

WESTERN CAPE PROVINCIAL PARLIAMENT



PART E FINANCIAL INFORMATION



Meeting of the Standing Committee on Finance, Economic Development and Tourism



The Standing Committee on Local Government meeting in the Chamber

**WESTERN CAPE PROVINCIAL PARLIAMENT
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**ACCOUNTING OFFICER'S STATEMENT OF RESPONSIBILITY
for the year ended 31 March 2013**

Statement of Responsibility for the Annual Financial Statements for the year ended 31 March 2013

The Accounting Officer is responsible for the preparation of the Provincial Parliament's Annual Financial Statements (AFS) and for the judgements made in this information.

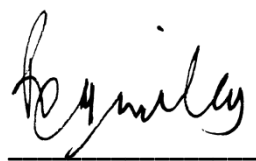
The Accounting Officer is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements.

In my opinion, the financial statements fairly reflect the operations of the Western Cape Provincial Parliament for the financial year ended 31 March 2013.

The external auditors are engaged to express an independent opinion on the AFS of the Provincial Parliament.

The Provincial Parliament's AFS for the year ended 31 March 2013 have been examined by the external auditors and their report is presented on page 103.

The Annual Financial Statements of the Provincial Parliament set out on page 107 to page 160 have been approved.



Royston G Hindley
ACCOUNTING OFFICER
Western Cape Provincial Parliament
Date: 31 March 2013

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

Report by the Accounting Officer to the Executive Authority and Provincial Parliament of the Western Cape.

1. General review of the state of financial affairs

This report addresses the financial performance of the Western Cape Provincial Parliament and includes relevant statutory information in terms of the Public Finance Management Act, 1999 (PFMA) Act 1 of 1999.

Overview of Budget

The original appropriation was R93 603 000 which is a 20.41 per cent increase from the 2011/12 appropriation. The appropriation was supplemented with 2.27 per cent or R2 124 000 during the Adjustment Estimate comprising of R150 000 revenue retained from the previous year and R1 974 000 rollover. Details of the adjusted budget per economic classification are as follows:

Economic Classification	Original Appropriation R'000	Adjusted Appropriation R'000	% Change from Original Appropriation
Compensation of employees	37 573	36 712	(2.29%)
Goods and services	23 638	25 013	5.82%
Interest and rent on land	2	2	0%
Foreign governments and international organisations	130	130	0%
Non-profit institutions	29 270	30 295	3.50%
Households	1 273	1 273	0%
Machinery and equipment	850	1 416	66.59%
Software and other intangible assets	867	867	0%
Payments for financial assets	0	19	100%
TOTAL	93 603	95 727	2.27%

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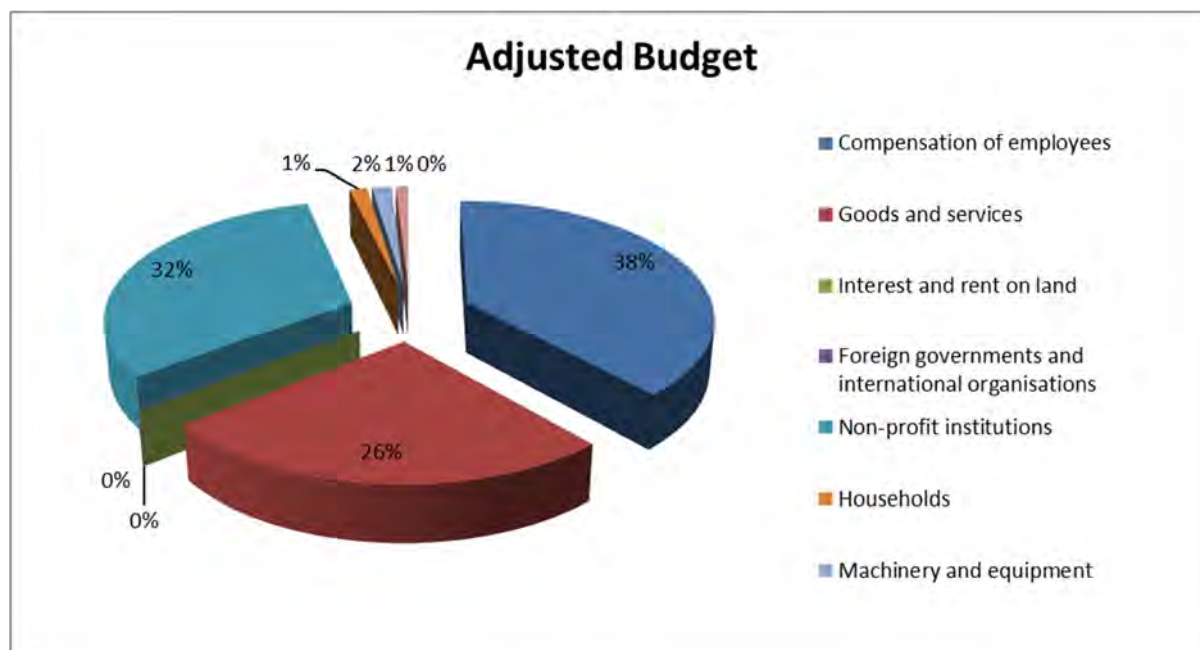
**REPORT OF THE ACCOUNTING OFFICER
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Roll-overs

