provincial Legislature will continue to “to serve the people of the Northern Cape by building a developmental institution for effective law making, public participation, accountability and oversight over the executive and municipalities”.

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**Hon. JT Beukes**

**Deputy Speaker: Northern Cape Provincial Legislature**

## REPORT OF THE ACCOUNTING OFFICER

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Mr PB Moopelwa- SECRETARY TO THE LEGISLATURE

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The financial year under review marked the second year of the five year strategic plan as adopted by the Provincial Legislature of the fifth parliament. The implementation of the Annual Performance Plan afforded the institution a formidable foundation to build upon and produced improved results from the first year of implementation of the strategic plan. Management under the guidance of the political leadership had to improve results with very little changes in the human resources of the institution. The standard of performance has been improved through amended performance standards and indicators in most areas of institutional performance. We are humbled and honoured to report that the Legislature have received unqualified audit opinion with no findings, ordinarily referred to as a clean audit from the Auditor-General. To the institution, this is a one of many measuring tools with which we are able to assess that we are convincingly on the right track in delivery on the ethos of our constitutional mandate while ensuring financial prudence at all times and levels in the legislature.



During the year under review local government elections took place and impacted greatly on targets set by the Legislature that are directly linked programme. Despite the limited time available of political leadership, the Legislature still lives up to its motto being **“Vigilant always for our people”** by exceeding the planned public hearings held during the year under review. This is a very important performance area for the institution which ensures that we facilitate public involvement in the law making processes and keep our communities abreast of legislative matters.

The institution fell short of executing all its public education programmes for the year under review due to shortages of staff; however the programmes’ performance as executed is still a great improvement compared to the previous financial year. Through our public education programmes the institution also managed to attract more than the anticipated visitors to the legislature precinct which is reach in history of South Africa and in particular the Northern Cape

At the inception of the new strategic plan, the institution adopted a phased in approach on the implementation of the Sector Oversight Model (SOM) with contracting five departments. In 2016/17 it was a decision of the political leadership to fully roll out the implementation of SOM to all 13 departments. This increased the responsibility of the administration but the



administration executed their task of support on oversight to members with very little deviation and within the available yet limited resources.

In ensuring that the institution operates within the legal prescripts of the country, the legal unit is active in developing summaries and simplifying legislation to both internal and external stakeholders. This task was executed within the target set and a compliance manual was also produced to simplify the Supply Chain Regulation to internal stakeholders.

The Legislature is tasked to be the voice of the Northern Cape at the National Council of Provinces through its permanent and special delegates and administrative support staff. In being “An activist Legislature in advancing the aspirations of the people of the Northern Cape” this collective does ensure that any new law(s) made in parliament reflects the views and inputs of the Northern Cape. This is undertaken through a rigorous process involving the public inputs. The institution managed to timeously submit all mandates on Section 76 legislation to the National Council of Provinces thus submitted the inputs of the people of the Northern Cape to find expression in legislation.

Achieving amongst others, the above did not come without challenges. The high vacancy rate within the institution exerted a lot of pressure on the administration as filling up the structure requires additional funding. The institution however made use of relief and contract workers to ease the workload and execute its legislative mandates as well as perform on its institutional indicators.

In conclusion, it gives us pleasure to also report that the project to renovate the provincial legislature building got off ground in the last quarter of 2016/2017. The project commenced subsequently after an intensive assessment of the entire building in order to ensure that all the prioritised work is done diligently. Given the nature of the physical work that must be carried out, the day to day operation of the legislature had to continue on an alternative site and thus the temporarily leased block of offices were secured and we anticipate to move back to our premises before December 2017.

## 1.1 OVERVIEW OF THE FINANCIAL RESULTS OF THE LEGISLATURE

### 1.1.1 DEPARTMENTAL RECEIPTS

Departmental receipts	2016/2017			2015/2016		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Sale of goods and services other than capital assets</b>	<b>2 611</b>	<b>64</b>	<b>2 547</b>	<b>2 480</b>	<b>57</b>	<b>2 423</b>
<b>Interest, dividends and rent on land</b>	<b>195</b>	<b>2 797</b>	<b>(2 602)</b>	<b>185</b>	<b>159</b>	<b>(1 404)</b>
<b>Sale of capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial transactions in assets and liabilities</b>	<b>-</b>	<b>44</b>	<b>(44)</b>	<b>-</b>	<b>84</b>	<b>(84)</b>
<b>Total</b>	<b>2 806</b>	<b>2 905</b>	<b>(99)</b>	<b>2 665</b>	<b>1 730</b>	<b>935</b>

In terms of Section 22 (1) (a) of the Public Finance Management Act (Act 1 of 1999) (PFMA), revenue collected by the Provincial Legislature is excluded from the Provincial Revenue Fund. Section 22(5) of the PFMA further directs that money received by a Provincial Legislature must be paid into an account opened by the legislature.

The NCPL projects to collect an amount of R2.806 million for the 2016/17 financial year, growing to R3.117 million in the 2018/19 financial year. The major sources of revenue for the NCPL relates to interest on positive bank balances, commission on insurance and transactions in financial assets which relates to debt arising from previous financial years.

### 1.1.2 PROGRAMME EXPENDITURE

Programme Name	2016/2017			2015/2016		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	83 047	79 887	3 160	93 341	56 850	36 491
Facilities for members and Political parties	47 110	44 624	2 486	40 842	39 162	1 680
Parliamentary Services	43 470	40 569	2 901	44 009	41 955	(2 054)
<b>Total</b>	173 627	165 080	8 547	178 192	137 967	36 117

The overall decrease from the main appropriation from the 2015/16 to 2016/17, excluding statutory budget, is mainly attributable to the once – off capital investment projects funding, which was allocated in the financial year 2015/16. Growth resumes in 2017/18 at nominal rate of 5.4 per cent.

The budget of legislature shows an increasing trend in expenditure for compensation of employees and goods and services.

**Compensation of employees**, which is the largest component of the budget, reflects an increase of R7.354 million or 7.5 per cent from the main appropriation in the 2015/16 to 2016/17 mainly due to CPIX and estimated at 6.2 per cent and reprioritisation to fund additional posts.

**Goods and Services**, reflects a decrease of R0.307 million or 0.8 per cent from the main appropriation in the 2015/16 to 2016/17 the reduction is mainly due to CPI. However additional funding has been allocated for computer services over the MTEF.

**Transfers and subsidies**, reflects an increase of R1.313 million or 5.3 per cent from the main appropriation in the 2015/16 to 2016/17.

**Payments for Capital assets**, reflects a nil budget over the 2016 MTEF. No capital projects are anticipated to be resumed by the legislature.

### APPROVAL AND SIGN OFF

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**PB Moopelwa**

**SECRETARY TO THE LEGISLATURE**

**DATE: 31 MAY 2017**

## **STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT**

***To the best of my knowledge and belief, I confirm the following:***

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The Annual Financial Statements (Part E) have been prepared in accordance with GRAP and the applicable frameworks and guidelines.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Northern Cape Provincial Legislature for the financial year ended 31 March 2017.

Yours faithfully

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**PB Moopelwa**

**SECRETARY TO THE LEGISLATURE**

**Date: 31 May 2017**

## 2. STRATEGIC OVERVIEW

### 2.1 VISION

An activist Legislature advancing the aspirations of the people of the Northern Cape

### 2.2 MISSION

To serve people of the Northern Cape by building a developmental institution for effective law making, public participation, accountability and oversight over the executive and municipalities

### 2.3 MOTTO

“Vigilant always for our people”

### 2.4 VALUES

Value	Value definition
<b>Selflessness</b>	We are people-centred in all our intentions and actions
<b>Integrity</b>	We are truthful, ethical, open, honest and transparent in all we do
<b>Accountability</b>	We are responsible, reliable and answerable for our actions
<b>Professionalism</b>	Consistent service excellence in performance delivery and execution of our mandate/ roles both of support and oversight
<b>Transparency</b>	We are always open to scrutiny
<b>Responsiveness</b>	We value our stakeholders and are considerate, caring and timely
<b>Innovation</b>	We promote and embrace change and new ideas

## 3. LEGISLATIVE AND OTHER MANDATES

3.1. The Northern Cape Provincial Legislature derives its mandate from the following Legislation:

- a) The Constitution of the Republic of South Africa;
- b) Northern Cape Provincial Legislature Service Act, No.2 of 2011;
- c) Powers, Privileges and Immunities of Parliaments and Provincial Legislatures Act, No.4 of 2004;
- d) Northern Cape Petitions Act, No. 8 of 2009;
- e) Northern Cape Party Political Fund Act, No 7 of 2009;
- f) Northern Cape Legislature Witness Act, No 3 of 2013.
- g) Financial Management of Parliament Act, No 10 of 2009 as amended by Act 34 of 2014.
- h) Labour Relations Act, No. 66 of 1995 and other related labour legislation;
- i) Remuneration of Public Office Bearers Act, No. 92 of 1997;

### **3.2. Constitution of the Republic of South Africa**

The Constitution of the Republic of South Africa - 1996, Chapter 6 section 114 (1) and (2) which states that:

In exercising its legislative power, a Provincial Legislature may-

- a) Consider, pass, amend or reject any Bill before the Legislature; and
- b) Initiate or prepare legislation, except a money Bill.

A Provincial Legislature must provide for mechanisms-

- a) To ensure that all Provincial Executive organs of State in the province are accountable to it;
- b) To maintain oversight over-
  - i. The exercise of Provincial Executive Authority of the Province, including the implementation of Legislation; and
  - ii. Any Provincial Organ of State.

*Section 118(1) and (2) mandates the legislature to ensure public access to and involvement in all processes of the legislature.*

### **3.3. Rules, Codes and Manuals of the Northern Cape Provincial Legislature:**

**The Legislature also abides by the following:**

- a) Standing Rules;
- b) Code for Financial Administration;
- c) Northern Cape Provincial Legislature: Performance Information Policy 2016; and
- d) Policies of the Legislature.

### **3.4. New policy mandates:**

Supply Chain Management regulations promulgated in terms of the Financial Management of Parliament and Provincial Legislatures Act, Act No 10 of 2009.

### **3.5. Relevant court rulings:**

- a) Poverty Alleviation Network and Others v President of the Republic of South Africa and Others. CCT/86/08 - Decided 24 February 2010;
- b) Doctors for Life International v The Speaker of the National Assembly and Others. CCT/12/05 – Decided 17 August 2006; and
- c) Land Access Movement of South Africa v The Chairperson of the National Council of Provinces and Others. CCT/40/15 – Decided 27 July 2016

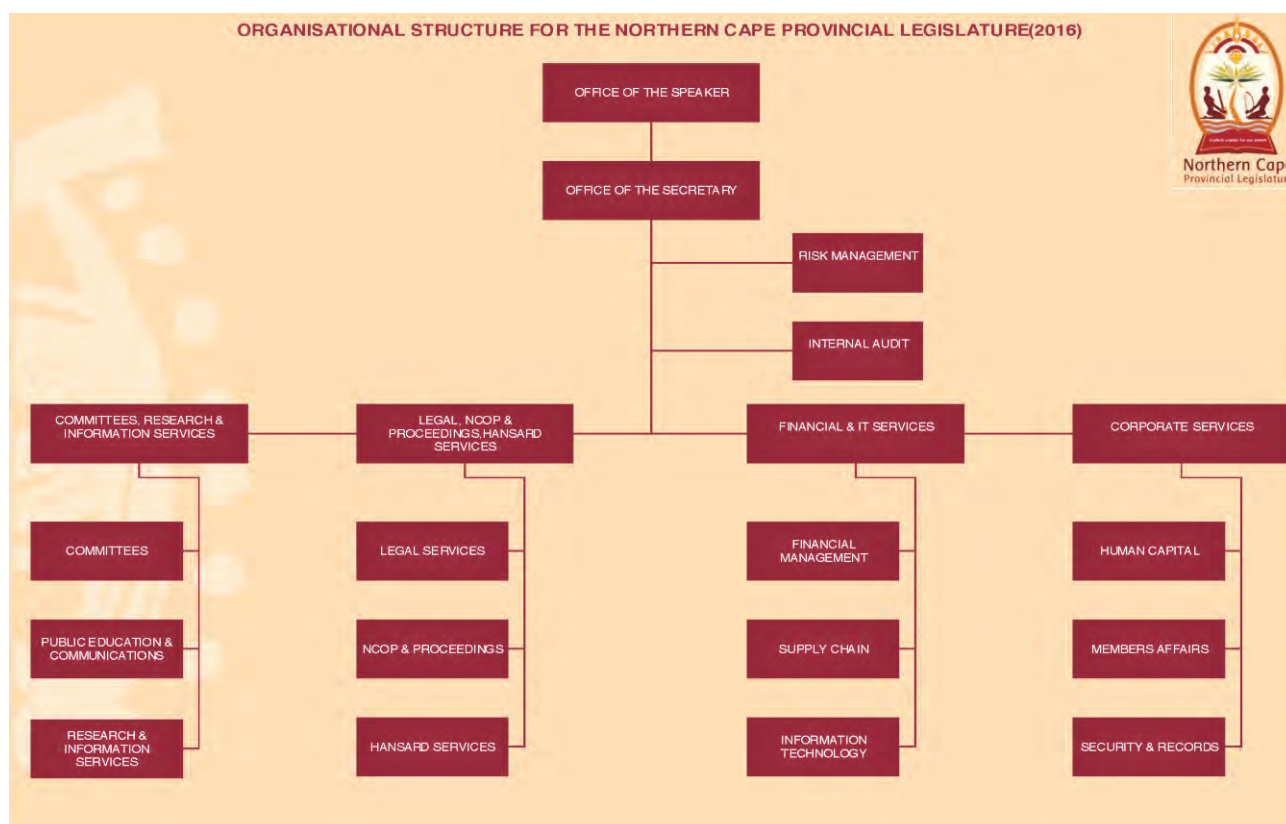


### 3.6. Planned policy initiatives:

The Northern Cape Provincial Legislature progressively aims to align with the legislature Sector Strategic Framework for the 5th Term (2014–2019) and the SALS Annual Performance and Operational Plan for 2016/17 – 2018/19 of 22 March 2016 as endorsed by the Speakers' Forum on 30-31 March 2016. The NCPL aims to continue with the review of all NCPL institutional policies in order to ensure alignment with the FMPPLA and regulations promulgated in terms of this Act. Further to this and in order to reduce and contain operational costs the, NCPL intends putting in place Efficiency measures.

## 4. ORGANISATIONAL STRUCTURE

The NCPL concluded a work-study and institutional skills audit during the 2015/16 financial year. The work-study has resulted in a new organisational structure that was implemented with effect from 01 February 2016. Below is the newly approved organizational structure at macro level.



## 5. ENTITIES REPORTING TO THE SPEAKER

The table below indicates the entities that report to the Speaker of the Legislature.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Northern Cape Political Party Fund	Northern Cape Political Party Fund Act no. 7 of 2009.	Dependent on transfers from the NCPL	Political Party Fund funding political party operations at the NCPL.



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# PART B: PERFORMANCE INFORMATION

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## 1. OVERVIEW OF LEGISLATURE PERFORMANCE

### **Service Delivery Environment**

#### **1.2 Situational analysis**

The Northern Cape Provincial Legislature has been operating under serious cost containment measures for employees of the Legislature except for MPLs.

In line with the 5<sup>th</sup> Political Term objectives of South African Legislative Sector the Northern Cape Provincial Legislature explored measures that will optimise the already limited resources that are needed in order to ensure that the priorities of the Legislature are achieved. This will be done by identifying inefficiencies within the value chain and ensuring controls are put in place to leverage on opportunities.

This operational imperative was reiterated by the President of the Republic of South Africa in the State of the Nation Address on 11<sup>th</sup> February 2016, and by the Minister of Finance during the Budget Speech dated the 24<sup>th</sup> February 2016, for the requirement to implement cost containment measures in the South African public sector.

Section 7 (a) of the Financial Management of Parliament and Provincial Legislatures Act, 2009 states that “The Accounting Officer must ensure that Parliament’s resources are used effectively, efficiently and transparently”.

The Northern Cape Provincial Legislatures was therefore obliged implement cost-cutting and cost-containment measures. It was thus necessary for all staff members to ensure that appropriate control measures are instituted to provide reasonable assurance that expenditure incurred in their respective cost centres are necessary, appropriate, paid promptly, and reported accurately in the relevant accountability structures.

Given the current domestic and international economic climates, it was important that the available and limited resources were effectively and efficiently deployed to achieve the National Development Plan imperatives. The budget allocation of the Legislature was reduced, in line with the provincial and national fiscus. This also in a way impacted negatively on the achievement of the Legislature and further justified the need to implement the cost containment measures.

The Constitutional mandate and legal framework set for the NCPL dictated the manner in which the institution functioned. In line with the Constitution, the mandate of the Legislature includes law making, ensuring accountability through oversight over the executive, as well as facilitating public participation.

## **1.2. Performance environment**

The members of the Provincial Legislature (MPLs) and management collectively assume responsibility for steering and setting the direction of the institution by approving policies and planning (Strategic and Annual Performance Plan); overseeing and monitoring of the implementation and execution of the APP by management through submission of Quarterly Performance Reports (QPR) and ensuring accountability for organisational performance

The institution partially dealt with the capacity constraints in critical areas such as appointing the Executive Managers for Human Capital, Research and Committees in acting positions. Managers for Human Capital (acting), Finance, Monitoring and evaluation, Policy and Planning, Risk and Compliance Management as well as Internal Audit have been appointed on contract position. The legislature plans to have all these positions advertised and filled in 2017/18.

## **1.3. Organisational Environment**

The Northern Cape Provincial Legislature (NCPL) comprises of 30 Members inclusive of the Members of the Executive Council. The composition is made up as follows: the Premier, Ten (10) Members of the Executive Council plus nineteen (19) Members of the Legislature (MPLs) which includes the Speaker and Deputy Speaker.

The current workforce as 31 January 2017 consists of 89 permanent employees, 13 role playing employees and 23 fixed-term contract employees. The Administration has an approved Organisational Structure totally 159 positions of which 102 are filled and 57 are vacant. Although the 23 fixed-term contract employees are appointed in positions on the approved Organisational Structure, they are not permanently employed and the positions therefore regarded as vacant. The overall vacancy rate excluding the fixed-term contract employees is 36%. NCPL employees support the MPLs, the House and Committees to execute their constitutional mandate.

The seat of the NCPL is in Kimberley. The Institution also has five (5) regional offices in the Northern Cape Province and one NCOP Office in Cape Town. The Cape Town office supports the Northern Cape's permanent and special delegates in their official business in and around Cape Town as well as in the country as determined by the NCOP's programme from time to time. The regional offices of the NCPL are outreach extension offices, supporting and enhancing public education and participation in the province.



With the number of MPLs limited to 30, there is a need for Members to serve on multiple Legislature Committees to affect the Legislature's mandate. The geographic spread of the Northern Cape and the low density of its population require improved planning and diligence in spending the institutional budget to ensure the Legislature effectively executes its mandate.



## **2. Strategic Outcome Oriented Goals**

The Legislature has three (3) strategic goals that are linked to its strategic objectives and operational activities.

### **2.1. To strengthen Institutional capacity to render support to Members and Committees to fulfil the Legislature's Constitutional Mandate**

Strategic Goal 1	To strengthen Institutional capacity to ensure that Members and Committees are appropriately supported and resourced to fulfil the Legislature's Constitutional Mandate
Goal Statement	To ensure the Institution operates optimally by putting in place the necessary governance and support infrastructure, resources and systems within the next five years. This will be achieved by way of the establishment of strategies, mechanisms, operational plans and compliance guides linked to a budget for all sections, units, departments and divisions within the legislature, commencing in April 2015.

### **2.2. To deepen and entrench a people-centred democracy in the Northern Cape**

Strategic Goal 2	To entrench a people-centred democracy in the Northern Cape through improved public education, public participation and communication initiatives.
Goal Statement	To improve public education and participation in Legislature programmes through the establishment of a comprehensive public education and Communication strategic framework by July 2015; To implement public education, public participation and communication initiatives in line with the established strategies over the period April 2015 to March 2020.

### **2.3. To ensure that the Legislature optimally carries out its Constitutional Mandate**

Strategic Goal 3	To ensure that the Legislature optimally carries out its Constitutional Mandate of law making and oversight.
Goal Statement	To ensure that the Legislature optimally carries out its Constitutional Mandate of law making and oversight through the implementation of the NCPL Standing Rules, the Northern Cape Oversight Model, NCPL committee work cycle and Sector based strategic frameworks on an annual basis commencing in April 2015.

### 3. PERFORMANCE INFORMATION BY PROGRAMME

Key performance areas are in line with the parliamentary function as set out in Chapter 6 of the Constitution of the Republic of South Africa as well as the administrative support function rendered by the Administration to Legislature officials and Members.