The Provincial Parliament had an under spending of R 10 974 409.08 on the 2011/12 financial year budget and the revenue retention for the 2011/12 financial year was R149 990.70.

R2, 124, 000 was approved as roll-over for projects which were not completed in 2011/12. R149 990.70 of over collected revenue was retained also for the upgrade of the committee rooms.

Economic classification as a % of the Adjusted Budget of R95, 727, 000:



Compensation of employees:	Salaries and allowances payable to staff, including employer's contribution towards pension, medical aid, unemployment insurance fund and payment of remuneration for interns.
Goods and services:	Primarily running costs of organisation and operational expenditure for the various line functions.
International organisations:	Annual membership fees payable to the Commonwealth Parliamentary Association.
Non-profit institutions:	Constituency and secretarial allowance payable to political parties.
Households:	Employer's contribution to medical aid for Members who have resigned prior to the 1994 democratic elections, leave gratuity as a result of resignations and incentive rewards.
Machinery and equipment:	Provision for purchase of capital machinery and equipment assets.
Software and other intangible assets:	Provision for the purchase of capital software and other intangible assets.

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

Significant events during the year

The Parliamentary Service and Finance Management Bill was not proceeded with as the Constitutional Court found that individual legislatures could not pass their own bills on financial matters affecting the legislature and have provided for a period within which National Parliament can incorporate the financial matters of provincial legislatures into their Act.

No virements were approved after the Adjustments Estimate.

The Western Cape Provincial Parliament had an under spending of R4 680 million for the period under review.

Per Programme the under expenditure is as follows

Programme	Final Appropriation R'000	Actual Expenditure R'000	Amount not Spent R'000
Programme 1: Administration	40 590	39 028	1 562
Programme 2: Facilities and benefits to members	36 464	35 532	932
Programme 3: Parliamentary services	18 673	16 487	2 186
TOTAL	95 727	91 047	4 680

Under spending stems mainly from compensation of employees.

Facilities and benefits to Members' under spending is as a result of Members not claiming their full allowances and lower expenditure with regards to subscription fees for the Commonwealth Parliamentary Association based on a lower exchange rate than anticipated.

Parliamentary service's under spending is mainly from compensation of employees.

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

Per economic classification the under expenditure is as follows

Economic Classification	Final Appropriation R'000	Actual Expenditure R'000	Amount not Spent R'000
Current payments			
Compensation of employees	35 781	32 033	3 748
Goods and services	25 499	24 642	857
Transfers & subsidies			
Foreign governments & international organisations	319	244	75
Non-profit institutions	30 113	30 113	-
Households	1 291	1 291	-
Gifts and Donations	17	17	-
Payment for capital assets			
Machinery & equipment	2 612	2 612	-
Payment for financial assets	95	95	-
TOTAL	95 727	91 047	4 680

The under spending on compensation of employees is as a result of the delay in the filling of 19 vacant positions.

Goods and services' under spending comprised of software licensing costs; SITA mainframe time and system developer costs being lower than projected; the library section not purchasing any media collections; the claim with regards to the outsourcing of the risk function to the Department of the Premier being less than projected; Members not utilising their full allowances and lower expenditure on printing.

The under spending on Transfers and Subsidies is due to lower expenditure with regards to subscription fees for the Commonwealth Parliamentary Association based on a lower exchange rate than anticipated.

2. Services rendered by the Western Cape Provincial Parliament

2.1 The main services offered by the Western Cape Provincial Parliament are as follows:

- Sustain a legislative process that produces good and just laws
- Provide support for vigorous oversight of the Executive
- Provide an enabling environment for Members to be effective
- Effective, efficient and economical management of resources

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

- Ensure good governance
- Effective and meaningful public participation, education and awareness

This is done primarily by:

- Making laws that serve the needs of the people of the Western Cape
- Ensuring effective oversight of the Executive and Provincial Executive organs of state and holding them to account
- Empowering its Members and holding them accountable to best serve the people of the Province
- Utilisation of resources responsibly and cost-effectively thereby ensuring value-for-money
- Promoting co-operating governance with all spheres.
- Entrenching good governance
- Fostering sound inter-parliamentary relations
- Promoting public access, educating and involvement in its work

The administration of the Provincial Parliament, in support of this, provides an enabling environment for Members to achieve their constitutional objectives. In summary, the administrative services include the following:

- Procedural support for plenaries and committees;
- Governance (including risk management, monitoring and evaluation and corporate legal);
- Research;
- Communication and Information;
- Hansard and Language;
- Human Resources;
- Logistical support;
- Information and Communications Technology;
- Facilities and Benefits to Members;
- Finance and Supply Chain Management; and
- Internal Control.

2.2 Tariff policy

The sale of corporate gifts in the Parliamentary Boutique is determined at cost price plus 5% mark-up. The meals provided on sitting days of the Provincial Parliament are charged at a pre-determined rate approved by the Speaker. The tariffs for undercover parking at the Legislature Building are determined by the Department of Transport and Public Works.

2.3 Inventories

The total inventories on hand at year-end will be included in the Annexure on Inventory.

3. Capacity constraints

The Provincial Parliament was fortunate to secure the services of employees in key positions during the 2012/13 financial year. Most notably, the vacant position of Chief Parliamentary Officer was filled from 01 January 2013, while the position of Deputy Secretary: Corporate Services has been filled in an acting capacity as from 1 June 2012.

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**REPORT OF THE ACCOUNTING OFFICER
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4. Utilisation of donor funds

The Legislative Sector Policy Support Programme (LSPSP) is the current development programme of the South African Legislative Sector. It is a four year programme (2009-2013) funded by the European Union in terms of the South African Strategy Paper (2007-2013). The overall objective of the programme is to support South Africa's efforts to strengthen parliamentary democracy in the following key result areas:

KRA 1: Deepening and entrenching people centred democracy in South Africa, i.e. Public participation initiatives

KRA 2: Strengthening capacity in law-making and oversight function of the Legislatures

KRA 3: Build effective and efficient institution interventions

The Provincial Parliament received an amount of R2,709,000 on 11 November 2011 after submitting "Action Plans with clear outputs, performance indicators, timeframes and budgets" as required by the Policy on Revenue Sharing Framework signed off by the Treasury of the South African Legislative Sector (Treasury of Parliament).

As at 31 March 2013 the Provincial Parliament spent R682,250 of the allocation received.

The Provincial Parliament experienced numerous challenges with regards to the spending of their 2012/13. Adding to this was the limited capacity within the Provincial Parliament to run with programmes. The Provincial Parliament formally discussed these challenges with the LSPSP and they indicated that any amounts committed could still be spent after 31 March 2013. In response to this the Provincial Parliament submitted the Implementation and Expenditure report with all the supporting documentation to the LSPSP by their required due date of 31 March 2013.