The detailed key performance indicators reflect the planned performance of the Northern Cape Provincial Legislature Administration, Members Facilities and Parliamentary Services.

The below mentioned programme and sub-programme reflected have been changed due to the implementation of a new structured organisational structure.

Programme	Sub-programme
Programme 1: Administration	1.1 Office of the Speaker
	1.2 Office of the Secretary
	1.3 Corporate Services
	1.4 Financial Management & ITC
Programme 2: MPL and Political Party Support	2.1 Members Facilities
	2.2 Represented Party Support
Programme 3: Parliamentary Business	3.1 Law Making & House Business
	3.2 Public Participation & Oversight

#### 3.1. Programme 1: Administration

**3.1.1. Purpose:** To establish an effective Legislature governance structure that will ensure that the institution operates optimally.

**3.1.2. Strategic Objectives 1, 2 and 3:** Strengthen the governance and oversight structure of the Legislature.

**3.1.3. The main objectives and services of these sub-programmes are as follows:**

- To promote good Governance in the Legislature;
- To coordinate the programmes and functions of Committees of the Legislature;
- To provide Strategic Leadership of the Administration;
- To provide sound Financial Management in the Legislature;
- To provide Corporate and Security Services support to Members and employees of the Legislature;

**3.1.4. Strategic objective Statement:** Strengthen the governance and oversight structures of the Legislature by ensuring that controls for monitoring financial and non-financial institutional performance is in place, by March 2020.

Sub-programme: Office of the Speaker					
Performance Indicator	Actual Performance 2015/16	Actual Performance against planned target		Variance	Reasons for deviation
		Planned Target 2016/17	Actual Achievement 2016/17		
1.1 Number of quarterly Expenditure reports to the budget sub-committee	4 quarterly expenditure reports presented to the sub- com on budget	Four (4) Quarterly Expenditure reports were presented to Budget Sub Committee meetings.	One quarterly expenditure report presented to the Budget Sub Committee meeting	Three (3) reports not presented	Three meetings could not sit due to the packed programme of the Legislature and the local government elections campaign
1.2 Number of quarterly meetings of the chairperson committee to plan and oversee the performance of the committees	4 Quarterly Chairpersons meetings	Four (4) Quarterly Chairpersons meetings to oversee performance of the Committees	Three (3) Quarterly Chairpersons meetings held	One (1) Quarterly Chairpersons meetings held	One meetings could not sit in the 3rd quarter due to the packed programme of the Legislature

1.3 Number of year plans/ quarterly programme frameworks developed	1 Year plan and 4 quarterly legislature programme frameworks developed	A Year plan and 4 quarterly programme frameworks developed.	A Year plan and 4 quarterly programme frameworks developed.	None	
1.4 Number of quarterly report received from portfolio committee on the work undertaken	13 Quarterly Performance Reports of Portfolio Committees were submitted	Twenty four (24) quarterly performance reports received from Portfolio Committees on work undertaken	Twenty one (21) quarterly performance reports received	Three (3) quarterly performance reports compiled	Three (3) quarterly performance reports not compiled due to non-submission from the Committee section  Lack of synergy between office of the Chair of Chairs and the Committees section
1.5 Number of reports on the implementation of committee resolutions per vote	13 Reports on the Implementation of committee resolutions per vote were received	Twenty six (26) Reports on the implementation of committee resolutions per vote.	Four (4) Reports on the implementation of committee resolutions per vote compiled	Twenty two (22) Reports on the implementation of committee resolutions per vote not compiled	Twenty two (22) quarterly performance reports not compiled due to non-submission from the Committee section  Lack of synergy between office of the Chair of Chairs and the Committees section

<b>Sub-programme: Office of the Secretary</b>					
1.6 Number of institutional policies reviewed and approved	4 policies reviewed and approved	Twelve (12) Institutional Policies reviewed and approved	15 policies were reviewed and 8 Policies were approved	Under-achievement of 4 approved policies	Several policies were reviewed but the stakeholder consultation processes and approval process could not be finalised by year end.
<b>Sub-programme: Financial Management &amp; ITC</b>					
1.7 Number of reports on the implementation of the ICT Governance framework	50% implementation of the ICT Governance Framework	Four (4) Quarterly reports on the implementation of the ICT Governance Framework	Four (4) Quarterly reports on the implementation of the ICT Governance Framework	None	
1.8 Number of quarterly financial statements to the Audit Committee	New Indicator	Three (3) Quarterly financial statements presented to the Audit Committee.	Three (3) Quarterly financial statements presented to the Audit Committee.	None	

1.9 Number of reports on the implementation of the Audit Auction Plan	New Indicator	Four (4) Quarterly reports on the implementation of the Audit Action Plan	One (1) Quarterly reports on the implementation of the Audit Action Plan	Three (3) Quarterly reports on the implementation of the Audit Action Plan not produced	A clean audit report was achieved and there were no matters on the report to deal with. Management took a decision in the last quarter to go to the level of the management report to deal with issues that did not make it to the audit report
1.10 Nature of the audit opinion for the financial year	Unqualified Audit Opinion with no matters  Audit findings reduced by 55%	Unqualified audit opinion	Unqualified audit opinion with no matters		

### **3.1.5. Strategy to overcome areas of under performance**

**Indicator 1.1:** A tool to monitor the quarterly scheduling and sitting of committee meetings to be developed and signed-off by the Political Management Team.

**Indicator 1.2:** A strategy to enforce the adherence to meetings schedule will be developed.

**Indicator 1.4:** A directive from the Chairperson of Committees to all Committee Chairpersons on Committee Reports will be communicated.

**Indicator 1.5:** A system that will enable the creation of synergy in the work of committees will be put in place

**Indicator 1.6:** The office proactively started in 206/17 during Q4 with policy workshops to ensure the period for consultation and approval is shortened in 2017/18.

**Indicator 1.9:** For the new financial year an audit action plan will be prepared based on the Final Management Report and a report on the implementation will be submitted quarterly.



### 3.1.6. Sub-programme expenditure

Sub- Programme Name	2015/2016				2016/2017			
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure		Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	
	R"000	R"000	R"000		R"000	R"000	R"000	
Office of the Speaker	10 749	12 656	(1 907)		8 105	8 309	(204)	
Office of the Secretary	6 787	4 939	1 848		6 400	5 050	1 350	
Financial Management	31 481	30 960	521		22 811	16 718	6 093	
Corporate Services	34 030	31 333	2 697		56 025	26 773	29 252	
<b>Total</b>	<b>83 047</b>	<b>79 887</b>	<b>3 160</b>		<b>93 341</b>	<b>56 850</b>	<b>36 91</b>	

### 3.1.7. Institutional Projects – Programme One

PROJECT DESCRIPTION	REPORTING SUB PROGRAMME	ANNUAL TARGET	ACTUAL ACHIEVEMENT 2016/2017	DEVIATION FROM PLANNED TARGET	COMMENT ON DEVIATIONS	STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE
Implementation of the Organisational Structure	Corporate Services	70% of positions filled	0% of positions filled	Total deviation	EE Plan was only approved in the 3rd Quarter	To continue with the project in line with the EE Plan.
Implementation of the Organisational HR Strategy	Corporate Services	Achieving 70% of Employment Equity Targets Driving employee	0% 100%	Total deviation	EE Plan only approved in the 3rd Quarter None	Full implementation of the EE Plan as approved in the next financial year. .

PROJECT DESCRIPTION	REPORTING SUB PROGRAMME	ANNUAL TARGET	ACTUAL ACHIEVEMENT 2016/2017	DEVIATION FROM PLANNED TARGET	COMMENT ON DEVIATIONS	STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE
		motivation (1 project)				
Building a learning culture through approved bursary applications	Corporate Services	Building a Learning culture through approved bursary applications (60% of applications received)	100% applications processed and approved	None	None	None
Building a learning culture through completing a % of training programmes on the workplace skills plan	Corporate Services	Building a Learning culture through completing 100% training programmes on Workplace Skills Plan	27% of Training Programmes completed	73 % of training programmes not implemented	Only 3 out of 11 training programmes could be addressed due to limited budget	None
Members Capacity Building Programme - Year 2 for new Members and Masters Programme	Corporate Services	100% training programmes attended by Members	43% training programmes attended by Members	57% of training programmes not concluded	Packed political programme of MPLs	To continue the Members Capacity Programme in the next financial year given the availability of members
GRAP implementation	Office of the CFO	Introduce accrual accounting	73% of GRAP training has taken place.	27% of GRAP training not yet Implemented	The project ran beyond scheduled because of the Infrastructure and a decision to relocate from the main building	
Implementation of an Enterprise Resource Planning system	Office of the CFO	Implementation of an Enterprise Resource Planning system	75% of project has been implemented. Project close out has been moved to 1st Quarter of 2017/18.	25% of project not implemented thus project not closed out	The project ran beyond scheduled because of the Infrastructure and a decision to relocate from the main building	
Improvements to the Building to address	Corporate Services	Structural defects of the NCPL building	31% of the defects been attended to	None	The project is scheduled to be	The project has effectively commenced

PROJECT DESCRIPTION	REPORTING SUB PROGRAMME	ANNUAL TARGET	ACTUAL ACHIEVEMENT 2016/2017	DEVIATION FROM PLANNED TARGET	COMMENT ON DEVIATIONS	STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE
Structural Defects		addressed			completed on 01 December 2017	and will be monitored on a continuous basis until completion.
Management of NCPL Facilities	Corporate Services	Execution	0%	Total deviation	Management of NCPL Facilities suspended due to the Structural Defects and Repairs Projects.	None

### 3.2. Programme 2: MPL and Political Party Support

- 3.2.1. **Purpose of the Programme:** To provide financial support to Members of the Provincial Legislature in order to perform their constitutional obligations/mandate.
- 3.2.2. **Strategic Objective 3:** To empower Members of the Provincial Legislature through financial support.

Programme/Sub-programme: MPL and Political Party Support					
Performance Indicator	Actual Performance 2015/16	Actual Performance against planned target		Variance	Reason for deviation
		Planned Target 2016/17	Actual Achievement 2016/17		
2.1 Number of payments made in line with the law, policy and regulations	The Legislature made 17 PPF payments and 17 Constituency allowance payments	A minimum of 16 payments made in line with policy and legislation	17 payments made in line with policy and legislation	None	
2.2 % of spending in line with the budget	100% of budget spent at year end	100% of budget spent	100% of budget spent	None	

### 3.2.3. Strategy to overcome areas of under performance

All indicators achieved and the NCPL will continue to execute the indicators timeously and on target for 2017/18.

### 3.2.4. Sub-programme expenditure

Sub- Programme Name	2015/2016			2015/2016		
	Final Appropriation R"000	Actual Expenditure R"000	(Over)/Under Expenditure R"000	Final Appropriation R"000	Actual Expenditure R"000	(Over)/Under Expenditure R"000
Members Facilities	6 871	6 577	294	40 842	39 162	1 680
Political Parties Support	40 239	38 048	2 191	-	-	-
<b>Total</b>	<b>47 110</b>	<b>44 624</b>	<b>2 486</b>	<b>40 842</b>	<b>39 162</b>	<b>1 680</b>

### 3.3. Programme 3: Parliamentary Business

3.3.1. **Purpose:** To provide the House, Committees and Members with Procedural, Research, Information and Hansard Services in the execution of their Constitutional mandate as well as other functions delegated by the House.

3.3.2. **Strategic Objective 4:** To improve oversight through the implementation of the oversight model.

Programme/Sub-programme: Portfolio Committees					
Strategic Objectives 4: To improve oversight through the implementation of the oversight model.					
Performance Indicator	Actual Performance 2015/16	Actual Performance against planned target		Variance	Reason for deviation
		Planned Target 2016/17	Actual Achievement 2016/17		
3.1 Number of committee reports on the meetings held with provincial departments to monitor and evaluate performance	48 Committee reports	81 Committee Reports on meetings held with Provincial departments, entities and municipalities to monitor and evaluate performance	57 Committee reports were prepared	24 Committee reports not produced	Portfolio Committees could not achieve their targets largely due to MPLs programmes in the build up to the elections
3.2 Number of contracts with departments at the commencement of the Appropriation process	6 contracts with departments were concluded at the Commencement of the Appropriation Process	13 contracts with departments Commencement of the Appropriation Process	No Contracting took place	Contracting did not take place with all 13 votes	No engagements with Provincial Heads of

					Departments owning to pack programme of the Legislature
3.3 Number of Public Hearings held on important issues and proposed legislation	6 Public hearings held	6 Public hearings held	7 Public hearings held	Target exceeded	Public hearing were held simultaneously in more than one region on one bill
3.4 Number of reports on oversight visits conducted	2 Oversight visits conducted	2 Oversight visits	1 Reports on oversights visits undertaken	1 oversight not undertaken	Oversight could not take place in the second quarter due to members packed programme during the elections
3.5 Four (4) committee meetings held outside the Legislature seat	12 Committee meetings held outside the Legislature seat	5 Committee meetings held outside the Legislature seat	2 Committee meetings held outside the Legislature seat	3 Committee meetings not held outside the Legislature seat	Meetings outside the legislature seat could not take place due to congested programme of the Legislature
3.6 Number of public education programmes held	76 programmes undertaken workshops conducted	120 programmes undertaken	111 public education programmes held	9 public education programmes not held	Vacancy of an RLO in FB district



3.7 Number of submissions made by the public during public hearings	1 written submissions	16 submissions made during public hearings	Two (2) Written submissions made by the public	14 written submissions not made by the public	The unit does not have control over public submissions.
3.8 Number of public education/ communication publications	15 publications	12 publications	12 Public education and communication publications produced	No deviation	
3.9 Number of visitors to the NCPL building	356 visitors to the building	1200 visitors	1763 Visitors undertook tours of the NCPL building	Target Exceeded	The unit had a designed visitors programme coordinator as opposed to previous years
3.10 Number of reports submitted to committees on petitions received	4 reports on petitions were Submitted to the Committee	4 reports on petitions Submitted to the Committee	4 Reports were submitted to committees on petitions received	No deviation	
3.11 % of committee minutes available within 5 days after the meeting	0% of committee minutes made available within 3 days after the meeting	95% of committee minutes available within 5 days after the meeting	33% of committee minutes available within 5 days after the meeting	62% of committee minutes not made available within 5 days after the meeting	During Q1 and Q2 no systems were in place to effectively report on performance. A workshop was held in the beginning of Q3 and thus could performance results only be corrected in Q4.
3.12 % of committee reports compiled available within 5 days after the meeting	0% of committee reports compiled within 3 days after meeting	95% of Committee reports compiled available within 5 days after the meeting	31% of Committee reports compiled available within 5 days after the meeting	64% of Committee reports compiled available within 5 days after the meeting	During Q1 and Q2 no systems were in place to effectively report on performance. A workshop was held in the beginning of Q3 and thus could performance

						results only be corrected in Q4.
3.13 % of research reports (analysed) made available 2 days prior to the committee meetings	74% of Research Reports (Analyses) made available 2 days prior to the committee meeting	80% of Research Reports (Analyses) made available 2 days prior to the committee meeting	60% of Research Reports (Analyses) made available 2 days prior to the committee meeting	20% of Research Reports (Analyses) not made available 2 days prior to the committee meeting	Owing to one researcher being in an accident during Quarter 3	
3.14 % of House resolutions communicated to the executives	0% of House Resolution communicated to the executive	90% of House Resolutions communicated to the executive	77% of House Resolutions communicated to the executive	13% of House Resolutions communicated to the executive	During Q1 and Q2 no systems were in place to effectively report on performance. A workshop was held in the beginning of Q3 and thus could performance results only be corrected in Q4.	
Sub-programme: Legal Services						
3.15 Number or Legislative summaries produced	4 summaries produced	Produce 4 summaries	Produced 4 summaries of legislation	None		
3.16 Number of compliance manuals produced	1 FMPPLA Compliance manual produced	Produce compliance manual	Produced 1 compliance manual	None		
Sub-programme: NCOP and Proceedings						
3.17 Number of House sitting held outside the Legislature seat (Kimberley)	4 House sittings held outside the Legislature seat	5 House sittings held outside the Legislature seat (Kimberley)	4 House sittings held outside the Legislature seat	1 House sittings held outside the Legislature seat	MPLs engaged in an election campaign programme.	
3.18 % of Mandate submitted to the NCOP for each sec 76 bill referred to the NCPL	100% of Mandates submitted to the NCOP for each Sec 76 bill referred to the NCPL	100% of Mandates submitted to the NCOP for each Sec 76 bill referred to the NCPL	100% of Mandates submitted to the NCOP for each Sec 76 bill referred to the NCPL	None		

3.19 Number of House sitting held where questions are posed to the Premier and Executive MPLs	100% of Questions put by MPLs to the Premier and the Executive published on the Question	12 House Sitings where questions are posed to the Premier and the Executive by MPLs	4 House Sitings where questions are posed to the Premier and the Executive by MPLs	Questions were not posed to the Premier and the Executive at 8 of the House sitting	No questions for oral reply were received from members.
<b>Sub-programme: Hansard</b>					
3.20 % of electronic transcripts of House debates available within 5 working days	56% of electronic transcripts of House debates available within 3 working days	90% of electronic transcripts of House debates available within 5 working days	95% of electronic transcripts of House debates available within 5 working days	Target Exceeded	
3.21 % of public hearing where at least one interpreter for an identified/ prevalent language available	100% of public hearings where at least one interpreter for an identified/prevalent language is available	80% of public hearings where at least one interpreter for an identified/prevalent language is available	68% of public hearings where at least one interpreter for an identified/prevalent language is available	12% of public hearings where at least one interpreter for an identified/prevalent language was not available	Number of public hearings exceeded the number of available language practitioners

### 3.3.3. Strategy to overcome areas of under performance

**Indicator 3.1:** The unit made a recommendation that oversight cycles be reduced to exclude certain quarterly reports

**Indicator 3.2:** The unit is proactively programming contracting with the presentation on APPs.

**Indicator 3.4:** The unit will advise committees to ensure oversight takes place as intended.

**Indicator 3.5:** Ensure that each house sitting taking place outside the legislature seat at least one committee meeting takes place.

**Indicator 3.6:** Interns will be assisting with conducting of public education programmes.

**Indicator 3.7:** The indicator has been removed for the 2017/18 financial year since the unit has no control

**Indicator 3.11:** A template has been developed to ensure effective reporting

**Indicator 3.12:** A template has been developed to ensure effective reporting

**Indicator 3.13:** A submission has been compiled to appoint an acting researcher

**Indicator 3.14:** A template has been developed to ensure effective reporting

**Indicator 3.17:** The number of external sittings has been reduced from 5 to 2 to accommodate members in the wake of a pre-election year.

**Indicator 3.19:** The indicator has been re-crafted to “create opportunities” for member/premier to ask question thus the unit will have more control over the indicator.

**Indicator 3.21:** External interpreters will be sourced in the event of capacity constraints. At programming level, the Executive Manager will advise against simultaneous events on one day.

### 3.3.4. Sub-programme expenditure

Sub- Programme Name	2015/2016		2016/2017			
	Final Appropriation R"000	Actual Expenditure R"000	(Over)/Under Expenditure R"000	Final Appropriation R"000	Actual Expenditure R"000	(Over)/Under Expenditure R"000
Public Participation and Oversight	28 066	26 527	1 539	28 175	28 289	(114)
Law making and House Business	15 404	14 042	1 362	15 834	13 666	2 168
Total	43 470	40 569	2 901	44 009	41 955	2 054



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# PART C: CORPORATE GOVERNANCE

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## **1. INTRODUCTION**

The management of NCPL is committed to a system of Good Governance by maintaining a high standard of ethics and collectively acting in good faith and in the best interest of the organization.

This commitment was demonstrated by setting up structures which are crucial for internal controls such as the Internal Audit Function and started a process of building capacity internally so that ultimately this function could be fully in-sourced. The purpose of Corporate Governance is to facilitate effective and efficient Management of the institution by putting in place a system and framework of controls. The unit dealing with Risk Management remained stable for the past two financial years. Management further also ensured that the audit committee met on a quarterly basis in order to provide assurance on the activities of the NCPL.

## **2. RISK MANAGEMENT**

Since the establishment the Risk Management Section has mainly been building its internal capacity by attending the Provincial Risk Management forum meetings and establishing a relationship with the Risk Management Unit at Provincial Treasury. The section also undertook Risk Management work-shops in the form of road shows for every section within the organisation assisted by the Department of Health. The output of these workshops was a risk register. The Risk Management Process enables NCPL to prioritise and direct its limited resources to areas that need urgent attention and forms an integral part of effective corporate governance.

Towards the end of 2016/17 financial year NCPL completed a comprehensive strategic risk and operational risk assessment, and will continue to fully implement its Risk Management strategy during the 2017/18 financial year. In the new financial year the Risk Management section intends to finalise the Risk Management Policy, -Strategy and action plan.