The reports of the various Legislatures were presented at the Speaker's Forum during April 2013 and due to the under spending of the funds across the Sector the Speaker's Forum took a decision to extend the spending period until 30 June 2013.

5. Corporate governance arrangements

The Provincial Parliament subscribes to the principles of openness, integrity, responsibility and accountability. Processes and practices in compliance with legal obligations and best practices are regularly reviewed to ensure economic, efficient and effective utilisation of resources.

Risks are minimised by ensuring that appropriate systems are in place and these are further augmented by appropriate policies (including a fraud prevention plan) and organisational structures that provide for the division of responsibilities.

A system of internal control provides reasonable assurance that the Provincial Parliament's transactions are authorised and recorded properly and that errors and irregularities are either detected and reported on or prevented in a timely manner.

The Western Cape Provincial Parliament utilises the Shared Audit Committee (Governance and Administration Cluster Audit Committee), of Provincial Government Western Cape as well as for Risk

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

Management and Internal Audit. Regular meetings were held by the Audit Committee. Internal Audit planned five audits and completed all five. Management took cognisance and will implement the recommendations.

A code of conduct for staff provides a framework for the staff's ethical conduct, which seeks to instil in its employees the spirit of fairness, respect and ethical standards in dealing with the Provincial Parliament's clients (Members and the general public) to ensure that the organisation's integrity is not compromised.

The health and safety of Members, staff, visitors and contractors is extremely important and to this end an Occupational Health and Safety Committee exists to address risks and needs of the organisation. The Provincial Parliament actively participates in similar structures of the Western Cape Government.

The Secretary to the Provincial Parliament performs the functions of the Accounting Officer. These functions include, but are not restricted to, sections 36-45 of the Public Finance Management Act.

6. Asset management

The Provincial Parliament seeks to ensure that all assets are effectively and efficiently controlled, utilised, safeguarded and managed.

The Asset Register is kept up to date with all additions of capital and current assets being barcoded. The latter assists with easy identification, facilitates easy allocation and tracking of the respective assets on the register. BAS-LOGIS reconciliation is effected on a monthly basis to ensure that all asset additions are accounted for.

7. Information on predetermined objectives

Performance is monitored through the submission of Monthly and Quarterly Performance reports to the Accounting Officer.

8. SCOPA resolutions

Reference to previous audit report and SCOPA resolutions	Progress on findings
The Accounting Officer ensures that a service level agreement (SLA) with definable parameters is introduced, which is applicable to all committees, ensures that the services of outside legal advisers are acquired even if for protracted periods	The Legal Section has developed a service level agreement with definable parameters which is applicable to all committees – for the services of outside legal advisers.
Provincial Parliament does not have a policy in place for procurement and regulation of Legal Advice.	The above service level agreement will be provided to the committees.

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for the year ended 31 March 2013**

Reference to previous audit report and SCOPA resolutions	Progress on findings
The Speaker provides guidelines to all committees as to the treatment of classified documents submitted to committees;	Guidelines will be developed on the treatment of classified documents for the administration and committees.
The Speaker provides guidelines to all committees regarding in-committee processes vis-à-vis clause 28 (1)-(3) of Western Cape Constitution;	A draft memorandum: Section 28 of the Constitution of the Western Cape has been drafted by the Legal section.
Provincial Parliament assesses the feasibility of establishing its own Internal Audit function, that it approaches Provincial Treasury for funding in this regard.	The Secretary and the Chief Financial Officer have approached Provincial Treasury for the funding of its own internal audit function.
Provincial Parliament develops a staff retention policy and implementation plan, a copy of which is presented to this Committee and the Rules Committee.	Although the Provincial Parliament had its lowest vacancy rate since 2008, at the end of March 2013 the retaining of staff with sector specific skills is still very challenging. In order to address this matter, a median (middle) of the market remuneration structure was implemented. Alternative and innovative retention strategies will thus have to be developed and employed.
Provincial Parliament takes steps to avoid a recurrence of the under spending;	Regular expenditure meetings were held during the fourth quarter by the Accounting Officer with Sub-programme Managers, the CFO and the CTO to monitor key expenditure items.
The Committee notes with concern that the Skills Audit that was undertaken (at a cost of R487 000-00) was not implemented.	A skills audit has been awarded to a service provider for implementation in 2013.
The Committee is concerned that the e-Filing system has not been implemented, and that the Secretary implements the e-Filing system without delay	The e-Filing system training has taken place and the implementation thereof in the pipeline. e-Filing project commenced in January 2013 after required contracts reviews and approval. The project implementation date is on track.