## **3. CONFLICT OF INTEREST**

The Office of the Secretary is responsible for facilitating the annual declarations of interest made by individual NCPL employees in accordance with the Declaration of Interest Policy. The objective of the Declaration of Interest Policy is to minimise any potential conflict of interest that may arise.



Conflict of interest for Members of the Legislature is regulated by the Code of Ethics for Members. The Code provides a framework of ethical standards that must be upheld by Members. The Committee on Ethics and Conduct is supported administratively by the Registrar for Members Interest to ensure implementation and adherence to the code. The Registrar for Members Interest annually compiles and maintains a Register of Members Interest as required by the Code.

#### **4. CODE OF CONDUCT**

The Northern Cape Provincial Legislature adheres to the Northern Cape Provincial Legislature Service Act, Act no 2 of 2011, the Conditions of Service of the Northern Cape Provincial Legislature and the Disciplinary Policy and Procedures of the Northern Cape Provincial Legislature in addressing matters of Conduct and Ethics.

The Legislature Reviewed the Disciplinary Policy and procedure during the previous financial year and addressed instances of misconduct that occurred in terms of the newly approved policy. The NCPL Code of Ethics is currently under review.

#### **5. HEALTH SAFETY AND ENVIRONMENTAL ISSUES**

The occupational health and safety issues remains a serious concern for the institution. Although we do have Security and Wellness Units, the Legislature has identified the Health, Safety and Environmental issues as risk factors and were included in the Institutional Risk Register.

The strategic installation of CCTV cameras and biometrics covers the main building access areas for security and safety of MPL's, employees and visitors of the Legislature.

It must also be noted that the security personnel are currently manning the entrances of the main buildings.

However a comprehensive integrated security safety solution which can illuminate risk and physical security threats with adequate deployment of security points and sensitive areas is all needed.

## **6. OVERSIGHT COMMITTEES**

The Legislature Committee system is one of the many oversight mechanisms used to oversee the work of the Provincial Executive. The NCPL has designated Six Portfolio Committees and One Standing Committee to function in accordance with the NCPL Oversight Model, Annual Committee Cycle and the Chairpersons Framework.

During the first quarter of the 2016/17 financial year, the build up to the Local Government Elections impacted negatively on the oversight commitments as contained in the NCPL APP 2016/17 and resulted in contracting not being able to be concluded. Despite the impact of the Local Government election on the oversight activities of Committees, Departments accounted to the Legislature on a quarterly basis in terms of their approved Annual Performance Plans (APPs) and Budgets. Towards this end the Research Services Unit and the Committee Services Section rendered the requisite support services to ensure meaningful oversight engagements with the leadership of the Legislature and the various departments. Several Public Hearings on Section 76 legislation took place and one Oversight Visit were conducted.

The Standing Committee on Constitutional Affairs, Petitions and Public Participation, assisted by the Petitions Officers increased its activities to hold regular petitions hearings and meetings to discuss the progress and status of petitions submitted in terms of the Petitions Act. Several committee meetings were held outside the seat of the Legislature. Furthermore, the Standing Committee on Public Accounts (SCOPA) played a meaningful role in building the capacity of the Provincial Municipal Public Accounts Forum.

## 7. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the NCPL	Resolved (Yes/No)
1.	<b>FRAUD PREVENTION</b>	The review of the policy on the assessment risk and fraud should be completed within in the fourth quarter to enhance internal control measures.	The Fraud and Corruption Prevention and Control Policy have been recommended by myself as the Accounting Officer on 25 March 2017 and have been approved by the Speaker, Hon. K Mmoiemang on 31 March 2017. The Risk policy has not been completed within the fourth quarter of the 2016/17 financial year.	
2.	<b>AUDIT ACTION PLAN</b>	Timeframes should be attached to the action plan indicating how the 2015/16 audit outcome challenges will be addressed.	Cognisance should be given to the fact that Legislature obtained an unqualified audit report with no matters. In the past an action plan was compiled and implemented to address matters on the Audit Report. Only in the third quarter it was resolved that an action plan will be compiled and implemented to address findings raised in the Management Letter. In the fourth quarter an update report on the audit action plan was presented to the Speaker on the progress of implementing internal controls to address these findings.	
3.	<b>RECRUITMENT AND SELECTION</b>	Critical vacant senior management positions are urgently filled to further improve the stability of the institution.	Critical vacant senior management positions have been filled through the appointments of two acting Executive Managers during October 2016 (prior to the issuing of the SCOPA Resolutions). These positions are scheduled to be permanently filled within the second quarter of the 2017/18 financial year.	

## **8. INTERNAL AUDIT REPORT**

This is the Internal Audit Annual Report of the Northern Cape Provincial Legislature Audit Committee and Internal Audit function, covering the internal audit activities for the period 1 April 2016 to 30 June 2017.

The report outlines the role and activities of the Internal Audit function, which acts in accordance with the duties and responsibilities, set out in the Internal Audit Charter, the Audit Committee Charter and the Strategic Internal Audit Plan 2016-2019. Its purpose is to summarise the internal audit activity throughout the financial year and to include an overall opinion on the Provincial Legislatures risk management, control and governance arrangements.

### **Introduction**

The purpose of this report is to summarise the activities of the internal audit function throughout the 2016/2017 financial year.

The Internal Auditor acts in accordance with the duties and responsibilities set out in Internal Audit Charter, the Audit Committee Charter and the Internal Audit Operational Plan as well as the requirements of an employee of the Northern Cape Provincial Legislature.

Further, the Internal Auditor must comply with the Code of Ethics (Integrity, Objectivity, Confidentiality and Competency); Rules of Conduct and International Standards as prescribed in The Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF).

The IPPF is a conceptual framework that organises the authoritative guidance promulgated by the IIA. Authoritative guidance is comprised of two categories (1) mandatory and (2) strongly recommended.

Due to circumstance beyond the control of the Internal Auditor, the program of work had to be reduced and the minimum four scheduled meetings for the Audit Committee were met.

## Internal Audit Unit

Value is added by the internal audit function by providing independent, objective assurance<sup>1</sup> and consulting<sup>2</sup> services.

The audit function brings a systematic, disciplined approach to evaluate and improve office systems, processes and reporting.

Accordingly audit planning must be sufficiently comprehensive to regularly audit/review all facets of the Northern Cape Provincial Legislatures (NCPL) operations, having regard to the functions and duties imposed on by the Audit Committee.

In effect the internal audit function will as part of its approved operational plan, audit and or review

- compliance with policies, plans, procedures, legislation and regulations;
- achievement of established objectives and goals for the operation or process;
- reliability and integrity of information;
- economic, effective and efficient use of resources; and
- safeguarding of assets

The Internal Auditor attends each quarterly Audit Committee meeting to report on the status of the Internal Audit Plan and present the findings of reviews and audits undertaken.

## Other Internal Audit Work

As well as conducting internal audits, the Internal Auditor provides an advisory and consultancy role to management and staff. The Internal Auditor works strategically to create increasing capability in the effective and efficient use of a limited resource within the internal audit function.

The Internal Auditor must maintain currency in understanding of the trends and practices of the internal audit profession and to continue a program of proficiency and continuing professional development. This includes the enhancement of knowledge, skills and other competencies.

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<sup>1</sup> Assurance services involve the Internal Auditor's objective assessment of evidence to provide an independent opinion or conclusions regarding a process, system or other subject matter. The nature and scope of the assurance engagement are determined by the Internal Auditor.

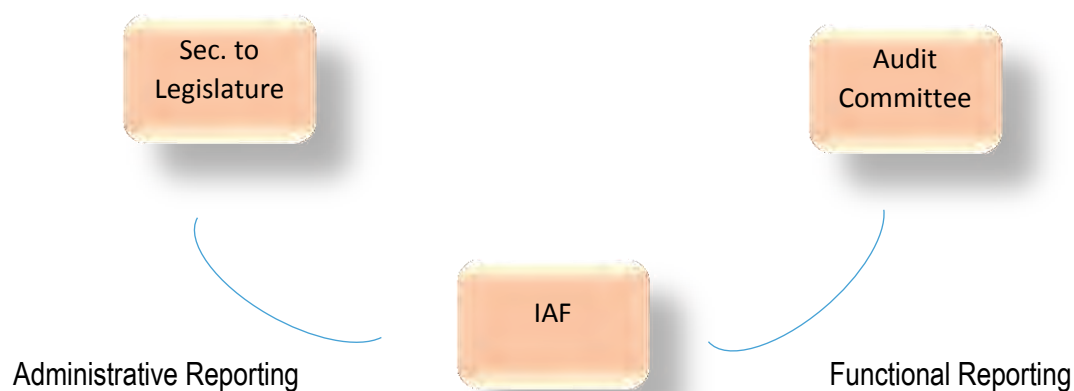
<sup>2</sup> Consulting services are advisory in nature, and are generally performed at the specific request of an engagement client. The nature and scope of the consulting engagement are subject to agreement with the engagement client.

## Reporting

The internal audit activity must be independent and Internal Auditors must be objective in performing their work<sup>3</sup>. Objectivity is presumed to be impaired if an Internal Auditor provides assurance services for an activity for which the Internal Auditor had responsibility within the previous year<sup>4</sup>.

Assurance is hereby given that the Internal Auditor did not have responsibility for any function or activity audited or reviewed during the reporting period.

The Internal Auditor reports administratively to the Secretary to the Legislature and functionally to the Audit Committee.



<sup>3</sup> Attribute Standard 1100 of the IPPF.

<sup>4</sup> Attribute Standard 1130.A1



## **Organisational Independence**

Assurance is hereby given that the internal audit activity is organisationally independent.

Organisational independence is achieved by functional reporting of the Internal Auditor to the Audit Committee. Examples of functional reporting to the Audit Committee has the Audit Committee:

- approving the internal audit charter;
- approving the risk based internal audit plan,
- receiving communication from the CAE on internal audit's activity's performance relative to its plan and other matters; and
- making appropriate inquiries to determine whether there are inappropriate scope or resource limitations.

## **Internal Audit Plan**

The purpose of the Provincial Legislatures Internal Audit Plan is to identify areas of risk within the institution's operations and business activities and to establish internal audit review priorities for the identified risk areas.

The Annual Internal Audit Plan is developed on the basis that it does not overlap with the scope of external audits and combines two essential elements. The first being an assessment of risk and materiality based on management identified risks and concerns, including financial and performance considerations. The second being, the identification, justification and scheduling of the work to be undertaken by the Internal Auditor within the audit plan period.

A priority for an Internal Audit function is to complete its annual operational plan in the year it is due. While this is a goal to be reached for Internal Audit function, from time to time other strategic organisational priorities may impact upon this priority.

## **Internal Audit Co-sourced**

The internal audit function of the NCPL was co-sourced to Morar Incorporate for the fiscal year (FY) 2016. The consultancy firm was brought in to assist the Internal Audit Department due to the following reasons:

- Having Lack of technical in-house capability
- Lacking the capacity to do the work
- Lack of Audit Infrastructure needed to perform audits

Although the function is co-sourced, the benefit of this environment is a knowledge transfer framework which the internal audit skills and expertise are augmented by the knowledge and leading practices introduced by the service provider.

## Internal Audit Recommendations

All in internal and external audit recommendations are followed up by the Internal Auditor and actions taken are reviewed. Any overdue recommendations are reported to the Secretary to the Legislature and followed up with the specific Executive Managers. Currently there are no overdue recommendations.

At each Audit Committee meeting, outstanding or overdue recommendations are reported and the reasons for the delay provided. Requests for extension to target dates are considered by the Internal Audit.

In issuing the Audit reports, recommendations are classified into three categories:

1. Control Rating 1 – **High** priority recommendation. Requires addressing within 2 months and is assigned to the appropriate member of the Executive and discussed at Executive meetings.
2. Control Rating 2 – **Medium** priority recommendation. Requires addressing within 6 months and is assigned to the appropriate member of the Executive and the relevant manager.
3. Control Rating 3 – **Low** priority recommendation. Requires addressing within 12 months and is assigned to the appropriate manager.

### Open Internal Audit Recommendations as at 30 March 2017

Low Priority Within 12 months to complete	Medium Priority Within 6 months to complete	High Priority Within 2 months to complete	Total
4	7	7	18

### Aged Analysis – Open Internal Audit Recommendations as at 30 March 2017\*\*

Days Since Report Issued	Low Priority Within 12 months to complete	Medium Priority Within 6 months to complete	High Priority Within 2 months to complete
0 – 90 days	4	7	7
91 – 180 days	-	-	-
181 – 365 days	-	-	-
> 365	-	-	-

***\*\*Note:*** *Some agreed target dates have been extended beyond that initially agreed and adopted by the audit committee. However, the recommendations retain the initial category rating. All requests for extensions of target dates are presented to the Audit Committee at its quarterly meetings for approval.*

A good measure of the effectiveness of the audits is the acceptance of recommendations. The Internal Auditor works closely with each of the divisions which are the subject of performance audits and or compliance audits to ensure that recommendations made are practical and balanced.

Listed below are the broad identified findings that have been found to be consistent in all internal audits undertaken since the introduction of the Internal Audit function in the current year. In the majority of cases the internal audits have been undertaken for the first time.

- continued improvement in effective internal controls;
- continued improvement in administration management and controls;
- effective documentation and update of institutional policies; and
- development of Standard Operation Procedures.

## **Satisfaction**

Internal Audit clients are provided, at the end of the audit, with an opportunity to comment on the way in which the audit was conducted and whether they felt that there was value provided to them.

It is not mandatory that the client completes the survey, however they are given every encouragement to do so. The Survey has two parts, the importance that the client places upon conducting of the audit – low / medium / high, and the performance of the Internal Auditor from poor through to high level (rating of 1 through to 4). In both areas there are twelve questions to which the client may respond.

Although this was entirely new process in the institution, the surveys will encourage to evaluate and assess the performance of the Internal Audit Function. Different line Managers were task to complete the survey.

Completed satisfaction surveys will be presented at Audit Committee meetings in the following financial year.

## **Audit Coverage and Planning**

Internal audit's overall audit objective is to provide an opinion which is positive and reasonable. Positive means that our opinion will be based on seeing evidence of adequate action. Reasonable means that there will be sufficient evidence underpinning our opinion to make it reliable. However; it is not and cannot be guaranteed by Internal Audit that systems will be error free. This is a management responsibility.

Audit coverage will be achieved by a combination of strategic, operational and compliance audits. Strategic audits will focus on the extent to which risk management, control and governance arrangements are well directed, whilst performance audits will cover the extent to which these arrangements are working in practice, and compliance audits will assess the level of adherence to regulatory guidelines.

However, as there is only a small internal audit function it means that there are many challenges working on the different functional levels, commencing with strategic long term planning, development of a risk-based audit environment which is then translated into an annual operational plan through to administrative, reporting and secretariat roles.

Internal Audit will take account of previous assessments of systems and processes, the length of time since specific systems have been reviewed, our knowledge of the strengths, weaknesses, opportunities and threats (both internal and external) and other sources of assurance such as external audit.

Internal audit will review its plans annually to take account of revisions in the risk assessment, enable new developments to be taken into account and allow for the plan to be rolled forward appropriately.

### **Types of Internal Audits Undertaken**

In general internal audit function undertakes two types of audit.

- 1) Compliance audits – which assess whether the operation under review are complying with legislative requirements, government or entity policy and procedures and systems of internal control; and
- 2) Performance Improvement audits – which are aimed at improving the efficiency and effectiveness of the programme or operations under review.

Assessing performance provides accountability as well as helping to improve the efficiency and effectiveness of the internal audit function.

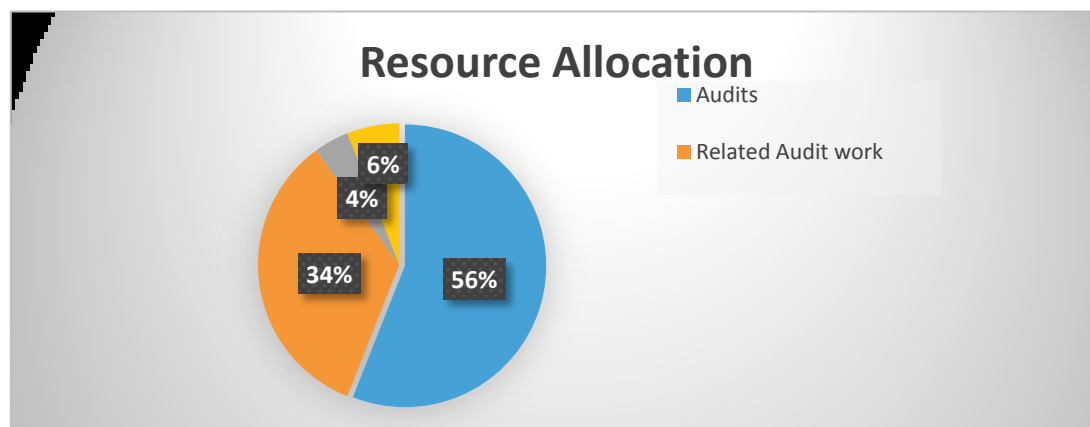
To enable this assessment and to better understand the work performed by the Internal Auditor, the work completed has been divided into four categories. These four categories are designed to reflect the actual work performed by Internal Auditor.

- 1) Internal Audits – includes reviews of policy, programmes, operations, internal controls, management information, governance frameworks and ICT systems as well as reviews of all the activities covered, including compliance with relevant legislation;
- 2) Internal Audit Support Activities – all activities that support the Internal Audit function; that is, the Internal Audit Quarterly Status reports, the development and maintenance of the Internal Audit Strategic Plan, the development of an Internal Audit Annual Work Plan, development of annual Internal audit report to the Audit Committee, secretariat duties and support to the Audit Committee members, attendance at Local Government Internal Audit Network meetings, reporting to the Audit Committee, training and administration;
- 3) Consultancy activities – advice to staff and management on policy, procedures, processes, documentation and providing assistance as required as well as the provision of internal audit and fraud related; and
- 4) Non-Audit Activity – this covers all aspects of non-audit related work and meetings as well as participation in some non-specific audit activities. As the internal audit function that is only a sole practitioner there may from time to time be a greater call on the Internal Auditor to become involved in non-audit activity. This includes corporate training not specifically related to internal audit, and involvement in in-house programs for example - the mentoring program.

### Internal Audits allocated work schedule

Resource allocation as a percent of available time.

Resource Allocated by Activities as % of Total Available Resource	Days	%
Audits	99	56%
Related Audit work	60	34%
Professional Development	8	4%
Non related Audit activities	11	6%
<b>Total</b>	<b>178</b>	<b>100%</b>



### Looking forward

The aim of Internal Audit is to assist the Provincial Legislature to develop a sound system of internal control throughout all aspects of the institutes operations and to achieve excellence in governance. This is an ongoing body of work with the internal auditor continuing to working in a collaborative partnership with NCPL's staff and management.

2016/17 represented a year of increased capability and awareness of the Internal Audit Function at the Legislature.

The annual report was prepared using the guidelines provided by the Institute of Internal Auditors. In addition to the minimum requirements, we also included other information we felt was important to the internal audit operations during fiscal year (FY) 2016. Additional information regarding the Provincial Legislature's Internal Audit and Audit Committee can be found at the following website: [www.ncpleg.gov.za](http://www.ncpleg.gov.za)

Respectfully submitted,

Tshepo Shongwe RGA, FIISA IIA

On behalf: Internal Audit



## 9. AUDIT COMMITTEE REPORT

### REPORT OF THE AUDIT COMMITTEE

We are pleased to present its report for the financial year ended 31 March 2017 to the stakeholders of the Northern Cape Provincial Legislature.

This report is in compliance with the requirements of the Financial Management of Parliament and Provincial Legislature Act, Act 10 of 2009 and the King Code of Governance for South Africa 2016 (King IV).

### AUDIT COMMITTEE MANDATE

The Audit Committee is governed by a formal Audit Committee Charter that has recently been reviewed and which incorporates all the requirements of the Act. This charter guides the committee in terms of its objectives, authority and responsibilities, both statutory and those assigned by the Executive Authority.

The Audit Committee recognises its important role as part of the management, corporate governance and internal control processes and procedures of the Provincial Legislature.

### COMMITTEE COMPOSITION AND ATTENDANCE AT MEETINGS

The committee comprised of three (3) Independent Non-Executive Members. The following members served on the committee during the year under review:

NAME OF MEMBER	DATE OF APPOINTMENT TO COMMITTEE
Adv. J. Lubbe SC	22 February 2012
Mr J. Besnaar (CA) SA	22 February 2012
Adv. N. van Heerden	22 February 2012

#### *Meeting attendance*

Name	Qualification	Role	No Meetings Attended
Adv. J. Lubbe SC	Senior Advocate (B. Juris LLB)	Chairperson	5
Mr J. Besnaar (CA) SA	Chartered Accountant South Africa	Member	5
Adv. N. van Heerden	Advocate (BA LLB)	Member	4

The committee held four formal meetings during the 2016/17 financial year. In addition, the committee held an ad hoc meeting with management, the Internal Auditor and the external auditors. The committee considered the draft Annual Financial Statements and Annual Performance Report prepared by Executive Management and recommended adoption to the Executive Authority subject to certain amendments. The Audit Committee provided written reports to the Executive Management that summarise the committee's findings and recommendations.

The Accounting Officer, Executive Managers, Internal Auditor and the External Auditor and staff attended meetings invitation of the committee by regular invitation.

## **AUDIT COMMITTEE RESPONSIBILITY**

We report that we have adopted appropriate formal terms of reference in our charter in line with the requirements of Sections 48 (1) of the Financial Management of Parliament and Provincial Legislature Act, Act 1 of 2009 (FMPPLA). We further report that we have conducted our affairs in compliance with this charter.

## **EFFECTIVENESS OF INTERNAL CONTROLS AND INTERNAL AUDIT**

We are satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the Provincial Legislature in its audits. The Internal Audit completed their 2016/17 annual plan as approved by the Audit Committee.

The committee has approved the internal audit charter as well as the internal audit function's annual audit plan for the financial year ended 31 March 2017. The internal audit has responsibility for reviewing and providing assurance on the adequacy of the internal control environment across all of the Legislatures' operations. The internal auditor is responsible for reporting the findings of the internal audit work against the agreed internal audit plan to the committee on a regular basis. An internal Audit service is co-sourced with Morar Incorporation. Capacity needs to be augmented in order to improve the quality of internal audit deliverables and to effectively deliver the Audit Committee's mandate.

Based on the assessment of the system of internal controls conducted by internal audit, as well as information and explanations given by management and discussions held with the external auditor on the results of their audit, the committee is of the opinion that the Provincial Legislature's system of internal financial controls is effective and forms a basis for the preparation of reliable financial statements in respect of the year under review. In addition, during the 2016 financial year, the committee was not made aware of any:

- material breaches of any laws or regulations; or

- material breaches of internal controls or procedures.

We have met with the Internal Auditor during the year to ensure that the function is executed effectively and objectively (from management).

We are satisfied with the content and quality of quarterly reports prepared and issued by the internal auditors during the year under review.

## **RISK MANAGEMENT**

The Provincial Legislature has a separate Risk Committee assigned and have appointed an independent Chairperson. The Chairman of the Risk Committee is also a Member of the Risk Committee. The Committee plays oversight on internal controls risk, financial reporting risk and management's compliance to the legislative framework.

## **QUALITY REVIEW OF FINANCIAL MANAGEMENT AND QUARTELY REPORTS SUBMITTED BY THE ACCOUNTING OFFICER**

We reviewed the quarterly submission of the status of financial management and performance report of the Provincial Legislature. We are satisfied with the content and quality of monthly and quarterly reports issued during the year under review.

## **QUALITY REVIEW OF FINANCIAL STATEMENTS AND PERFORMANCE REPORT**

We reviewed the Annual Financial Statements and Annual Performance Report of the Provincial Legislature and we are satisfied that they comply with GRAP Reporting Standards and the requirements of FMPPLA.

We have:

- Reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General South Africa; internal auditors and the Accounting Officer;
- Reviewed the Auditor-General of South Africa's management letter and management's response thereto;
- Reviewed changes in accounting policies and practices;
- Reviewed the institution's compliance with legal and regulatory provisions; and
- Reviewed significant adjustments and noted none resulting from the audit.

We concur with and accept the Auditor-General South Africa's report on the Annual Financial Statements and Annual Performance Report, and are of the opinion that the statements should be accepted and read together with the report of the Auditor-General South Africa.

## **AUDITOR-GENERAL SOUTH AFRICA**

The Provincial Legislature's external auditor is the Office of the Auditor General South Africa. Fees paid to the auditor are detailed in **note 22** of the annual financial statements.

The external auditor's plan for the annual audit of the financial statements, which plan incorporates the identification of significant risks and how they are to be addressed during the audit, is presented and approved at a meeting management before the commencement of audit fieldwork.

The Audit Committee concurs with and accepts the conclusion of the AGSA report on the Annual Financial Statements and is of the opinion that the Audited Financial Statements be accepted and read together with the report of the AGSA.

## **APPROVAL OF THE REPORT**

We confirm that it has functioned in accordance with its charter for the reporting period and that its report to shareholders was approved by the board on 18 August 2016.

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**Adv. J. Lubbe SC**

Chairman of the Audit Committee



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# PART D: HUMAN RESOURCE MANAGEMENT

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## **INTRODUCTION**

The Corporate Services Department in the NCPL incorporates two units, namely the Members Affairs and Human Capital. The Human Capital unit experienced a challenging year subsequent the conclusion of the work study process and implementation of the newly approved organisational structure. These challenges included amongst others, a high institutional and departmental vacancy rate in critical areas and leadership positions as well as labour instability (a high volume of internal grievances and external CCMA cases).

Notwithstanding the above, Corporate Services is committed to a high standard of service delivery to Members and employees of the Legislature and will continue to evolve and modernise human capital practices which are aligned with the strategic direction of the Legislature.

## **2. OVERVIEW OF HUMAN CAPITAL**

### **2.1 IMPLEMENTATION OF NEW ORGANISATIONAL STRUCTURE**

The NCPL concluded a work-study and institutional skills audit during the 2015/16 financial year. The work-study has resulted in a new organisational structure that was implemented with effect from 1 February 2016.

The recruitment and selection processes was initiated in March 2016 to effectively implement the new Organisational Structure as approved. The placement of advertisements for Executive Management and Management positions were prioritised. Internal adverts were placed on 13 July 2016 for all positions below C4 band as required in terms of Schedule 1 of the Recruitment & Selection Policy.

In terms of the Section 5.2 of the Recruitment, Selection and Appointment Policy, Human Capital conducted pre-selection for all internally advertised positions on 17 August 2016. The internal advertising did however not produce the desired outcomes due to the fact that employees who applied would either not have the required qualification or number of years" experience.

Due to the fact that the Legislature acknowledges and supports the importance of providing employees with the opportunity to grow and advance professionally, the advantage to retain valuable employees and build on the skills and knowledge of existing employees, the Legislature engaged the official workers" union



of the institution, NEHAWU on the possibility to reconsider and where possible alter the criteria for internal positions in the interest of the employees.

Intensive engagement took place during the 4<sup>th</sup> quarter of the period under review. No progress was made in terms of coming to an amicable department between the Legislature and NEHAWU. In favour of progress and a serious need to fill the vacant funded positions, the Legislature had no other alternative but to re-advertise the positions below salary grade C4 internally as per the provisions of the Recruitment, Selection & Appointment Policy.

The Legislature managed to establish the Employment Equity Consultative Forum (EECF) and developed the Employment Equity Plan (EEP) which was subjected to intensive consultation with the various stakeholders and subsequently approved by the Accounting Officer on the 14<sup>th</sup> December 2016.

Due to the fact that the normal recruitment and selection process proved to be challenging to conclude due to the various reasons stated above, and amongst others, the absence of an approved Employment Equity (EE) Plan at that particular stage, the recruitment and selection process did not produce the expected end result during the period under review.

The recruitment and selection process for the critical and funded vacant positions have commenced subsequent to the approval of the EE Plan and is envisaged to be concluded by 30 September 2017. Internal advertisements were placed on the 07<sup>th</sup> April 2017 while two management positions were advertised externally from 12 April 2017.

## **2.2 BURSARY SCHEME**

The Legislature continues to support the development of its employees by offering bursaries to employees pursuing studies in the specific and related fields of study which are complimentary to the function and mandate of the institution. Offering of bursaries to employees further supports the Legislatures objective to ascertain that employees are trained, developed and skilled in various related areas. The primary purpose of the bursary scheme is to target employees on lower NQF levels, in compliance with the National Skills Development Strategy.

The Legislature awarded fifteen (15) bursaries to employees for the 2016/17 academic year. Bursaries awarded for the 2016/17 academic year ranged between **NQF level 5** and **NQF level 8** while giving priority to the lower NQF levels.



The programmes registered for during the 2016/17 academic year were either a continuation from the previous academic year(s) and/or new registrations and included amongst others:

1. BA Communications Science Degree
2. Higher Certificate – Archives and Records Management
3. Higher Certificate – Economics and Management Science
4. National Diploma Public Management
5. Bachelor of Accounting Science in Taxation
6. LLB Degree
7. Postgraduate Diploma Labour Law
8. BCom: Industrial & Organisational Psychology
9. BTech: Project Management

## **2.3 MEMBERS CAPACITY BUILDING PROGRAMME**

Parliament and Provincial Legislatures under the banner of the Speakers Forum offers training and development opportunities to Members of Parliament and Provincial Legislatures. The overall purpose of the programmes is to enhance the performance of Legislatures to execute their constitutional responsibilities through a professional development programme anchored in the core functions of the Legislature and the role and responsibilities of Members whilst providing access to academic opportunities.

Subsequent to the commencement of the 5<sup>th</sup> Legislative term, all fifteen new Members who registered for the 1<sup>st</sup> phase of the Members Capacity Building Programme during the 2015/16 academic year successfully completed the Certificate in Advanced Governance and Public Leadership during 2015/16. The graduation ceremony took place on 21 April 2017.

In addition to this, one Member of the Legislature who was registered on the Post Graduate Diploma with University of Johannesburg (UJ) successfully completed the programme and graduated on 26 April 2016 and will be registering for the Masters Programme at UJ during the 2017/18 academic year, whilst three (3) Members and one (1) former Member of the Legislature are in the process of completing the Masters Programme at the University of the Witwatersrand (WITS).

Application and registration for the 2<sup>nd</sup> phase of the programme, a Post Graduate Diploma in Advanced Governance and Public Leadership commenced during March 2016 for the 2016/17 academic year. The 1<sup>st</sup> and 2<sup>nd</sup> group of registered Members commenced with the 2<sup>nd</sup> phase of the programme in January and April 2017 respectively.

Amidst the hectic programme of the Legislature and other party political related business, Hon Members of the Legislature continue to show sheer commitment and dedication to the Members Capacity Building Programme.

## **HEALTH AND WELLNESS**

Since the programme with Careways was launched in January 2016, in order to provide health and wellness programmes that can be accessed by the NCPL employees and their immediate family members, the programme was well received by the employees this was evident in the utilization rate. The usage rate for the annual period is 11.88% as calculated against the total of 121 NCPL employees. This is indicative of the fact that the EWP usage is above that of the Government Sector which stands 6.98% and international benchmarks of 8-12% utilization. The continued use of the EWP shows increased trust of employees in the effectiveness of this service, which is encouraging.

Further to this The Northern Cape Provincial Legislature hosted a successful Inter- Provincial Legislature Games from the 25<sup>th</sup> to the 27<sup>th</sup> of November 2017. The Games were attended by two other provincial Legislatures which are Gauteng and North West.

The purpose and objectives of these games were noted as follows:

- To provide an opportunity for Legislatures to interact and build relationships amongst each other through sports and recreation.
- To promote the agenda of wellness and healthy lifestyle
- To encourage employees to participate in sport irrespective of age, gender or disability
- To promote unity and cohesion in these institutions through sports
- To create an opportunity for people of provinces to interact with each other.

Employees and Members of the different Legislature participated in different sporting codes, which included 5km and 10 Km fun run and walk, netball, soccer, golf, volley ball, pool, table tennis and a choir competition.

To continue building relationships the event will be held annually on a rotational basis, North West Legislature has been identified as the next hosts for 2017, and the Northern Provincial Legislature will be taking part in these games.

## **2.5 EMPLOYEE RELATIONS**

As compared to the previous financial cycle there is less cases of misconduct and related that were reported, however there was an increase in the number grievance and external disputes that were reported. The employer recognises that there is still room for improved employee relations to ensure less grievances, misconduct cases and disputes at the CCMA and will therefore embark on putting focused initiatives, interventions and strategies in place to further improve on employee relations.

## **2.6 IMPLEMENTATION OF AN ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM**

Successive to the signed proclamation by the President, the Financial Management of Parliament and Legislatures Act (FMPPLA) came in effect on 01 April 2015. To comply with the provisions of the aforementioned Act in terms of converting to an accrual accounting system which is GRAP compliant, the Legislature re-appropriated retained funds for the implementation of an Enterprise Resource Planning (ERP) system in order to comply with the requirements of the Financial Management of Parliament and

Legislatures Act (FAMPLA). The Service Provider, Consilia Africa (PTY) LTD was appointed in October 2016 and have since commenced with 1<sup>st</sup> phase of implementation.

The implementation of the SAGE X3 Enterprise Resource Planning Systems provides for a fully automated and all-in-one integrated ERP software solution and includes modules for Finance, Supply Chain Management and Human Capital Management. The systems are intended to replace the current Transversal Systems of BAS, LOGIS and PERSAL. The SAGE X3 system will be hosted at the NCPL, therefore the NCPL will no longer be dependent on National Treasury for hosting.

In terms of the 1<sup>st</sup> phase of implementation which includes the payroll, financial and procurement management solutions, a substantial amount of behind the scenes work which includes amongst others, high level stakeholder engagement, scoping and mapping to SAGE X3, and X3 People and Flow centric in terms of data transformation and migration took place during the months of November 2016 to March 2017. Training commenced 23 March 2017 for Finance, Human Capital and Supply Chain Management employees and will be expanded to all other stakeholders and end-users as from 31 March 2017.

In addition to the above, roll out and implementation of phase 2 will include the following Human Resources modules and will commence in 2017:

- Leave Management
- Performance Management
- Training and Skills Development
- Employee Wellness
- Labour Relations
- Employment Equity

As stated above, the implementation of the SAGE X3 Enterprise Resource Planning Systems provides for a fully automated and all-in-one integrated ERP software solution which will not only ensure compliance in terms of the Financial Management of Parliament and Legislatures Act (FMPPLA) but will aim to seamlessly and effortlessly improve productivity, business processes and workflow functionality.

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS

#### 3.1. Personnel Related Expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- Amount spent on personnel
- Amount spent on salaries, overtime, homeowner's allowances and medical aid.

***Table 3.1.1 Personnel Expenditure by Programme for the period 1 April 2016 and 31 March 2017***

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	No. of Employees	Training Expenditure (R'000)	Professional and Special Services Expenditure (R'000)	Personnel Expenditure as a % of Total Expenditure	Average Personnel Cost per Employee (R'000)
Administration	80,218	41,059	79	132	1,799 427	51.2%	520
Members Facilities	44,378	7, 114	23	-	-	16%	309
Parliamentary Services	40,979	32, 577	48	-	3 000	79.5%	679
<b>Total</b>	<b>165,575</b>	<b>80, 750</b>	<b>150</b>	<b>132</b>	<b>1,802 427</b>	<b>100.00%</b>	<b>538</b>

**NOTE:** The above Personnel Expenditure total reflects actual expenditure in terms of personnel cost based on expenditure reports from PERSAL (80,750). The Personnel Expenditure however does not balance with an amount of R64 000 in terms of the BAS Report (80 814) as at 31 March 2017. Further note that the fixed-term contract employees are included in the personnel expenditure and are therefore included in the overall number of employees as reflected above.

**Table 3.1.2 Personnel costs by Salary Band for the period 1 April 2016 and 31 March 2017**

Salary Band	Personnel Expenditure (R'000)	% of Total Personnel Cost	No. of Employees	Average Personnel Cost per Employee (R'000)
Lower Skilled (Grade A1–A2)	235	0.29%	1	235
Skilled (Grade A3–B2)	4,801	5.95%	18	267
Highly Skilled Production (Grade B3–C1)	16,416	20.33%	41	400
Highly Skilled Supervision (Grade C2–C5)	30,558	37.84%	47	650
Management (Grade D1–E4)	21,625	26.78%	20	1,081
Other (Members Facilities)	7,114	8.81%	23	309
<b>Total</b>	<b>80,750</b>	<b>100.00%</b>	<b>150</b>	<b>538</b>

**Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme for the period 1 April 2016 and 31 March 2017**

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of Personnel Costs	Amount (R'000)	Overtime as a % of Personnel Costs	Amount (R'000)	HOA as a % of Personnel Costs	Amount (R'000)	Medical Aid as a % of Personnel Costs
Administration	29,468	36.49%	27	0.03%	1,718	2.13%	1,264	1.57%
Members Facilities	6,374	7.89%	-	-	35	0.04%	33	0.04%
Parliamentary Services	20,421	25.29%	4	0.00%	1,482	1.84%	1, 923	2.38%
<b>Total</b>	<b>56,263</b>	<b>69.68%</b>	<b>31</b>	<b>0.03%</b>	<b>3, 235</b>	<b>4.01%</b>	<b>3,220</b>	<b>3.99%</b>

**Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band for the period 01 April 2016 and 31 March 2017**

Salary Band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of Personnel Costs	Amount (R'000)	Overtime as a % of Personnel Costs	Amount (R'000)	HOA as a % of Personnel Costs	Amount (R'000)	Medical Aid as a % of Personnel Costs
Lower Skilled (Grade A1-A2)	136	0.17%	-	-	25	0.03%	23	0.03%
Skilled (Grade A3-B2)	3,245	4.02%	8	0.01%	344	0.43%	361	0.45%
Highly Skilled Production (Grade B3-C1)	12,533	15.52%	0,4	0.00%	643	0.80%	910	1.13%
Highly Skilled Supervision (Grade C2-C5)	21,231	26.29%	19	0.02%	924	1.14%	1, 519	1.88%
Management (Grade D1-E4)	12,745	15.78%	4	0.00%	1, 264	1.57%	373	0.46%
Other (Members Facilities)	6,374	7.89%	-	-	35	0.04%	33	0,04
<b>Total</b>	<b>56,263</b>	<b>69,68%</b>	<b>31</b>	<b>0.03%</b>	<b>3, 235</b>	<b>4.01%</b>	<b>3,220</b>	<b>3.99%</b>

### 3.2. Employment and Vacancies

**Table 3.2.1 Employment and Vacancies by Programme as on 31 March 2017**

Programme	No of Posts on Approved Establishment	No of Posts Filled	Vacancy Rate	No of Employees Additional to the Establishment
Administration	95	55	42.11%	1
Members Facilities	-	-	-	-
Parliamentary Service	64	46	28.13%	-
<b>Total</b>	<b>159</b>	<b>101</b>	<b>36.48%</b>	<b>1</b>

**NOTE:**

**Programme: Members Facilities** – Employees appointed in Party Political Offices does not form part the Legislatures fixed establishment and is therefore not reflected in the above table. The current total of employees under this programme (Members Facilities) is twenty three (23) as at 31 March 2017.

**Table 3.2.2 Employment and Vacancies by Salary Band as on 31 March 2017**

Salary Band	No of Posts on Approved Establishment	No of Posts Filled	Vacancy Rate	No of Employees Additional to the Establishment
Lower Skilled (Grade A1-A2)	2	2	0%	-
Skilled (Grade A3-B2)	18	14	22.2%	1
Highly Skilled Production (Grade B3-C1)	48	29	39,6%	-
Highly Skilled Supervision (Grade C2-C5)	70	42	40%	-
Management (Grade D1–E4)	21	14	33.3%	-
<b>Total</b>	<b>159</b>	<b>101</b>	<b>36.4%</b>	<b>1</b>

***Table 3.2.3 Employment and Vacancies by Critical Occupations as on 31 March 2017***

Critical occupation	No of Posts on Approved Establishment	No of Posts Filled	Vacancy Rate	No of Employees Additional to the Establishment
Executive Manager: Corporate Services	1	0	100%	-
Executive Manager: Committees, Research & Information Services, Public Education & Communication	1	0	100%	-
Manager: Risk, Monitoring & Evaluation	1	0	100%	-
Manager: Human Capital	1	0	100%	-
Manager: Finance	1	0	100%	-
Manager: Committees	1	0	100%	-
Treasury Official	1	1	0%	-
Internal Auditor	2	0	100%	-
P A to the Secretary	1	0	100%	-
Executive Secretary – Office of the CFO	1	0	100%	-
Financial Accountant	2	1	50%	-
Accounts Officer	3	2	33.3%	-
Accounts Administrator	6	4	33.3%	-
Demand & Acquisitions Coordinator	1	0	100%	-
Asset & Disposal Officer	1	0	100%	-
Logistics & Transport Officer	1	0	100%	-
Facilities Supervisor	1	0	100%	-
Filing Clerk	2	1	50%	-
Network Administrator	3	1	66,7%	-
Security Officer	1	0	100%	-
Snr Human Capital Practitioner	1	0	100%	-
<b>Total</b>	<b>33</b>	<b>10</b>	<b>69,7%</b>	<b>-</b>



### 3.3. Filling of SMS Posts

**Table 3.3.1 SMS Post Information as on 31 March 2017**

SMS Level	Total No of Funded SMS Posts	Total No of SMS Posts Filled	% of SMS Posts Filled	Total No of SMS posts Vacant	% of SMS Posts Vacant
Secretary to the Legislature (E4)	1	1	100%	0	0.0%
Executive Manager s (D4-E1)	5	3	60%	2	40%
<b>Total</b>	<b>6</b>	<b>4</b>	<b>66,7%</b>	<b>2</b>	<b>33,3%</b>

**Table 3.3.2 Advertising and filling of SMS posts for the period 1 April 2016 and 31 March 2017**

SMS Level	Total No of Funded SMS Posts	Total No of SMS Posts Filled	% of SMS Posts Filled	Total No of SMS posts Vacant	% of SMS Posts Vacant
Executive Manager s (D4-D5)	2	0	0%	2	100%
<b>Total</b>	<b>2</b>	<b>0</b>	<b>0%</b>	<b>2</b>	<b>100%</b>

**Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2016 and 31 March 2017**

Reasons for Vacancies not Advertised within Six Months
With the implementation of the new Organisational Structure effective from 01 February 2016, the recruitment & selection process was initiated in March 2016 with placement of adverts for Executive management and management positions being prioritised. Due to the fact that the normal recruitment and selection processes proved to be challenging to conclude due to various reasons, amongst others, the absence of an approved Employment Equity (EE) Plan, the recruitment and selection process did not produce the required end result.
The Legislature managed to re-establish the Employment Equity Consultative Forum (EECF) and developed the EE Plan which was subsequent to due consultation with various stakeholders duly approved by the Accounting Officer on 14 December 2016.
The recruitment and selection process for the critical funded vacant positions have commenced subsequent to the approval of the EE Plan and is envisaged to be concluded by 30 September 2017.