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**REPORT OF THE ACCOUNTING OFFICER
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Reference to previous audit report and SCOPA resolutions	Progress on findings
Provincial Parliament prioritises the customisation and implementation of the Sector Oversight Model	The Sector Oversight Model has been customised and is currently under consideration.
The budget for media coverage, Public Relations and Public Education and Outreach be increased generally, but specifically in the lead up to and during the consideration of the Annual Reports, the annual Appropriations and the annual Adjustment Appropriations in order to increase public awareness and participation during these vital periods;	The budget for Public Relations and Public Education and Outreach had been increased by 32.57% in the budget process for the 2013/14 financial year.
The Provincial Parliament drafts a clause to be inserted into the Accounting Policies of the Provincial Parliament confirming its commitment to complying with generally accepted creditor-payment periods and legislated requirements for payment of creditors within 30 days of receipt of invoice	Guidance on this matter was received from Provincial Treasury, via Circular 20/2013, which indicates that this requirement cannot be included in the Accounting Policies of the AFS as it specifically deals with the presentation of the AFS. A paragraph however will be included in the Accounting Officers report providing the required detail.
Provincial Parliament ensures that heritage assets are located, valued and properly conserved; Provincial Parliament publishes the heritage assets register in its 2012/13 Annual Report.	The WCPP has been in collaboration with the curator at National Parliament, and is in the process of following the advice obtained, to procure services with regards to protection, conservation and valuation of the heritage assets.
The Provincial Parliament closely manages the process when staff leaves its employ to ensure that staff with debt do not leave without at least re-acknowledging their debt and committing to a payment plan (only if settling the debt is impossible)	Upon a staff member leaving the employ of WCPP, HR requests all Sections to inform them of any outstanding debts owed by the employee. If records indicate that there is an outstanding debt, Finance (or the affected section) would certify the amount recoverable, for which HR would institute recovery process from the staff members leave gratuity, or request the staff member to settle the outstanding amount.

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

Reference to previous audit report and SCOPA resolutions	Progress on findings
The Provincial Parliament urgently designs and implements adequate prevention and detection controls to ensure that irregular expenditure does not occur	Further processes have been implemented within the WCPP in terms of approval processes in procurement. A Financial and Supply Chain Management Manual have been implemented and regular training for both finance and non-finance officials has been implemented.
The Speaker engages the Department of Community Safety and other role players with a view to ensure the safety and security of Members and Staff within the precincts of the Provincial Parliament	The WCPP engaged with SAPS in regular meetings. The Security Plan has been finalised and partially implemented (CCTV cameras).
The Committee shares the various concerns raised in the Auditor-General's report and in the briefing documents presented to the Committee, that are based on the final management report to the Provincial Parliament, relating, inter alia, to the design and implementation of an IT Governance Framework, Formal control over IT systems, IT Service continuity, User access control, Programme Change Management, Security management to ensure the reliability of the systems and the availability, accuracy and protection of information.	The following have been approved and implemented: The ICT Strategy The ICT Governance Framework The ICT Disaster Recovery Plan The ICT Back-up Plan.