Reasons for Vacancies not Filled within Six Months
<b>As stated above</b>

#### **Notes**

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

**Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2016 and 31 March 2017**

Reasons for Vacancies not Advertised within Six Months
Not Applicable

Reasons for Vacancies not Filled within Six Months
Not Applicable

### 3.4. Job Evaluation

**Table 3.4.1 Job Evaluation by Salary Band for the Period 1 April 2016 and 31 March 2017**

Salary Band	No of Posts on Approved Establishment	No of Jobs Evaluated	% of Posts Evaluated by Salary Bands	Posts Upgraded		Posts Downgraded	
				No	% of Posts Evaluated	No	% of Posts Evaluated
Lower Skilled (Grade A1-A2)	2	-	-	-	-	-	-
Skilled (Grades A3-B2)	18	-	-	-	-	-	-
Highly Skilled Production (Grade B3-C1)	48	6	12.5%	-	-	-	-
Highly skilled Supervision (Grade C2-C5)	70	5	7.14%	-	-	-	-
Management (D1 – E4)	21	-	-	-	-	-	-
<b>Total</b>	<b>159</b>	<b>11</b>	<b>6.92%</b>	-	-	-	-

**NOTE:** The results of the outcome of the job re-evaluations were not available at the time of compiling the report.

**Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2016 and 31 March 2017**

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
Employees with a disability					-

**Table 3.4.3 Employees with salary levels higher than those determined by Job Evaluation by Occupation for the period 1 April 2016 and 31 March 2017**

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation
-	-	-	-	-
-	-	-	-	-
Total number of employees whose salaries exceeded the level determined by job evaluation				-
Percentage of total employed				-

**Table 3.4.4 Profile of employees with salary levels higher than those determined by Job Evaluation for the period 1 April 2016 and 31 March 2017**

Gender	African	Asian	Coloured	White	Total
<b>Female</b>	-	-	-	-	-
<b>Male</b>	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
<b>Employees with a disability</b>	-	-	-	-	-

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
--	------

### 3.5. Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

**Table 3.5.1 Annual Turnover Rates by Salary Band for the period 1 April 2016 and 31 March 2017**

Salary Band	No of Employees at Beginning of Period - 1 April 2016	Appointments and Transfers into the Institute	Terminations and Transfers out of the Institute	Turnover Rate
Lower Skilled (Grade A1-A2)	2	-	-	-
Skilled (Grade A3-B2)	17	-	2	11.76%
Highly Skilled Production (Grade B3-C1)	40	-	1	2.50%
Highly Skilled Supervision (Grade C2-C5)	45	4	1	2.04%
Management (Grade D1-E4)	16	3	1	5.26%
<b>Total</b>	<b>120</b>	<b>7</b>	<b>5</b>	<b>3.94%</b>

**NOTE:**

*Annual turn-over rate is based on the fixed-establishment of 159 positions and fixed-term contract and excludes party political employees (Members Facilities).*

**Table 3.5.2 Annual Turnover Rates by Critical Occupation for the period 1 April 2016 and 31 March 2017**

Critical Occupation	No of Employees at Beginning of Period - 1 April 2016	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Manager Committee	1	1	1	-
Manager Supply Chain Management (Relief)	1	1	-	-
Manager: Risk, Monitoring & Evaluation (Secondment)	1	1	-	-
Manager: Finance	0	1	-	100%
Treasury Official	0	1	-	100%
Internal Auditor	0	1	-	100%
P A to the Secretary	0	1	-	100%
Financial Accountant	1	-	1	100%
HC Administrator	1	-	1	100%
<b>Total</b>	<b>5</b>	<b>7</b>	<b>3</b>	<b>25%</b>

**Table 3.5.3 Reasons why staff left the department for the period 1 April 2016 and 31 March 2017**

Termination Type	Number	% of Total Resignations
Death	1	20%
Resignation	4	80%
Expiry of contract	-	-
Dismissal – operational changes	-	-
Dismissal – misconduct	-	-
Dismissal – inefficiency	-	-
Discharged due to ill-health	-	-
Retirement	-	-
Transfer to other Public Service Departments	-	-
Other	-	-
<b>Total</b>	<b>5</b>	<b>100%</b>
<b>Total number of employees who left as a % of total employment</b>	<b>122</b>	<b>4.10%</b>

**Table 3.5.4 Promotions by critical occupation for the period 1 April 2016 and 31 March 2017**

Occupation	Employees 1 July 2016	Promotions to another Salary Level	Salary Level Promotions as a % of Employees by Occupation	Progressions to another Notch within a Salary Level	Notch Progression as a % of Employees by Occupation
	-	-	-	-	-
	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.5.5 Promotions by salary band for the period 1 April 2016 and 31 March 2017**

Salary Band	Employees 1 April 2016	Promotions to another Salary Level	Salary Bands Promotions as a % of Employees by Salary Level	Progressions to Another Notch within a Salary Level	Notch Progression as a % of Employees by Salary Bands
Lower Skilled (A1–A2)	2	-	-	-	-
Skilled (A3–B2)	17	-	-	-	-
Highly Skilled Production (B3–C1)	40	-	-	-	-
Highly Skilled Supervision (C2–C5)	45	-	-	-	-
Management (D1–E4)	16	-	-	-	-
<b>Total</b>	<b>120</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 3.6. Employment Equity

**Table 3.6.1 Total Number of Employees (including employees with disabilities) in each of the following Occupational Categories as on 31 March 2017**

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (E2-E4)	1	0	0	0	0	0	0	0	1
Executive Management (D4-E1)	1	1	0	0	0	0	0	1	3
Professionally Qualified & Experienced Specialists and Mid-management (D1-D3)	3	4	0	0	0	3	0	0	10
Skilled Technical & Academically Qualified Workers, Junior Management, Supervisors, Foreman & Superintendents (C1-C5)	18	3	0	0	17	5	0	2	45
Semi-skilled & Discretionary Decision Making (B1-B5)	9	2	0	0	13	6	1	2	33
Unskilled & Defined Decision Making (A2-A3)	1	3	0	0	4	1	0	0	9
<b>Fixed-term Contracts</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>9</b>	<b>4</b>	<b>-</b>	<b>0</b>	<b>21</b>
<b>Total</b>	<b>37</b>	<b>15</b>	<b>1</b>	<b>1</b>	<b>43</b>	<b>19</b>	<b>1</b>	<b>5</b>	<b>122</b>
<b>Employees with Disabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Table 3.6.2 Total Number of Employees (including employees with disabilities) in each of the following Occupational Levels as on 31 March 2017**

Occupational Levels	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (E2-E4)	1	0	0	0	0	0	0	0	1
Executive Management (D4-E1)	1	1	0	0	0	0	0	1	3
Professionally Qualified & Experienced Specialists and Mid-management (D1-D3)	3	4	0	0	0	3	0	0	10
Skilled Technical & Academically Qualified Workers, Junior Management, Supervisors, Foreman & Superintendents (C1-C5)	18	3	0	0	17	5	0	2	45
Semi-skilled & Discretionary Decision Making (B1-B5)	9	2	0	0	13	6	1	2	33
Unskilled & Defined Decision Making (A2-A3)	1	3	0	0	4	1	0	0	9
<b>Fixed-term Contracts</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>9</b>	<b>4</b>	<b>-</b>	<b>0</b>	<b>21</b>
<b>Total</b>	<b>37</b>	<b>15</b>	<b>1</b>	<b>1</b>	<b>43</b>	<b>19</b>	<b>1</b>	<b>5</b>	<b>122</b>
<b>Employees with Disabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.6.3 Recruitment for the period 1 April 2016 and 31 March 2017**

Occupational Levels	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (E2-E4)	-	-	-	-	-	-	-	-	-
Executive Management (D4-E1)	-	-	-	-	-	-	-	-	-
Professionally Qualified & Experienced Specialists and Mid-management (D1-D3)	-	-	-	-	-	-	-	-	-
Skilled Technical & Academically Qualified Workers, Junior Management, Supervisors, Foreman & Superintendents (C1-C5)	-	-	-	-	-	-	-	-	-
Semi-skilled & Discretionary Decision Making (B1-B5)	-	-	-	-	-	-	-	-	-
Unskilled & Defined Decision Making (A2-A3)	-	-	-	-	-	-	-	-	-
Temporary Employees	3	1	-	-	2	1	-	-	7
Additional to the Establishment	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>7</b>
<b>Employees with Disabilities</b>	-	-	-	-	-	-	-	-	-

**Table 3.6.4 Promotions for the period 1 April 2016 and 31 March 2017**

Occupational Levels	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management(E2-E4)	-	-	-	-	-	-	-	-	-
Executive Management (D4-E1)	-	-	-	-	-	-	-	-	-
Professionally Qualified & Experienced Specialists and Mid-management (D1-D3)	-	-	-	-	-	-	-	-	-
Skilled Technical & Academically Qualified Workers, Junior Management, Supervisors, Foreman & Superintendents (C1-C5)	-	-	-	-	-	-	-	-	-
Semi-skilled & Discretionary Decision Making (B1-B5)	-	-	-	-	-	-	-	-	-
Unskilled & Defined Decision Making (A2-A3)	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-
<b>Employees with Disabilities</b>	-	-	-	-	-	-	-	-	-

**Table 3.6.5 Terminations for the period 1 April 2016 and 31 March 2017**

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management(E4)	-	-	-	-	-	-	-	-	-
Executive Management (D4-E1)	-	-	-	-	-	-	-	-	-
Professionally Qualified & Experienced Specialists and Mid-management (D1-D3)	1	-	-	-	-	-	-	-	1
Skilled Technical & Academically Qualified Workers, Junior Management, Supervisors, Foreman & Superintendents (C1-C5)	-	-	-	-	-	1	-	-	1
Semi-skilled & Discretionary Decision Making (B1-B5)	1	-	-	-	2	-	-	-	3
Unskilled & Defined Decision Making (A2-A3)	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>5</b>
<b>Employees with Disabilities</b>	-	-	-	-	-	-	-	-	-

**Table 3.6.6 Disciplinary Action for the period 1 April 2016 and 31 March 2017**

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
First Written Warning	-	1	-	-	-	-	-	-	1
Final Written Warning	3	3	-	-	-	2	-	1	9
<b>Total</b>	<b>3</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>1</b>	<b>10</b>

**Table 3.6.7 Skills Development for the period 1 April 2016 and 31 March 2017**

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	-	-	-	-	-	-	-	-	-
Professionals	-	-	-	-	-	-	-	-	-
Technicians and Associate Professionals	3	-	-	-	6	-	-	-	9
Clerks	3	-	-	-	2	2	-	-	7
Service and Sales Workers	-	-	-	-	-	-	-	-	-
Skilled Agriculture and Fishery Workers	-	-	-	-	-	-	-	-	-
Craft and Related Trades Workers	-	-	-	-	-	-	-	-	-
Plant and Machine Operators and Assemblers	-	-	-	-	-	-	-	-	-
Elementary Occupations	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>16</b>
<b>Employees with Disabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 3.7 **Signing of Performance Agreements by SMS Members**

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

**Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 March 2017**

SMS Level	Total No of Funded SMS Posts	Total No of SMS Members	Total No of Signed Performance Agreements	Signed Performance Agreements as % of Total No of SMS Members
Secretary to the Legislature (E4)	1	1	1	16.67%
Executive Managers (D4-E1)	5	5	5	83.33%
<b>Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>100%</b>

**Table 3.7.2 Reasons for not having concluded Performance Agreements for all SMS Members as on 31 March 2017**

Reasons
Not Applicable

**Note**

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

**Table 3.7.3 Disciplinary steps taken against SMS Members for not having concluded Performance Agreements as on 31 March 2017**

Reasons
Not Applicable

**Note**

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1

### 3.8 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, disability, salary bands and critical occupations.

**Table 3.8.1 Performance Rewards by Race, Gender and Disability for the period 1 April 2016 and 31 March 2017**

Race and Gender	Beneficiary Profile			Cost	
	No of Beneficiaries	No of Employees	% of Total Within Group	Cost (R'000)	Average Cost per Employee
<b>African</b>	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
<b>Asian</b>	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
<b>Coloured</b>	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
<b>White</b>	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**Table 3.8.2 Performance Rewards by Salary Band for Personnel below Senior Management Service for the period 1 April 2016 and 31 March 2017**

Salary Band	Beneficiary Profile			Cost		Total Cost as a % of the Total Personnel Expenditure
	No of Beneficiaries	No of Employees	% of Total within Salary Bands	Total Cost (R'000)	Average Cost per Employee	
Lower Skilled (Grade A1–A2)	-	-	-	-	-	-
Skilled (Grade A3–B2)	-	-	-	-	-	-
Highly Skilled Production (Grade B3–C1)	-	-	-	-	-	-
Highly Skilled Supervision (Grade C2–C5)	-	-	-	-	-	-
Management (Grade D1–E4)	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

**Table 3.8.3 Performance Rewards by Critical Occupation for the period 1 April 2016 and 31 March 2017**

Critical Occupation	Beneficiary Profile			Cost	
	No of Beneficiaries	No of Employees	% of Total within Occupation	Total Cost (R'000)	Average Cost per Employee
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**Table 3.8.4 Performance Related Rewards (cash bonus), by Salary Band for Senior Management Service for the period 1 April 2016 and 31 March 2017**

Salary Band	Beneficiary Profile			Cost		Total Cost as a % of the Total Personnel Expenditure
	No of Beneficiaries	No of Employees	% of Total within Occupation	Total Cost (R'000)	Average Cost per Employee	
Band A	-	-	-	-	-	-
Band B	-	-	-	-	-	-
Band C	-	-	-	-	-	-
Band D	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

### 3.9. Foreign Workers

The tables below summarise the employment of Foreign Nationals in the Department in terms of Salary Band and Major Occupation.

**Table 3.9.1 Foreign Workers by Salary Band for the period 1 April 2016 and 31 March 2017**

Salary Band	01 April 2016		30 June 2016		Change	
	Number	% of Total	Number	% of Total	Number	% Change
Lower skilled	-	-	-	-	-	-
Highly Skilled Production (Level 6-8)	-	-	-	-	-	-
Highly Skilled Supervision (Level 9-12)	-	-	-	-	-	-
Contract (Level 9-12)	-	-	-	-	-	-
Contract (Level 13-16)	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-



**Table 3.9.2 Foreign Workers by Major Occupation for the period 1 April 2016 and 31 March 2017**

Major occupation	01 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% Change
-	-	-	-	-	-	-
-	-	-	-	-	-	-

**3.10 Leave Utilisation**

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 and disability leave. In both cases, the estimated cost of the leave is also provided.

**Table 3.10.1 Sick Leave for the period 1 April 2016 and 31 March 2017**

Salary Band	Total Days	% Days with Medical Certification	No of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)
Unskilled & defined decision making (A1- A3)	143	11.9%	7	77.8%	20.43	15 771
Semi –Skilled and discretionary decision making (B1 – B5)	343	27.7%	37	86.0%	9.27	38 990
Skilled Tech & academically qualified Junior Man (C1 to C5)	489	21.1%	43	82.7%	11.37	226 072
Professionally qualified, experienced specialists and mid management (D1-D3)	75	21.3%	11	78.6%	6.82	830 317
Executive management (D4 –E1)	10	20.0%	2	66.7%	5	324 745
Top Management (E2 – E4)	3	33.3%	1	100.0%	3	96 135
<b>Total</b>	<b>1 063</b>	<b>22.01%</b>	<b>101</b>	<b>82.8%</b>	<b>10.52%</b>	<b>1,532 031</b>

**Table 3.10.2 Disability Leave (Temporary and Permanent) for the period 1 April 2016 and 31 March 2017**

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)
Unskilled & defined decision making (A1- A3)	-	-	-	-	-	-
Semi –Skilled and discretionary decision making (B1 – B5)	-	-	-	-	-	-
Skilled Tech & academically qualified Junior Man (C1 to C5)	-	-	-	-	-	-
Professionally qualified, experienced specialists and mid management (D1-D3)	-	-	-	-	-	-
Executive management (D4 – E1)	-	-	-	-	-	-
Top Management (E2 – E4)						
<b>Total</b>	-	-	-	-	-	-

The table below 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 3.10.3 Annual Leave for the period 1 April 2016 and 31 March 2017**

Salary Band	Total Days Taken	No of Employees using Annual Leave	Average per Employee
Unskilled & defined decision making (A1- A3)	202	8	25.3
Semi –Skilled and discretionary decision making (B1 – B5)	958	42	22.8
Skilled Tech & academically qualified Junior Man (C1 to C5)	1324	53	25
Professionally qualified, experienced specialists and mid management (D1-D3)	400	17	23.5
Executive management (D4 –E1)	42	2	21
Top Management (E2 – E4)	12	1	12
<b>Total</b>	<b>2 938</b>	<b>123</b>	<b>23.9</b>

**Table 3.10.4 Capped Leave for the period 1 April 2016 and 31 March 2017**

Salary Band	Total Days of Capped Leave Taken	No of Employees using Capped Leave	Average No of Days Taken per Employee	Average Capped Leave per Employee as on 31 March 2017
Unskilled & defined decision making (A1- A3)	0	0	0	0
Semi –Skilled and discretionary decision making (B1 – B5)	0	0	0	0
Skilled Tech & academically qualified Junior Man (C1 to C5)	9	1	9	9
Professionally qualified, experienced specialists and mid management (D1-D3)	0	0	0	0
Executive management (D4 –E1)	0	0	0	0
Top Management (E2 – E4)				
<b>Total</b>	<b>9</b>	<b>1</b>	<b>9</b>	<b>9</b>

**Table 3.10.5 Unpaid Leave for the period 1 April 2016 and 31 March 2017**

Salary Band	Total Days Taken	No of Employees using Annual Leave	Average per Employee
Unskilled & defined decision making (A1- A3)	13	1	13
Semi –Skilled and discretionary decision making (B1 – B5)	119	6	20
Skilled Tech & academically qualified Junior Man (C1 to C5)	24	3	8
Professionally qualified, experienced specialists and mid management (D1-D3)	6	2	3
Executive management (D4 –E1)	0	0	0
Top Management (E2 – E4)	0	0	0
<b>Total</b>	<b>162</b>	<b>12</b>	<b>14</b>

**Table 3.10.6 Sick Leave on Half-pay for the period 1 April 2016 and 31 March 2017**

Salary Band	Total Days	% Days with Medical Certification	No of Employees using Sick Leave on Half Pay	% of Total Employees using Sick Leave
Unskilled & defined decision making (A1- A3)	34	8.8%	1	11.1%
Semi –Skilled and discretionary decision making (B1 – B5)	50	8.0%	4	9.3%
Skilled Tech & academically qualified Junior Man (C1 to C5)	53	11.3%	4	7.7%
Professionally qualified, experienced specialists and mid management (D1-D3)	11	27.3%	3	21.4%
Executive management (D4 –E1)	0	0.0%	0	0.0%
Top Management (E2 – E4)	0	0.0%	0	0.0%
<b>Total</b>	<b>148</b>	<b>17.8%</b>	<b>12</b>	<b>9.8%</b>

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

**Table 3.10.7 Leave payouts for the period 1 April 2016 and 31 March 2017**

Reason	Total Amount (R'000)	No of employees	Average per employee (R'000)
Leave payout for due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave payouts on termination of service	133 141	1	133 141
Current leave payout on termination of service	359 185	6	59 864
<b>Total</b>	<b>492 326</b>	<b>6</b>	<b>82 054</b>

### 3.11. HIV/AIDS & Health Promotion Programmes

**Table 3.11.1 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
-	-

**Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)**

Question	Yes	No	Details, if yes
1. Have the Legislature 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 positions.		x	Not applicable
2. Does the Legislature have a dedicated unit or have you designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		Executive Manager: Corporate Services; Manager: Human Capital & Employee Relations Practitioner
3. Have the Legislature introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme		x	Counselling eg personal, work, emotional, HIV AIDS, dependency  Legal Advice eg divorce issues, maintenance, child support etc  Financial eg budgeting, debt counselling etc  Health & Wellness Portal eg chronic conditions, lifestyle articles etc
4. Have the Legislature established (a) committee(s) as contemplated in Part VI E5 (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	Not applicable
5. Have the Legislature reviewed the employment policies and practices of the Legislature to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/procedures so reviewed.	x		1. Code of Good Practice for HIV/AIDS  2. Incapacity due to Ill Health Policy
6. Have the Legislature 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		Included in Code of Good Practice for HIV/AIDS
7. Does the Legislature encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.		x	No Voluntary Counselling and Testing for this reporting period
8. Have the Legislature developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	x		Quarterly reports are received from Careways which outlines the Problem profile, utilisation, referrals, service accessed and demographics

### **3.12. Labour Relations**

**Table 3.12.1 Collective Agreements for the period 1 April 2016 and 31 March 2017**

Subject matter	Date
Collective Agreement signed for the period 1 April 2016 – 31 March 2017	07 July 2016

The following table summarises the outcome of disciplinary hearings conducted within the Legislature for the year under review.