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

Reference to previous audit report and SCOPA resolutions	Progress on findings
<p>The Speaker undertakes a detailed risk assessment of the precincts of the Provincial Parliament as well as when Parliament and/or its committees convene outside the precinct and</p> <p>Provincial Parliament obtains the services of a security adviser to advise Parliament with regards to these two resolutions.</p>	<p>The request for a detailed Risk Assessment and the appointment of a security adviser was discussed at a special Joint Planning Committee (JPC) attended by the Secretary of Parliament the NKP Commander, the Security Manager and the local SAPS Captain.</p> <p>The Western Cape Provincial Parliament has been declared a National Key Point. The unit for National Key Point and Places of Strategic Importance conducts an annual, comprehensive assessment of the state of the Security at the National Key Point office and provide such a report to the owner of the National Key-point. The result of the 2011/12 assessment has been made available to the Secretary of Parliament and has been forwarded to the Rules Committee. The appointment of a security adviser will therefore duplicate this task undertaken by the National Key Point and could also compromise security if an accredited service provider is not appointed. It can also be construed as fruitless and wasteful expenditure as this is already being done. The National Key Point office also conducted a comprehensive security appreciation of 7/15 Wale Street, of which a report is available.</p>

9. Prior modifications to audit reports

The Accounting Officer put the following mechanisms in place to address the matters reported by the Auditor-General in the Audit Report and Management letter of 2011/12:

Matters reported	Progress on findings
<p>Material under spending of the budget</p> <p>As disclosed in the appropriation statement the WCPP has materially underspent its budget. At the date of this report, under spending amounted to R10 975 000. As a consequence the WCPP has not achieved its objectives of Programme 1: Administration.</p>	<p>Regular expenditure meetings were held during the fourth quarter by the Accounting Officer with Sub-programme Managers, the CFO and the CTO to monitor key expenditure items.</p>

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for the year ended 31 March 2013**

<p>Finance lease expenditure Disclosure note 22.2 for finance lease expenditure has been materially corrected in respect of permanently allocated Government Motor Transport vehicles that were not disclosed in accordance with the accounting for finance leases as per chapter 8 of the departmental financial reporting framework guide issued by National Treasury.</p>	<p>Guidance has been received from National Treasury who provides the finalised information for inclusion into the Annual Financial Statements, upon agreement with the Auditor-General with regards to the disclosure requirements.</p>
<p>Financial and performance management Out of a sample of 30 items that was selected from the asset register, two assets could not be physically verified to the assets. The controls and processes are not being adhered to in respect of when assets are moved and/or when persons leave the service of the WCPP, due to a lack of knowledge of the relevant processes by the personnel.</p>	<p>A comprehensive stock take was performed by the Asset Management section. A refresher training session was held with inventory clerks covering their responsibilities.</p>
<p>Compliance monitoring A quotation for the amount of R32 591,46 was authorised by an SCM officer that exceeded the officer's delegated authority. This occurred due to a misunderstanding between the SCM Manager (Band E) and the relevant SCM officer (Band D) who had authorised the quotation.</p>	<p>A transaction checklist has been instituted which should serve to prohibit instances such as these.</p>
<p>Compliance monitoring The WCPP did not obtain a tax clearance certificate in one instance, as required by the Preferential Procurement Regulation 16. Management did not adequately monitor compliance with the relevant laws, regulations and circulars due to the additional controls instituted to address the prior year's similar finding, not yet being in operation at the stage that the non-compliance occurred in the current year.</p>	<p>A transaction checklist has been instituted which should serve to prohibit instances such as these. Training for both finance and non-finance officials occur.</p>
<p>Compliance monitoring Fruitless and wasteful expenditure to the amount of R9 252 was identified that was not disclosed in the financial statements. Management did not regard the relevant expenditure as fruitless and wasteful and consequently did not disclose and condone the expenditure as such.</p>	<p>A Finance Instruction had been developed that defines what Fruitless and Wasteful expenditure is and what processes need to be followed to identify and disclose any such expenditure in the financial statements.</p>

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

<p>IT service continuity</p> <p>IT service continuity controls that ensure the availability of information systems in the event of a disaster, had not been adequately designed and implemented. This is shown by the lack of a formally documented and approved disaster recovery plan as well as back-up procedures. There was no evidence to prove that critical back-up functions such as back-up restore testing were performed. This can be attributed to the Executive Management not prioritising the design and implementation of a business continuity plan that would provide guidance to IT management on the formulation of an IT Disaster Recovery Plan.</p>	<p>Disaster Recovery Plan was approved and implemented.</p>
<p>Data centre management</p> <p>There was no ICT capacity plan for IT applications and infrastructure. This can be attributed to the WCPP's separation from the Centre for e-Innovation, and is in the process of implementing its own ICT capacity plan.</p>	<p>The ICT Strategy and Governance Framework has been approved and implemented.</p>
<p>Facilities and environmental control</p> <p>There was no documented maintenance schedule for the environmental equipment as well as inadequate physical and environmental controls. This can be attributed to the lack of co-operation from the Department of Public Works, which is responsible for facilities management of the building that houses the WCPP.</p>	<p>An SLA is with the Department of Transport and Public Works for approval.</p>

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

<p>User access control User access management procedures that provide guidance on the granting, modifying, suspending and terminating of users on PERSAL have not been formally documented, approved and implemented. User access rights and system controller activities were not being reviewed on a periodic basis. This can be attributed to management not prioritising the implementation of user access control policies and procedures.</p>	<p>These procedures have been formally documented.</p>
<p>Program change management Program change management controls have not been adequately designed and implemented. Change management procedures that ensure that all changes on the applications, systems and infrastructure follow a consistent process have not been comprehensively documented, approved and implemented. This can be attributed to the WCPP's separation from the Centre for e-Innovation, and is in the process of implementing its own comprehensive change management policy.</p>	<p>Change management framework has been approved and implemented.</p>
<p>Security management Security management controls have not been adequately designed and implemented. Operating system security baseline policies were not in place. Passwords settings on the domain controller were not securely configured and administrator activities were not being reviewed on a periodic basis. This can be attributed to the WCPP's separation from the Centre for e-Innovation, and is in the process of implementing its own IT security policies.</p>	<p>These settings have been configured accordingly.</p>

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

GOVERNANCE Risk management activities and risk strategy An IT risk management framework that ensures IT risks are managed effectively has not been documented and adopted. An IT risk assessment was carried out and a risk register was populated, however it did not address the key risks the WCPP's is exposed to as well as the risk mitigation measures. This can be attributed to the WCPP's separation from the Centre for e-Innovation and management did not ensure that they have appropriate and sufficiently skilled personnel who understand the risk environment. Management has committed to implementing a more comprehensive risk management framework.	IT risk management is incorporated into the operational risk management of the WCPP.
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10. Compliance with 30 days payments

For the 2012/13 financial year the Western Cape Provincial Parliament had on average settled all creditors within 5 days of receipt of invoice.

There had, however, been 7 isolated instances to the accumulated value of R52 723 that had been identified as payments settled over 30 days during then 2012/13 financial year.

The root causes for these cases have been investigated, identified, as well as remedial steps and additional controls implemented to eliminate the re-occurrence of these cases.

11. Significant events after reporting date

After the reporting date (31 March 2013), it was ascertained that 3 major contracts had been concluded/finalised by Provincial Parliament, prior to the date of authorisation of the AFS. These contracts have a collective material estimated value of R7,608,000 and relate to contracts with Datacentrix (e-Filing: R 240,000), Feedem Pitseng (Catering: R768,000), and Imvusa (Hansard Services: R6,600,000).

12. Approval

The Annual Financial Statements set out on pages 107 to 160 have been approved by the Accounting Officer.



Royston G Hindley
ACCOUNTING OFFICER
04 JULY 2013

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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2013**

**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON VOTE
NO. 2: WESTERN CAPE PROVINCIAL PARLIAMENT**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Western Cape Provincial Parliament (WCPP) set out on pages 107 to 153, which comprise the appropriation statement, the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the *Departmental financial reporting framework* prescribed by the National Treasury and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**WESTERN CAPE PROVINCIAL PARLIAMENT
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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2013**

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Provincial Parliament as at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with the *Departmental financial reporting framework*.