**Table 3.12.2 Misconduct and Disciplinary Hearings finalised for the period 1 April 2016 and 31 March 2017**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	-
Verbal warning	-	-
Written warning	1	10%
Final written warning	9	90%
Suspended without pay	-	-
Fine	-	-
Demotion	-	-
Dismissal	-	-
Not guilty	-	-
Case withdrawn	-	-
<b>Total</b>	-	-

**Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2016 and 31 March 2017**

Type of misconduct	Number	% of total
Assault	-	-
Dereliction of duties/Insubordination	1	100%
Misuse of Legislature property/Accounts	-	-
Negligence	-	-
<b>Total</b>	<b>1</b>	<b>100%</b>

**Table 3.12.4 Grievances logged for the period 1 April 2016 and 31 March 2017**

Grievances	Number	% of Total
Number of grievances resolved	6	40%
Number of grievances not resolved	9	60%
<b>Total number of grievances lodged</b>	<b>15</b>	<b>100%</b>

**Table 3.12.5 Disputes lodged with Councils for the period 1 April 2016 and 31 March 2017**

Disputes	Number	% of Total
Number of disputes upheld	0	-
Number of disputes dismissed	3	50%
Number of disputes settled	1	17%
Number of disputes in progress	2	33%
<b>Total number of disputes lodged</b>	<b>6</b>	<b>100%</b>

**Table 3.12.6 Strike actions for the period 1 April 2016 and 31 March 2017**

Total number of persons working days lost	-
Total costs working days lost	-
Amount recovered as a result of no work no pay (R'000)	-

**Table 3.12.7 Precautionary suspensions for the period 1 April 2016 and 31 March 2017**

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



### 3.13 Skills Development

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

**Table 3.13.1 Training Needs identified for the period 1 April 2016 and 31 March 2017**

Occupational Levels	Gender	No of Employees as at 1 April 2016	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & Other Short Courses	Other Forms of Training	Total
Top Management (E2-E4)	Female	-	-	-	-	-
	Male	1	-	-	-	-
Executive Management (D4-E1)	Female	1	-	-	-	-
	Male	2	-	-	-	-
Professionally Qualified & Experienced Specialists and Mid-management (D1-D3)	Female	3	-	8	-	8
	Male	7	-	5	-	5
Skilled Technical & Academically Qualified Workers, Junior Management, Supervisors, Foreman & Superintendents (C1-C5)	Female	22	-	29	-	29
	Male	21	-	35	-	35
Semi-skilled & Discretionary Decision Making (B1-B5)	Female	22	-	7	-	7
	Male	11	-	9	-	9
Unskilled & Defined Decision Making (A2-A3)	Female	5	-	3	-	3
	Male	4	-	5	-	5
Fixed-term Contracts	Female	14				
	Male	7				
<b>Sub Total</b>	<b>Female</b>	<b>67</b>	-	<b>129</b>	-	<b>47</b>
	<b>Male</b>	<b>53</b>	-	<b>95</b>	-	<b>54</b>
<b>Total</b>		<b>120</b>	-	<b>101</b>	-	<b>101</b>

**Table 3.13.2 Training provided for the period 1 April 2016 and 31 March 2017**

Occupational Levels	Gender	Number of employees as at 31 March 2017	Training provided within the reporting period			
			Learnerships	Skills Programmes & Other Short Courses	Other Forms of Training	Total
Top Management (E2-E4)	Female	-	-	-	-	-
	Male	1	-	-	-	-
Executive Management (D4-E1)	Female	1	-	-	-	-
	Male	2	-	-	-	-
Professionally Qualified & Experienced Specialists and Mid-management (D1-D3)	Female	3	-	-	-	-
	Male	7	-	-	-	-
Skilled Technical & Academically Qualified Workers, Junior Management, Supervisors, Foreman & Superintendents (C1-C5)	Female	24	-	5	-	5
	Male	21	-	3	-	3
Semi-skilled & Discretionary Decision Making (B1-B5)	Female	22	-	4	-	4
	Male	11	-	4	-	4
Unskilled & Defined Decision Making (A2-A3)	Female	5	-	-	-	-
	Male	4	-	-	-	-
Fixed-Term Employees	Female	13				
	Male	8				
<b>Sub Total</b>	<b>Female</b>	<b>68</b>	-	<b>9</b>	-	<b>9</b>
	<b>Male</b>	<b>54</b>	-	<b>7</b>	-	<b>7</b>
<b>Total</b>		<b>122</b>		<b>16</b>	-	<b>16</b>

### 3.13 Injury on Duty

The following tables provide basic information on Injury on Duty.

**Table 3.14.1 Injury on Duty for the period 1 April 2016 and 31 March 2017**

Nature of injury on duty	Number	% of total
Required basic medical attention only	3	3
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
<b>Total</b>	<b>3</b>	<b>100%</b>

### 3.14 Utilisation of Consultants

The following tables relate information on the utilisation of consultants in the department. In terms of the Public Service Regulations “consultant” means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

***Table 3.15.1 Report on Consultant Appointments using appropriated funds for the period 1 April 2016 and 31 March 2017***

Project Title	Total No of Consultants that Worked on Project	Duration (Work Days)	Contract Value in Rand
Job Re-Evaluation	1	49	R27 876
Presiding Officer	1	10	R64 469
Management Salary Review	1	61	R76 950

NOTE: The above includes consultants appointed for projects within the Human Capital Section.

Total Number of Projects	Total Individual Consultants	Total Duration Work days	Total Contract Value in Rand
2	2	59	R85 076

***Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2016 and 31 March 2017***

Project Title	Percentage Ownership by HDI Groups	Percentage Management by HDI Groups	No of Consultants from HDI Groups that work on the Project
-	-	-	-

***Table 3.15.3 Report on Consultant Appointments using Donor funds for the period 1 April 2016 and 31 March 2017***

Project Title	Total No of Consultants that Worked on Project	Duration (Work Days)	Contract Value in Rand
-	-	-	-

Total Number of Projects	Total Individual Consultants	Total Duration Work days	Total Contract Value in Rand
-	-	-	-

***Table 3.15.4 Analysis of Consultant Appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2016 and 31 March 2017***

Project Title	Percentage Ownership by HDI Groups	Percentage Management by HDI Groups	No of Consultants from HDI Groups that work on the Project
-	-	-	-

### 3.15 Severance Packages

***Table 3.16.1 Granting of employee initiated Severance Packages for the period 1 April 2016 and 31 March 2017***

Salary Band	No of Applications Received	No of Applications Referred to the MPSA	No of Applications Supported by MPSA	No of Packages Approved by Department
Lower Skilled (A1–A2)	-	-	-	-
Skilled (A3–B2)	-	-	-	-
Highly Skilled Production (B3–C1)	-	-	-	-
Highly Skilled Supervision (C2–C5)	-	-	-	-
Management (D1–E4)	-	-	-	-
<b>Total</b>	-	-	-	-



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# PART E: FINANCIAL INFORMATION

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## Report of the auditor-general to the Northern Cape Provincial Legislature on vote no. 2: Provincial Legislature

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Provincial Legislature set out on pages 104 to 150, which comprise the statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Provincial Legislature as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act no. 10 of 2009) (FMPPLA).

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the Provincial Legislature in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Responsibilities of the accounting officer for the financial statements

6. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with Standards of GRAP and the requirements of the FMPPLA, 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.
7. In preparing the financial statements, the accounting officer is responsible for assessing the Provincial Legislature's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention either to liquidate the Provincial Legislature or to cease operations, or there is no realistic alternative but to do so.

#### Auditor-general's responsibilities for the audit of the financial statements

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

#### Report on the audit of the annual performance report

##### Introduction and scope

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the Provincial Legislature. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents of the Provincial Legislature. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the Provincial Legislature for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 2 – MPL and political party support	35-36
Programme 3 – parliamentary business	37-42

13. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to assess the usefulness and reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Programme 2 – MPL and political party support
- Programme 3 – parliamentary business

#### Other matter

15. I draw attention to the matter below:

#### Achievement of planned targets

16. Refer to the annual performance report on pages 24-42 for information on the achievement of planned targets for the year and explanations provided for the under and overachievement of a significant number of targets.

### Report on audit of compliance with legislation

#### Introduction and scope

17. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the Provincial Legislature with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

18. I did not identify any instances of material non-compliance with the specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

### Other information

19. The Provincial Legislature's accounting officer is responsible for the other information. The other information comprises the information included in the annual. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.

20. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

21. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

22. I have not yet received the final annual report. When I do receive this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected I may have to re-issue my auditor's report amended as appropriate.



### Internal control deficiencies

23. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Kimberley

31 July 2017



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure – Auditor-general's responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the Provincial Legislature's compliance with respect to the selected subject matters.

### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - obtain an understanding of internal control relevant to the audit 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 Provincial Legislature's internal control.
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
  - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Provincial Legislature ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a Provincial Legislature to cease to continue as a going concern.
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

#### Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.

# **Annual Financial Statements for the year ended 31 March 2017**



Northern Cape  
Provincial Legislature

Northern Cape Provincial Legislature  
Annual Financial Statements  
for the year ended 31 March 2017

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Legal form of entity</b>	Provincial Legislature
<b>Nature of business and principal activities</b>	The Northern Cape Legislature is an activist legislature that champions democracy. The Legislature ensures that fundamental rights of the electorate and inhabitants of the Northern Cape are protected; their integrity respected and that meaningful processes are in place to entrench their freedoms. So, the role played by the Legislature in this regard is to ensure that the Executive Council addresses political, socio-economic challenging the inhabitants of the province.
<b>Registered office</b>	Nobengula Extension Galeshewe Kimberley 8301
<b>Bankers</b>	Absa Bank
<b>Auditors</b>	Auditor-General of South Africa
<b>Secretary</b>	Mr. PB Moopelwa
<b>Attorneys</b>	State attorney

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Index

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The reports and statements set out below comprise the annual financial statements presented to the Northern Cape Provincial legislature:

<b>Index</b>	<b>Page</b>
Accounting Officer's Responsibilities and Approval	8
Statement of Financial Position	9
Statement of Financial Performance	10
Statement of Changes in Net Assets	11
Cash Flow Statement	12
Statement of Comparison of Budget and Actual Amounts	13
Accounting Policies	14 - 31
Notes to the Annual Financial Statements	32 - 51

### Abbreviations

SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
NCPL	Northern Cape Provincial Legislature
FMPPLA	Financial Management of Parliament and Provincial Legislatures Act, 2009
IPSAS	International Public Sector Accounting Standards
UIF	Unemployment Insurance Fund
SITA	South African State Information Technology Agency

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Accounting Officer's Responsibilities and Approval

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The Accounting Officer is required by the Finance Management of Parliament and Provincial Legislatures Act, 2008, to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the annual financial statements fairly present the state of affairs of the Legislature as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Accounting Officer acknowledges that he is ultimately responsible for the system of internal financial control established by the Legislature and place considerable importance on maintaining a strong control environment. To enable the Accounting Officer to meet these responsibilities, the Accounting Officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Legislature and all employees are required to maintain the highest ethical standards in ensuring the Legislature's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Legislature is on identifying, assessing, managing and monitoring all known forms of risk across the Legislature. While operating risk cannot be fully eliminated, the Legislature endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Accounting Officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Accounting Officer has reviewed the Legislature's cash flow forecast for the year to 31 March 2018 and, in the light of this review and the current financial position, he is satisfied that the Legislature has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for auditing and reporting on the Legislature's annual financial statements. The annual financial statements have been examined by the Legislature's external auditors and their report is presented on page 9.

The annual financial statements set out on pages 104 to 150, which have been prepared on the going concern basis, were approved by the accounting officer on 31 May 2017 and were signed on its behalf by:

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**Mr. PB Moopelwa**  
**Secretary to the Legislature**

**31 May 2017**



# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Statement of Financial Position as at 31 March 2017

	Note(s)	2017 R	2016 Restated* R
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	3	85 780	85 780
Receivables from exchange transactions	4	1 514 945	2 533 042
Prepayments and advances	5	1 724 823	874 803
Operating lease asset	7	-	116 756
Cash and cash equivalents	8	30 014 326	44 957 745
		<b>33 339 874</b>	<b>48 568 126</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	9	42 708 800	29 198 479
Intangible assets	10	7 044 732	798 329
Heritage assets	11	39 000	39 000
Investments	12	353 760	359 641
		<b>50 146 292</b>	<b>30 395 449</b>
<b>Total Assets</b>		<b>83 486 166</b>	<b>78 963 575</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Finance lease obligation	13	1 004 603	809 562
Operating lease liability	7	2 242	-
Payables from exchange transactions	14	1 888 446	1 901 557
Employee benefits	15	7 746 203	7 216 049
Aid assistance	16	770 229	777 582
		<b>11 411 723</b>	<b>10 704 750</b>
<b>Non-Current Liabilities</b>			
Finance lease obligation	13	464 717	621 039
Operating lease liability	7	-	222 191
		<b>464 717</b>	<b>843 230</b>
<b>Total Liabilities</b>		<b>11 876 440</b>	<b>11 547 980</b>
<b>Net Assets</b>		<b>71 609 726</b>	<b>67 415 595</b>
Reserves			
Other NDR		27 709 586	45 637 586
Accrued revenue		9 912 063	7 006 568
Accumulated surplus		33 988 077	14 771 441
<b>Total Net Assets</b>		<b>71 609 726</b>	<b>67 415 595</b>

\* See Note 29

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Statement of Financial Performance

	Note(s)	2017 R	2016 Restated* R
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Sale of goods and services other than capital assets		64 019	57 220
Transactions in financial assets and liabilities		44 045	83 500
Interest, dividends and rent on land	18	2 797 431	1 588 898
<b>Total revenue from exchange transactions</b>		<b>2 905 495</b>	<b>1 729 618</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants and subsidies	19	197 538 000	198 768 000
<b>Total revenue</b>		<b>200 443 495</b>	<b>200 497 618</b>
<b>Expenditure</b>			
Employee related costs	20	(104 346 124)	(101 788 130)
Debt Impairment		-	(269 454)
Unauthorised expenditure impaired		-	(3 881 878)
Payments for financial assets	21	(764 012)	(624 662)
Goods and services	22	(32 569 798)	(31 879 708)
Transfers and subsidies	23	(31 088 550)	(28 182 726)
<b>Total expenditure</b>		<b>(168 768 484)</b>	<b>(166 626 558)</b>
<b>Operating surplus</b>		<b>31 675 011</b>	<b>33 871 060</b>
Fair value adjustments	24	(5 881)	(51 880)
Revenue to be transferred to equity		(9 547 000)	(37 932 574)
Departmental revenue transferred to equity		(2 905 495)	(1 729 618)
		<b>(12 458 376)</b>	<b>(39 714 072)</b>
<b>Surplus (deficit) for the year</b>		<b>19 216 635</b>	<b>(5 843 012)</b>

\* See Note 29

## Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

### Statement of Changes in Net Assets

	Funds unutilised	Accrued revenue reserve	Total reserves	Accumulated surplus	Total net assets
	R	R	R	R	R
<b>Balance at 01 April 2015</b>	<b>9 505 012</b>	<b>5 276 950</b>	<b>14 781 962</b>	<b>16 732 575</b>	<b>31 514 537</b>
Changes in net assets					
Surplus for the year	-	-	-	(1 961 134)	(1 961 134)
Transfers to equity	37 932 574	1 729 618	39 662 192	-	39 662 192
Amounts paid back	(1 800 000)	-	(1 800 000)	-	(1 800 000)
Total changes	36 132 574	1 729 618	37 862 192	(1 961 134)	35 901 058
<b>Balance at 01 April 2016</b>	<b>45 637 586</b>	<b>7 006 568</b>	<b>52 644 154</b>	<b>14 771 442</b>	<b>67 415 596</b>
Changes in net assets					
Surplus for the year	-	-	-	19 216 635	19 216 635
Transfers to equity	9 547 000	2 905 495	12 452 495	-	12 452 495
Amounts paid back	(27 475 000)	-	(27 475 000)	-	(27 475 000)
Total changes	(17 928 000)	2 905 495	(15 022 505)	19 216 635	4 194 130
<b>Balance at 31 March 2017</b>	<b>27 709 586</b>	<b>9 912 063</b>	<b>37 621 649</b>	<b>33 988 077</b>	<b>71 609 726</b>

\* See Note 29

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Cash Flow Statement

	Note(s)	2017 R	2016 Restated* R
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Appropriation		197 538 000	198 768 000
Other receipts		276 141	1 772 181
Interest, dividends and rent on land		2 797 431	1 588 898
		<u>200 611 572</u>	<u>202 129 079</u>
<b>Payments</b>			
Employee costs		(104 750 419)	(101 693 082)
Suppliers		(33 003 692)	(29 211 511)
Grants and subsidies paid		(31 088 550)	(28 182 726)
		<u>(168 842 661)</u>	<u>(159 087 319)</u>
<b>Net cash flows from operating activities</b>	25	<u><b>31 768 911</b></u>	<u><b>43 041 760</b></u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	9	(13 031 888)	(3 586 725)
Purchase of intangible assets	10	(6 246 403)	(25 878)
<b>Net cash flows from investing activities</b>		<u><b>(19 278 291)</b></u>	<u><b>(3 612 603)</b></u>
<b>Cash flows from financing activities</b>			
Movement in operating leases		2 242	(4 142)
Finance lease payments		38 719	842 238
Other cash item		(27 475 000)	(1 800 000)
<b>Net cash flows from financing activities</b>		<u><b>(27 434 039)</b></u>	<u><b>(961 904)</b></u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u><b>(14 943 419)</b></u>	<u><b>38 467 253</b></u>
Cash and cash equivalents at the beginning of the year		44 957 745	6 490 495
<b>Cash and cash equivalents at the end of the year</b>	8	<u><b>30 014 326</b></u>	<u><b>44 957 748</b></u>

\* See Note 29

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual R	Reference
R	R	R	R		

### Statement of Financial Performance

#### Revenue

##### Revenue from exchange transactions

Departmental revenue	2 806 000	-	2 806 000	2 905 000	99 000
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##### Revenue from non-exchange transactions

##### Transfer revenue

Government grants & subsidies	197 538 000	-	197 538 000	197 538 000	-
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<b>Total revenue</b>	<b>200 344 000</b>	<b>-</b>	<b>200 344 000</b>	<b>200 443 000</b>	<b>99 000</b>
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#### Expenditure

Compensation of employees	(105 543 000)	459 000	(105 084 000)	(103 717 000)	1 367 000
Transfers and Subsidies	(26 068 000)	(6 850 000)	(32 918 000)	(31 090 000)	1 828 000
Goods and services	(36 152 000)	(179 000)	(36 331 000)	(33 496 000)	2 835 000
Payment for capital assets	-	(23 205 000)	(23 205 000)	(18 974 000)	4 231 000
Payments for financial assets	-	-	-	(707 000)	(707 000)

<b>Total expenditure</b>	<b>(167 763 000)</b>	<b>(29 775 000)</b>	<b>(197 538 000)</b>	<b>(187 984 000)</b>	<b>9 554 000</b>
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<b>Surplus before taxation</b>	<b>32 581 000</b>	<b>(29 775 000)</b>	<b>2 806 000</b>	<b>12 459 000</b>	<b>9 653 000</b>
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<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>32 581 000</b>	<b>(29 775 000)</b>	<b>2 806 000</b>	<b>12 459 000</b>	<b>9 653 000</b>
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#### Reconciliation

Fair value adjustment	(5 881)
Employee cost	(530 154)

Property, plant and equipment as well as intangible assets	19 278 290
Unutilised funds	(12 452 495)

Accruals	(78 601)
Operating lease's straightlining	106 762

Finance lease expenditure	439 714
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<b>Actual Amount in the Statement of Financial Performance</b>	<b>19 216 635</b>
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# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

	Note(s)	R	R
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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with the Finance Management of Parliament Act (No 10 of 2009).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures are rounded to the nearest Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

This accounting policies are consistent with the previous period.

Where Parliament and the legislature have taken advantage of the transitional provisions in the other Standards of GRAP, the following disclosures shall be made in the financial statements:

- the fact that the legislature has taken advantage of the transitional provisions;
- the classes of assets and/or liabilities that have not been measured in accordance with the Standards of GRAP at the previous reporting date, but which are now so measured;
- the nature and amount of any measurement period adjustments recognised during the reporting period; and
- information on the progress made towards measuring assets or liabilities in accordance with the requirements of Standards of GRAP.

These accounting policies are consistent with the previous period.

#### 1.1 Going concern assumption

These annual financial statements have been prepared based on the expectation that the legislature will continue to operate as a going concern for at least the next 12 months.

#### 1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

#### Receivables

The legislature assesses its receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the legislature makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

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### 1.2 Significant judgements and sources of estimation uncertainty (continued)

#### Impairment testing

The recoverable (service) amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

Value in use of cash generating assets:

The legislature reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Value in use of non-cash generating assets:

The legislature reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

#### Useful lives of property, plant and equipment and other assets

The legislature's management determines the estimated useful lives and related depreciation charges for property, plant and equipment and other assets. This estimate is based on industry norm. This estimate is based on the pattern in which an asset's future economic benefits or service potential is expected to be consumed by the legislature.

#### Effective interest rate

The legislature used the incremental borrowing rate to discount future cash flows.

#### Allowance for impairment

For receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

### 1.3 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost or fair value of the item can be measured reliably.

Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost, its cost is its fair value as at the date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost), unless the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item was not measured at fair value, its cost is measured at the carrying amount of the asset given up.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

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### 1.3 Property, plant and equipment (continued)

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts, standby equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the legislature holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.



# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

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### 1.3 Property, plant and equipment (continued)

#### Transitional provision

The legislature changed its accounting policy for property, plant and equipment in 2017. The change in accounting policy is made in accordance with its transitional provision as per Directive 8 of the GRAP Reporting Framework.

According to the transitional provision, the legislature is not required to measure property, plant and equipment for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP on Property, plant and equipment. Property, plant and equipment has accordingly been recognised at provisional amounts, as disclosed in 9. The transitional provision expires on 31 March 2018.

In accordance with the transitional provision as per Directive 8 of the GRAP Reporting Framework, where property, plant and equipment was acquired through a transfer of functions, the legislature is not required to measure that property, plant and equipment for a period of three years from the effective date of the transfer of functions or the effective date of the Standard, whichever is later. The legislature acquired a transfer(s) of function in 2017 and property, plant and equipment has accordingly been recognised at provisional amounts, as disclosed in 9.

Until such time as the measurement period expires and property, plant and equipment is recognised and measured in accordance with the requirements of the Standard of GRAP on Property, plant and equipment, the legislature need not comply with the Standards of GRAP on:

- Presentation of Financial Statements (GRAP 1),
- The Effects of Changes in Foreign Exchange Transactions (GRAP 4),
- Leases (GRAP 13),
- Segment Reporting (GRAP 18),
- Discontinued Operations (GRAP 100)

The exemption from applying the measurement requirements of the Standard of GRAP on Property, plant and equipment implies that any associated presentation and disclosure requirements need not be complied with for property, plant and equipment not measured in accordance with the requirements of the Standard of GRAP on Property, plant and equipment.

### 1.4 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the Legislature and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the Legislature intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the Legislature or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Legislature; and
- the cost or fair value of the asset can be measured reliably.

The Legislature assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

3Where an intangible asset is acquired at no cost, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

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### 1.4 Intangible assets (continued)

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

### Transitional provision

The legislature adopted GRAP for the first in 2016. The adoption is made in accordance with its transitional provisions as per Directive 8 of the GRAP Reporting Framework.

According to the transitional provisions the Standard of GRAP on intangible assets, the legislature is not required to measure intangible assets for reporting periods beginning on or after a date within three years following the date of initial adoption of the standard. Intangible Assets has accordingly been recognised at provisional amounts, as disclosed in note 10. The transitional provision expires on 31 March 2018.

In accordance with the transitional provision as per Directive 8 of the GRAP Reporting Framework, where intangible assets was acquired through a transfer of functions, the entity is not required to measure that intangible assets for a period of three years from the effective date of the transfer of functions or the effective date of the Standard, whichever is later. The entity acquired a transfer(s) of function in 2017 and intangible assets has accordingly been recognised at provisional amounts, as disclosed in 10.

Until such time as the measurement period expires and intangible assets is recognised and measured in accordance with the requirements of the Standard of GRAP on Intangible assets, the entity need not comply with the Standards of GRAP on:

- Presentation of Financial Statements (GRAP 1),
- The Effects of Changes in Foreign Exchange Transactions (GRAP 4),
- Leases (GRAP 13),
- Segment Reporting (GRAP 18),
- Discontinued Operations (GRAP 100)

The exemption from applying the measurement requirements of the Standard of GRAP on Intangible assets implies that any associated presentation and disclosure requirements need not be complied with for intangible assets not measured in accordance with the requirements of the Standard of GRAP on Intangible assets.

### 1.5 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

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# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

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### 1.5 Heritage assets (continued)

The entity separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note 11).

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 11).

#### Recognition

The legislature recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the legislature, and the cost or fair value of the asset can be measured reliably.

Where the legislature holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in note 11 Heritage assets.

#### Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

#### Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at cost less any accumulated impairment losses.

#### Impairment

The legislature assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the legislature estimates the recoverable amount or the recoverable service amount of the heritage asset.

#### Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

#### Derecognition

The legislature derecognises heritage assets on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the item is derecognised.

#### Transitional provision

The legislature adopted GRAP for the first time in 2016. The adoption is made in accordance with its transitional provisions as per Directive 8 of the GRAP Reporting Framework.

According to the transitional provisions for the Standard of GRAP on heritage assets, the legislature is not required to measure heritage assets for reporting periods beginning on or after a date within three years following the date of initial adoption of the standard. Heritage assets have accordingly been recognised at provisional amounts, as disclosed in 11. The transitional provision expires on 31 March 2018.

Until such time as the measurement period expires and heritage assets is recognised and measured in accordance with the requirements of the Standard of GRAP on Heritage assets, the entity need not comply with the Standards of GRAP on (to the extent that these Standards prescribe requirements for heritage assets):

- Presentation of Financial Statements (GRAP 1),
- The Effects of Changes in Foreign Exchange Transactions (GRAP 4),

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

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### 1.5 Heritage assets (continued)

- Leases (GRAP 13),
- Segment Reporting (GRAP 18),
- Discontinued Operations (GRAP 100)

The exemption from applying the measurement requirements of the Standard of GRAP on Heritage assets implies that any associated presentation and disclosure requirements need not be complied with for heritage assets not measured in accordance with the requirements of the Standard of GRAP on Heritage assets.

### 1.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one legislature and a financial liability or a residual interest of another legislature.

#### Classification

The legislature has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

#### Class

Cash and cash equivalents  
Prepayments and advances  
Receivables from exchange transactions  
Unauthorised expenditure  
Investments

#### Category

Financial asset measured at amortised cost  
Financial asset measured at amortised cost  
Financial asset measured at amortised cost  
Financial asset measured at amortised cost  
Financial asset measured at amortised cost

The legislature has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

#### Class

Payables from exchange transactions  
Aid assistance unutilised  
Finance leases

#### Category

Financial liability measured at amortised cost  
Financial liability measured at amortised cost  
Financial liability measured at amortised cost

#### Initial recognition

The legislature recognises a financial asset or a financial liability in its statement of financial position when the legislature becomes a party to the contractual provisions of the instrument.

The legislature recognises financial assets using trade date accounting.

#### Initial measurement of financial assets and financial liabilities

The legislature measures a financial asset and financial liability initially at its amortised cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The legislature first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the legislature analyses a concessionary loan into its component parts and accounts for each component separately. The legislature accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

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### 1.6 Financial instruments (continued)

#### Subsequent measurement of financial assets and financial liabilities

The legislature measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

#### Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the legislature establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the Legislature uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the legislature calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of financial liability with a demand feature (e.g a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

#### Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

#### Impairment and uncollectibility of financial assets

The legislature assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the legislature, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

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### 1.6 Financial instruments (continued)

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

#### Derecognition

##### Financial assets

The legislature derecognises financial assets using trade date accounting.

The legislature derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the legislature transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the legislature, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the legislature:
  - derecognises the asset; and
  - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

##### Financial liabilities

The legislature removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expired or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another legislature by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

### 1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

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### 1.7 Leases (continued)

#### Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the entity's incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

#### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rent are expensed in the period in which they are incurred.

### 1.8 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

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### 1.8 Inventories (continued)

#### Transitional provision

The legislature adopted GRAP for the first time in 2016. The adoption is made in accordance with its transitional provision as per Directive 8 of the GRAP Reporting Framework.

According to the transitional provisions for the Standard of GRAP on inventory, the entity is not required to measure inventory for reporting periods beginning on or after a date within three years following the date of initial adoption of the standard. Inventory has accordingly been recognised at provisional amounts, as disclosed in 3. The transitional provision expires on 31 March 2018.

Until such time as the measurement period expires and inventories is recognised and measured in accordance with the requirements of the Standard of GRAP on Intangible assets, the entity need not comply with the Standards of GRAP on:

- Presentation of Financial Statements (GRAP 1),
- The Effects of Changes in Foreign Exchange Transactions (GRAP 4),
- Leases (GRAP 13),
- Segment Reporting (GRAP 18),
- Discontinued Operations (GRAP 100)

The exemption from applying the measurement requirements of the Standard of GRAP on Inventories implies that any associated presentation and disclosure requirements need not be complied with for inventory not measured in accordance with the requirements of the Standard of GRAP on Inventories.

### 1.9 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

#### Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The legislature assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the legislature estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset is initially recognised during the current reporting period, that intangible asset is tested for impairment before the end of the current reporting period.



# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

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### 1.9 Impairment of non-cash-generating assets (continued)

#### Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

#### Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

#### Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

#### Reversal of an impairment loss

The legislature assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

### 1.10 Reserves

Reserves consist of the unspent portion of annual appropriation and accrued revenue. These reserves can be surrendered funds which can be appropriated again in future periods. This accounting treatment is done in compliance with section 18(1)(b) and 23(1) of the FMPPLA.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

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### 1.11 Employee benefits

#### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered a service to the entity during a reporting period, the municipality recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measures the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The legislature recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the municipality has no realistic alternative but to make the payments.

### 1.12 Provisions and contingencies

Provisions are recognised when:

- the legislature has a present obligation as a result of a past event;
- 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 can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

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### 1.12 Provisions and contingencies (continued)

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If the legislature has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when the municipality:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of a activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the entity.

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

A contingent liability is an:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or
- present obligation that arises from past events but is not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation;
  - the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 27.

### 1.13 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

#### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the legislature has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the legislature retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the legislature; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

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### 1.13 Revenue from exchange transactions (continued)

#### Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

#### Interest, royalties and dividends

Revenue arising from the use by others of municipal assets yielding interest, royalties and dividends or similar distributions is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the legislature; and
- the amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

### 1.14 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the legislature, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the legislature either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting legislature.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

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### 1.14 Revenue from non-exchange transactions (continued)

#### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the legislature satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

#### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the legislature.

When, as a result of a non-exchange transaction, the legislature recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

#### Transfers

Apart from services in-kind, which are not recognised, the legislature recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

#### Gifts and donations, including goods in-kind

Gifts and donations, including goods in-kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the legislature and the fair value of the assets can be measured reliably.

### 1.15 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 29 for detail.

### 1.16 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.17 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

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### 1.18 Irregular expenditure

Irregular expenditure as defined in chapter 1 of Financial Management of Parliament Act, 2009 is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of this act and any other applicable legislation.

### 1.19 Commitments

Items are classified as commitments when the entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation are disclosed in a note to the financial statements, if both the following criteria are met:

- contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

### 1.20 Grant in aid

The legislature transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the legislature does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the statement of financial performance as expenses in the period that the events given rise to the transfer occurred.

### 1.21 Budget information

The approved budget is prepared on an cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2016/04/01 to 2017/03/31.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period has been done using the actual figures on cash basis.

### 1.22 Related parties

Management are those persons responsible for planning, directing and controlling the activities of the legislature, including those charged with the governance of the legislature in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the legislature.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

### 1.23 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The legislature adjusts the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

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### 1.23 Events after reporting date (continued)

The legislature discloses the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Notes to the Annual Financial Statements

2017 R	2016 R
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### 2 New standards and interpretations

#### 2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2017 or later periods:

##### GRAP 20: Related Parties

The objective of this standard is to ensure that a reporting entity's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
  - has control or joint control over the reporting entity;
  - has significant influence over the reporting entity;
  - is a member of the management of the entity or its controlling entity.
- An entity is related to the reporting entity if any of the following conditions apply:
  - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
  - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
  - both entities are joint ventures of the same third party;
  - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
  - the entity is controlled or jointly controlled by a person identified in (a); and
  - a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:



# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## 2. New standards and interpretations (continued)

- Control;
- Related party transactions; and
- Remuneration of management

The effective date of the standard is not yet set by the Minister of Finance.

The entity expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

The adoption of this standard is not expected to impact on the results of the entity, but may result in more disclosure than is currently provided in the annual financial statements.

## 3. Inventories

Inventory	85 780	85 780
<b>Reconciliation</b>		
Opening	85 780	176 000
Purchases	779 065	881 967
Issues	(779 065)	(972 187)
	<b>85 780</b>	<b>85 780</b>

No inventory was written off during the year

Management has taken a decision to discontinue holding inventory for 2016-2017 financial year. Due to management decision, consumables were procured directly and issued simultaneously to users. Management has assessed the value of inventory and concluded that the cost of internal control does not justify holding inventory nor have a negative impact on mandate of NCPL.

No inventory pledged as security.

### Transitional provisions

#### Inventories recognised at provisional amounts

In accordance with the transitional provisions as per Directive 8 of the GRAP Reporting Framework, as disclosed in note 3 certain inventories with a carrying value of R 85 780 (2016: R 85 780) was recognised at provisional amounts.

#### Due to initial adoption of GRAP 12

Inventory	85 780	85 780
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All items of inventory were measured at cost.

The date at which full compliance with GRAP 12 is expected, is 31 March 2018.

## 4. Receivables from exchange transactions

Fruitless and wasteful expenditure	43 432	8 699
Recoverable expenditure	133 051	446 732
Staff debt	616 097	403 973
Claims recoverable	499 890	721 394
Less: Allowance for impairment	(269 454)	(269 454)
Unallocated payments	491 929	1 221 698
	<b>1 514 945</b>	<b>2 533 042</b>

### Receivables from exchange pledged as security

None of the receivables from exchanges were pledged as security.

### Credit quality of receivables from exchange

The credit quality of receivables from exchange are neither past nor due nor impaired.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Notes to the Annual Financial Statements

	2017 R	2016 R
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### 4. Receivables from exchange transactions (continued)

None of the financial assets that are fully performing have been renegotiated in the last year.

#### Reconciliation of provision for impairment of trade and other receivables

Opening balance	(269 454)	-
Provision for impairment	-	(269 454)
	<b>(269 454)</b>	<b>(269 454)</b>

### 5. Prepayments and advances

#### Advances

Travel and subsistence	29 250	22 180
Staff allowances	337 305	352 623
Political party advance	1 000 000	500 000

#### Prepayments

Rental deposit	358 268	-
	<b>1 724 823</b>	<b>874 803</b>

### 6. Unauthorised expenditure

Unauthorised expenditure relates to amounts that were overspend in previous years and related cashflow was funded from accumulated surplus. It is disclosed as a current receivable as soon as approval is granted by the Legislature and Treasury funds such expenditure.

No additional unauthorised expenditure incurred in the current year.

#### Reconciliation of unauthorised expenditure

Opening balance	-	3 881 878
Less: provision for impairment	-	(3 881 878)
	-	-

### 7. Operating lease asset (accrual)

Current assets	-	116 756
Non-current liabilities	-	(222 191)
Current liabilities	(2 242)	-
	<b>(2 242)</b>	<b>(105 435)</b>

### 8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	29 244 097	44 180 163
Other cash and cash equivalents	770 229	777 582
	<b>30 014 326</b>	<b>44 957 745</b>

Cash and cash equivalents held by the entity that are available for use by the legislature.

None of the bank accounts were pledged as security.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Notes to the Annual Financial Statements

	2017 R	2016 R
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### 8. Cash and cash equivalents (continued)

The entity had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	31 March 2017	31 March 2016	31 March 2015	31 March 2017	31 March 2016	31 March 2015
ABSA bank - cheque account - 940000440	29 244 097	44 180 163	7 402 115	29 244 097	44 180 163	7 402 115
ABSA bank - Aid assistance - 407866907	770 229	777 582	783 509	770 229	777 582	784 000
<b>Total</b>	<b>30 014 326</b>	<b>44 957 745</b>	<b>8 185 624</b>	<b>30 014 326</b>	<b>44 957 745</b>	<b>8 186 115</b>

### 9. Property, plant and equipment

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Computer equipment	6 997 625	-	6 997 625	5 784 590	-	5 784 590
Furniture and office equipment	6 651 973	-	6 651 973	6 568 145	-	6 568 145
Work-in-progress buildings	11 891 685	-	11 891 685	2 367 775	-	2 367 775
Transport assets	5 677 605	-	5 677 605	3 759 271	-	3 759 271
Leased assets	2 665 852	-	2 665 852	2 187 419	-	2 187 419
Other immovable assets	1 809 936	-	1 809 936	1 809 936	-	1 809 936
Other machinery and equipment	7 014 124	-	7 014 124	6 721 343	-	6 721 343
<b>Total</b>	<b>42 708 800</b>	<b>-</b>	<b>42 708 800</b>	<b>29 198 479</b>	<b>-</b>	<b>29 198 479</b>

#### Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Additions (Non-cash)	Total
Furniture and office equipment	6 568 145	83 828	-	6 651 973
Computer equipment	5 784 590	1 213 035	-	6 997 625
Work-in-progress buildings	2 367 775	9 523 910	-	11 891 685
Transport assets	3 759 271	1 918 334	-	5 677 605
Leased assets	2 187 419	-	478 433	2 665 852
Other immovable assets	1 809 936	-	-	1 809 936
Other machinery and equipment	6 721 343	292 781	-	7 014 124
	<b>29 198 479</b>	<b>13 031 888</b>	<b>478 433</b>	<b>42 708 800</b>

#### Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Additions (Non-cash)	Total
Furniture and office equipment	6 528 585	39 560	-	6 568 145
Computer equipment	5 286 976	497 614	-	5 784 590
Work-in progress buildings	-	2 367 775	-	2 367 775
Transport assets	3 759 271	-	-	3 759 271
Leased assets	723 839	-	1 463 580	2 187 419
Other immovable assets	1 809 936	-	-	1 809 936
Other machinery and equipment	6 039 569	681 774	-	6 721 343
	<b>24 148 176</b>	<b>3 586 723</b>	<b>1 463 580</b>	<b>29 198 479</b>

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Notes to the Annual Financial Statements

2017 R	2016 R
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### 9. Property, plant and equipment (continued)

#### Pledged as security

None of the above property, plant and equipment have been pledged as security.

#### Transitional provisions

#### Property, plant and equipment recognised at provisional amounts

In accordance with the transitional provisions as per Directive 8 of the GRAP Reporting Framework, as disclosed in note 9, certain property, plant and equipment with a carrying value of R 42 708 800 (2016: R 29 198 479) was recognised at provisional amounts. Carrying amounts of property, plant and equipment carried at provisional amounts are as follows:

#### Due to initial adoption of GRAP 17

Property, plant and equipment	42 708 800	29 198 479
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Property, plant and equipment were measured at cost.

Provisional amounts retrospectively adjusted during the year, are as follows (refer to note for effect on the annual financial statements:

The date at which full compliance with GRAP 17 is expected, is 31 March 2018.

A register containing the information required by section 30 of the Financial Management of Parliament Act is available for inspection at the registered office of the entity.

### 10. Intangible assets

	2017			2016		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	7 044 732	-	7 044 732	798 329	-	798 329

#### Reconciliation of intangible assets - 2017

	Opening balance	Additions	Total
Computer software	798 329	6 246 403	7 044 732

#### Reconciliation of intangible assets - 2016

	Opening balance	Additions	Total
Computer software	772 451	25 878	798 329

#### Pledged as security

None of the above intangible assets have been pledged as security.

A register containing the information required by section 30 of the Financial Management of Parliament 2009 Act is available for inspection at the registered office of the entity.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Notes to the Annual Financial Statements

2017	2016
R	R

### 10. Intangible assets (continued)

#### Transitional provisions

#### Intangible assets recognised at provisional amounts

In accordance with the transitional provisions as per Directive 8 of the GRAP Reporting Framework, as disclosed in note 10 certain intangible assets with a carrying value of R 7 044 732 (2016: R 798 329) was recognised at provisional amounts. Carrying amounts of intangible assets carried at provisional amounts are as follows:

#### Due to initial adoption of GRAP 102

Intangible assets	7 044 732	798 329
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Intangible assets were measured at cost.

The date at which full compliance with GRAP 102 is expected, is 31 March 2018.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Notes to the Annual Financial Statements

2017 R	2016 R
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### 11. Heritage assets

	2017			2016		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	39 000	-	39 000	39 000	-	39 000

#### Reconciliation of heritage assets 2017

	Opening balance	Total
Art Collections, antiquities and exhibits	39 000	39 000

#### Reconciliation of heritage assets 2016

	Opening balance	Total
Art Collections, antiquities and exhibits	39 000	39 000

#### Pledged as security

None of the above of heritage assets pledged as security.

#### Transitional provisions

#### Heritage assets recognized at provisional amounts

In accordance with the transitional provisions as per Directive 8 of the GRAP Reporting Framework, as disclosed in note 11, certain heritage asset with a carrying value of R 39 000 (2016: R 39 000) was recognized at provisional amounts. Carrying amounts of heritage asset carried at provisional amounts are as follows:

#### Due to initial adoption of GRAP 103

Heritage assets	39 000	39 000
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Heritage assets were measured at cost.

The date at which full compliance with GRAP 103 is expected, is 31 March 2018.

### 12. Investments

#### Designated at fair value

Listed shares	353 760	359 641
Terms and conditions		

#### Non-current assets

Designated at fair value	353 760	359 641
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# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Notes to the Annual Financial Statements

	2017 R	2016 R
<b>12. Investments (continued)</b>		
<b>Financial assets at fair value</b>		
<b>Fair value hierarchy of financial assets at fair value</b>		
For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements. The fair value hierarchy have the following levels:		
Level 1 represents those assets which are measured using unadjusted quoted prices in active markets for identical assets.		
<b>Level 1</b>		
Sanlam shares	353 760	359 641
The Legislature holds 5251 (2016: 5251 shares) shares which had a market value of R67.37 per share on 31 March 2017 (2016: R68.49)		
<b>13. Finance lease obligation</b>		
<b>Minimum lease payments due</b>		
- within one year	1 091 770	897 466
- in second to fifth year inclusive	479 522	657 123
	1 571 292	1 554 589
less: future finance charges	(101 972)	(123 988)
<b>Present value of minimum lease payments</b>	<b>1 469 320</b>	<b>1 430 601</b>
<b>Present value of minimum lease payments due</b>		
- within one year	1 004 603	809 556
- in second to fifth year inclusive	464 717	621 045
	<b>1 469 320</b>	<b>1 430 601</b>
Non-current liabilities	464 717	621 039
Current liabilities	1 004 603	809 562
	<b>1 469 320</b>	<b>1 430 601</b>
<b>14. Payables from exchange transactions</b>		
Trade payables	1 888 446	1 901 557
<b>15. Employee benefits</b>		
Leave accrual	5 987 942	5 497 522
Bonus accrual	1 758 260	1 718 526
	<b>7 746 202</b>	<b>7 216 048</b>
<b>16. Aid assistance</b>		
The aid assistance agreement states that fund which are not used should be paid back to LSS, therefore it is disclosed as a payable.		

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Notes to the Annual Financial Statements

### 16. Aid assistance (continued)

#### Aid assistance

	2017 R	2016 R
Opening balance	777 582	783 509
Bank charges	(9 051)	(7 219)
Interest received	1 698	1 2
	<b>770 229</b>	<b>777 582</b>

### 17. Financial instruments disclosure

#### Categories of financial instruments

#### 2017

##### Financial assets

	At amortized cost	Total
Receivables from exchange transactions	1 514 945	1 514 945
Prepayments and advances	1 724 823	1 724 823
Cash and cash equivalents	30 014 326	30 014 326
Unauthorized expenditure	3 881 878	3 881 878
	<b>37 135 972</b>	<b>37 135 972</b>

##### Financial liabilities

	At amortized cost	Total
Finance leases	1 004 603	1 004 603
Payables from exchange transactions	1 888 446	1 888 446
Employee benefits	7 746 203	7 746 203
Aid assistance	770 229	770 229
	<b>11 409 481</b>	<b>11 409 481</b>

#### 2016

##### Financial assets

	At amortized cost	Total
Unauthorized expenditure	3 881 878	3 881 878
Trade and other receivables from exchange transactions	2 533 042	2 533 042
Prepayments and advances	874 803	874 803
Cash and cash equivalents	44 957 745	44 957 745
	<b>52 247 468</b>	<b>52 247 468</b>

##### Financial liabilities

	At amortized cost	Total
Finance leases	809 562	809 562
Trade and other payables from exchange transactions	1 901 557	1 901 557
Employee benefits	7 216 049	7 216 049
Aid assistance	777 582	777 582
	<b>10 704 750</b>	<b>10 704 750</b>



# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Notes to the Annual Financial Statements

	2017 R	2016 R
<b>18. Interest, dividends and rent on land</b>		
Interest	2 797 431	1 588 898
<b>19. Government grants and subsidies</b>		
<b>Operating grants</b>		
Appropriation	197 538 000	198 768 000
<b>Equitable share</b>		
Annual appropriation	173 627 000	178 192 000
Statutory appropriation	23 911 000	20 576 000
	<b>197 538 000</b>	<b>198 768 000</b>
<b>Government grants and subsidies</b>		
Balance unspent at beginning of year	45 637 586	9 505 012
Current-year receipts	197 538 000	198 768 000
Conditions met - transferred to revenue	(187 991 000)	(160 835 426)
Paid during the year	(27 475 000)	(1 800 000)
	<b>27 709 586</b>	<b>45 637 586</b>

This was transferred to unutilised funds.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Notes to the Annual Financial Statements

	2017 R	2016 R
<b>20. Employee related costs</b>		
Basic	58 551 287	57 903 005
Medical aid - company contributions	2 725 198	2 682 549
Unemployment insurance fund contribution	249 360	255 028
Leave pay provision charge	490 420	91 522
Pension	10 106 795	10 145 101
Service based other expense	690 559	1 578 221
Non-pensionable allowances	16 847 253	14 533 802
Compensative/circumstantial	11 323 575	6 368 511
Severance packages	-	4 703 859
Service bonus	3 361 677	3 526 532
	<b>104 346 124</b>	<b>101 788 130</b>
<b>Remuneration of MK Mmoiemang - Speaker</b>		
Annual Remuneration	1 021 036	1 021 036
Bonuses	85 086	85 086
Contributions to UIF, Medical and Pension Funds	276 293	276 293
Public Office Bearers allowance	120 000	120 000
Motor car subsistence	144 000	144 000
Other	255 311	255 311
	<b>1 901 726</b>	<b>1 901 726</b>
<b>Remuneration of TJ Beukes- Deputy speaker</b>		
Annual Remuneration	776 515	776 515
Bonuses	64 710	64 710
Contributions to UIF, medical and pension funds	221 276	221 276
Public Office Bearers allowance	120 000	120 000
Motor car subsistence	96 000	96 000
Other	215 691	215 691
	<b>1 494 192</b>	<b>1 494 192</b>
<b>Remuneration of PB Moopelwa - Secretary</b>		
Annual Remuneration	988 867	912 972
Car allowance	388 885	388 885
Contributions to UIF, medical and pension funds	1 785	1 785
Housing allowance	312 048	231 546
Basic salary backdated	65 208	20 353
Other	497 986	-
	<b>2 254 779</b>	<b>1 555 541</b>
<b>Remuneration of HJ Botha - Executive Manager: Lawmaking and House business</b>		
Annual Remuneration	771 439	708 299
Acting allowance	-	75 474
Car Allowance	50 349	55 585
Bonuses	69 084	60 341
Contributions to UIF, medical and pension funds	248 744	218 958
Housing allowance	12 725	12 725
Basic salary backdated	66 019	15 790
Other	188 642	136 070
	<b>1 407 002</b>	<b>1 283 242</b>

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Notes to the Annual Financial Statements

### 20. Employee related costs (continued)

#### Remuneration of GR Botha - Chief Financial Officer

	2017 R	2016 R
Annual Remuneration	778 319	708 299
Car Allowance	299 908	301 704
Contributions to UIF, Medical and Pension Funds	186 600	152 250
Leave	-	92 106
Basic salary backdated	111 073	15 790
Other	117 001	28 773
	<b>1 492 901</b>	<b>1 298 922</b>

#### Remuneration of NG Siyo - Acting Executive Manager: Corporate services

Annual Remuneration	316 006	-
Acting allowance	43 317	-
Car allowance	45 260	-
Housing allowance	35 061	-
Contributions to UIF, medical and pension funds	108 027	-
Basic salary backdated	63 550	-
Other	64 579	-
	<b>675 800</b>	<b>-</b>

The Executive Manager Corporate Services position was vacant.  
NG. Siyo - appointed as of 12/10/2016.

#### Remuneration of NH Borchard - Acting Executive Manager: Committees, Research and Information Services, Public Education and Communication

Annual Remuneration	298 465	-
Acting allowance	118 286	-
Car allowance	28 394	-
Housing allowance	18 990	-
Contributions to UIF, medical and pension funds	62 861	-
Other	63 860	-
	<b>590 856</b>	<b>-</b>

The Acting Executive Manager: Committees, Research and Information Services, Public Education and Communication was vacant.

NH. Borchard - appointed as of 12/10/2016.

### 21. Payments for financial assets

Other debts written off	707 055	539 368
Interest on finance leases	56 957	85 294
	<b>764 012</b>	<b>624 662</b>

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Notes to the Annual Financial Statements

	2017 R	2016 R
<b>22. Goods and services</b>		
Administrative fees	577 410	252 615
Advertising	594 016	575 477
Auditors remuneration	3 919 880	2 572 764
Bursaries	114 020	121 481
Capital expenditure	(20 140)	30 581
Catering	643 915	809 826
Contractors	884 293	685 987
Communication	2 472 654	2 009 803
Computer expenses	856 073	894 524
Consultants: Business and advisory services	1 856 292	569 532
Consulting and professional fees	9 111	126 293
Consumables	943 358	919 762
Entertainment	35 274	126 504
Fleet	403 079	533 320
Inventory	53 520	149 195
Operating leases	3 942 462	1 387 410
Other expenses	1 690 108	1 452 482
Property payments	2 012 748	3 079 742
Agency and support services	20 037	12 936
Training	131 504	178 560
Travel - local	9 998 190	10 077 688
Travel - overseas	1 278 426	1 245 566
Venue expenses	153 568	185 782
	<b>32 569 798</b>	<b>27 997 830</b>
<b>23. Transfers and subsidies</b>		
Departmental agencies	403 500	395 448
Non-profit institutions	30 685 000	27 786 278
	<b>31 088 500</b>	<b>28 181 726</b>
<b>24. Fair value adjustments</b>		
Other financial assets		
• Sanlam shares	(5 881)	(51 880)

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Notes to the Annual Financial Statements

	2017 R	2016 R
<b>25. Cash generated from operations</b>		
Surplus (deficit)	19 216 635	(1 961 134)
<b>Adjustments for:</b>		
Fair value adjustments	5 881	51 880
Debt impairment	-	269 454
Bad debts written off	-	3 881 878
Departmental revenue transferred to equity	2 905 495	1 729 618
Movements in provisions	(404 295)	95 048
Operating lease	(222 191)	125 040
Revenue unutilised	9 547 000	37 932 575
Non-cash additions on finance leases	(478 433)	(1 463 580)
<b>Changes in working capital:</b>		
Inventories	-	90 220
Receivables from exchange transactions	1 018 097	2 062 130
Prepayments and advances	(850 020)	(430 669)
Payables from exchange transactions	921 339	782 474
Aid assistance	(7 353)	(6 418)
Operating lease	116 756	(116 756)
	<b>31 768 911</b>	<b>43 041 760</b>

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Notes to the Annual Financial Statements

	2017 R	2016 R
<b>26. Commitments</b>		
<b>Authorized capital expenditure</b>		
<b>Approved and contracted</b>		
• Capital commitments	19 029 644	-
<b>Total capital commitments</b>		
Already contracted for but not provided for	19 029 644	-
<b>Authorized operational expenditure</b>		
<b>Approved and contracted</b>		
• Operational commitments	1 280 130	-
<b>Total operational commitments</b>		
Approved and contracted	1 280 130	-
<b>Total commitments</b>		
<b>Total commitments</b>		
Authorised capital expenditure	19 029 644	-
Authorised operational expenditure	1 280 130	-
	<b>20 309 774</b>	<b>-</b>
<b>Operating leases - as lessee (expense)</b>		
<b>Minimum lease payments due</b>		
- within one year	1 779 890	1 262 908
- in second to fifth year inclusive	-	12 415
	<b>1 779 890</b>	<b>1 275 323</b>
The operating lease disclosure is based on the contracted amounts, i.e payments.		
Operating lease liability	2 242	105 435

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Notes to the Annual Financial Statements

	2017 R	2016 R
<b>27. Contingencies</b>		
<b>Contingent liabilities</b>		
<b>Detail of contingencies</b>	<b>Claims for service rendered</b>	<b>Total</b>
Swiftprint // NCPL	3 237	3 237
<b>Contingent assets</b>		
<b>Detail of contingencies</b>	<b>Recovery of monies</b>	<b>Total</b>
COPE // Speaker of the NCL	237 237	237 237
SARS	525 947	525 947
NCPL // Davids	38 703	38 703
NCPL // Tsholo Wesi t/a Silver solutions 1069 CC	16 900	16 900
	<b>818 787</b>	<b>818 787</b>

SARS - The legislature is currently disputing this amount which was deducted and it is probable that the proceedings will result in the recovery of the full amount as this was incorrectly deducted.

COPE // Speaker of the NCL - A list of speakers in the House, was approved by the whips of the various parties and the members where restricted to express a position, within the time allocated. Objection on this matter was to the time limit for speeches and debates, as allocated to the Leader of the Official Opposition party ( COPE)

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Notes to the Annual Financial Statements

2017 R	2016 R
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### 28. Related parties

Relationships  
Controlling entity  
Services-in-kind  
Members of key management

Northern Cape Political Party Fund (NCPFF)  
Refer to note 37  
MK Mmoiemang (Speaker)  
JT Beukes (Deputy Speaker)  
PB Moopelwa (Secretary)  
HJ Botha (Executive Manager: Lawmaking and House business)  
GR Botha (Chief Financial Officer)  
NG Siyo (Acting Executive Manager: Corporate services)  
NH Borchard (Acting Executive Manager: Committees, Research and Information Services, Public Education and Communication)

### Related party transactions

#### Transfer payments to related parties

Northern Cape Political Party Fund	14 112 000	13 610 900
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#### Key management information (refer to note 20)

Class	Description
Speaker to the Legislature	MK Mmoiemang
Deputy Speaker	JT Beukes
Secretary to the Legislature	PB Moopelwa
Acting Executive Manager: Lawmaking and House business	HJ Botha
Chief Financial Officer	GR Botha
Acting Executive Manager: Corporate services	NG Siyo
Acting Executive Manager: Committees, Research and Information Services, Public Education and Communication	NH Borchard

### 29. Prior period errors

Below is a summary of the total effect that the prior period errors, changes in accounting policies and reclassifications of comparatives had on the amounts previously disclosed in the annual financial statements, followed by a description of each individual prior period error with the amounts involved.

Statement of financial performance	Balance as previously reported	Change in accounting policy (note x)	Prior period error	Reclassified (note 30)	Total
<b>Expenses</b>					
Compensative / circumstantial	(6 352 461)	-	-	(16 050)	(6 368 511)
Goods and services	(27 997 830)	-	291 961	-	(27 705 869)
Transfers and subsidies	(28 182 726)	-	1 000	-	(28 181 726)
Impairment of unauthorized expenditure	-	-	(3 881 878)	-	(3 881 878)
	<b>(62 533 017)</b>	<b>-</b>	<b>(3 588 917)</b>	<b>(16 050)</b>	<b>(66 137 984)</b>



# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2017

## Notes to the Annual Financial Statements

Figures in Rand

### 29. Prior period errors (continued)

Statement of financial position	Balance as previously reported	Change in accounting policy (note x)	Prior period error	Reclassification (note 30)	Total
<b>Current assets</b>					
Payables from exchange transactions	1 592 337	-	309 220	-	1 901 557
Receivables from exchange transactions	3 032 981	-	-	(500 000)	2 532 981
Prepayments and advances	374 803	-	-	500 000	874 803
Unauthorized expenditure	3 881 878	-	(3 881 878)	-	-
	<b>8 881 999</b>	<b>-</b>	<b>(3 572 658)</b>	<b>-</b>	<b>5 309 341</b>

Employee cost

Service bonus

In the prior period service bonus of R3 526 532 was incorrectly included under Non-pensionable allowances of R18 060 334. The error does not have a financial impact on accumulated surplus

### 30. Comparative figures

Certain comparative figures have been reclassified.

Advances of R500 000 made to a political party was incorrectly classified under claims recoverable in the previous year.

The effects of the reclassification are set out in note 29.

### 31. Risk management

#### Liquidity risk

The legislature's risk to liquidity is a result of the funds available to cover future commitments. The legislature manages liquidity risk through an ongoing review of future commitments and credit facilities.

At 31 March 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	1 888 446	-	-	-
Employee benefits	7 746 203	-	-	-
Finance leases	1 004 603	464 717	-	-
Aid assistance	770 229	-	-	-
Operating lease liability	2 242	-	-	-
<b>At 31 March 2016</b>	<b>Less than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>
Payables from exchange transactions	1 901 557	-	-	-
Employee benefits	7 216 049	-	-	-
Finance leases	809 562	621 039	-	-
Aid assistance	777 582	-	-	-

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Figures in Rand

### 31. Risk management (continued)

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade receivables. The legislature only deposits cash with major banks with high quality credit standing and limits exposure to anyone counter-party.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2017	2016
Receivables from exchange transactions	1 514 945	2 533 042
Investment	353 760	359 641
Unauthorised expenditure	3 881 878	3 881 878
Operating lease asset	-	116 756
Prepayments and advances	1 684 823	874 803

### 32. Going concern

We draw attention to the fact that at 31 March 2017, the legislature had accumulated surplus of R 33 988 077 and that the legislature's total assets exceed its liabilities by R 71 609 726.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 33. Events after the reporting date

No events took place after the reporting date.

### 34. Fruitless and wasteful expenditure

Opening balance	1 591 669	1 583 000
Fruitless and wasteful expenditure current year	34 743	8 669
	<b>1 626 412</b>	<b>1 591 669</b>

	<b>2017</b>
	<b>Expenditure</b>
Media 24	14 691
Emergence Human Capital	11 970
Other interest and penalties	8 082
	<b>34 743</b>

### 35. Irregular expenditure

Opening balance	20 824 630	20 824 000
Add: Irregular Expenditure - current year	128 559	630
	<b>20 953 189</b>	<b>20 824 630</b>

#### Details of irregular expenditure – current year

Car valet and wash services	9 056
Catering	2 622
Advert	22 794
Security equipment	47 497
Furniture	46 590
	<b>128 559</b>

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### 36. Unauthorized expenditure

Opening balance	3 881 878	3 881 878
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Unauthorized expenditure relates to amounts that were overspend in previous years and related cash flow was funded from accumulated surplus. It is disclosed as a current receivable as soon as approval is granted by the Legislature and Treasury funds such expenditure.

No additional unauthorized expenditure incurred in the current year.

### 37. Services-in-kind

The South African Police Services provides National Key Point access control services to Northern Cape Provincial Legislature at no cost to the Legislature. These services were provided for the entire reporting period.

The Northern Cape Provincial Legislature received a free service in the form of training for members, funded by National Parliament (Legislature Support Sector Funding).

The Northern Cape Provincial Legislature (NCPL) occupies complexes which are owned by the Northern Cape Department of Roads and Public Works (NCDPRW). NCPL occupies these complexes free and does not pay any cost to NCDPRW. These complexes were occupied from 1 April 2016 up to 31 December 2016.

### 38. Budget differences

#### Material differences between budget and actual amounts

The main reason for the material differences between the budget and the actual amounts relates to the conversion from the modified cash basis to the accrual basis of accounting.