Emphasis of matter

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

Restatement of corresponding figures

8. As disclosed in Notes 4 and 11 to the financial statements, the corresponding figures for 31 March 2012 have been restated as a result of an error discovered during the 2012-13 financial year in the financial statements of the WCPP at, and for the year ended, 31 March 2012.

Additional matters

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 154 to 160 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

Financial reporting framework

11. The financial reporting framework prescribed by the National Treasury and applied by the WCPP is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework. Section 20(2)(a) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 26 to 47 of the annual report.
14. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability for the programmes selected for auditing. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance

**WESTERN CAPE PROVINCIAL PARLIAMENT
VOTE 2**

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2013**

is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury *Framework for managing programme performance information (FMPPI)*.

The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

15. The material findings are as follows:

Usefulness of information

16. The FMPPI requires that performance targets be specific in clearly identifying the nature and required level of performance. A total of 29% of the targets were not specific in clearly identifying the nature and the required level of performance. This was due to the fact that management did not fully consider the criteria of good performance targets as stipulated in the FMPPI.
17. The FMPPI requires that indicators should have clear unambiguous data definitions so that data is collected consistently and is easy to understand and use. A total of 29% of the indicators were not well defined in that clear, unambiguous data definitions were not available to allow for data to be collected consistently. This was due to the fact that management did not consider implementing the best practices, as stipulated in the FMPPI.

Compliance with laws and regulations

18. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the general notice issued in terms of the PAA are as follows:

Expenditure management

19. The accounting officer did not take effective steps to prevent irregular expenditure, as required by WCPP Treasury Directives (WCPPTD) 9.1.1.

Internal control

20. I considered internal control relevant to my audit of the financial statements, annual report on performance information and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on the annual report on performance information and the finding on compliance with laws and regulations included in this report.

**WESTERN CAPE PROVINCIAL PARLIAMENT
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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2013**

Financial and performance management

21. Management did not fully consider the criteria of good performance indicators and targets due to a lack of provincial legislature specific guidance as well as not implementing best practices as stipulated in the FMPPI.
22. Management did not adequately monitor compliance with the relevant laws, regulations and circulars to ensure that tax clearance certificates are obtained due to a slow response to prior year audit findings.

Auditor-General

Cape Town

31 July 2013



Auditing to build public confidence

**WESTERN CAPE PROVINCIAL PARLIAMENT
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**APPROPRIATION STATEMENT
for the year ended 31 March 2013**

Appropriation per programme									
Appropriation per Programme	2012/13					Expenditure as % of final appropriation	2011/12		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure		Variance	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000	R'000
1. Administration									
Current payment	38 272	(393)	-	37 879	36 317	1 562	35 716	95.9%	27 860
Transfers and subsidies	22	(8)	-	14	14	-	80	100%	79
Payment for capital assets	2 283	329	-	2 612	2 612	-	2 382	100%	2 186
Payment for financial assets	13	72	-	85	85	-	19	100%	14
	40 590	-	-	40 590	39 028	1 562	38 197		30 139
2. Facilities for Members and Political Parties									
Current payment	4 794	-	-	4 794	3 937	857	4 578	82.1%	3 808
Transfers and subsidies	31 670	-	-	31 670	31 595	75	28 688	99.8%	28 688
	36 464	-	-	36 464	35 532	932	33 266	-	32 496
3. Parliamentary Services									
Current payment	18 661	(54)	-	18 607	16 421	2 186	17 218	88.3%	15 072
Transfers and subsidies	6	50	-	56	56	-	33	100.0%	32
Payment for financial assets	6	4	-	10	10	-	2	100.0%	2
	18 673	-	-	18 673	16 487	2 186	17 253		15 106
SUBTOTAL	95 727	-	-	95 727	91 047	4 680	88 716	95.1%	77 741

**WESTERN CAPE PROVINCIAL PARLIAMENT
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**APPROPRIATION STATEMENT
for the year ended 31 March 2013**

Statutory Appropriation	2012/13					2011/12			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Statutory Appropriation									
Current payment	31 787	(634)	-	31 153	30 872	281	99.1%	29 157	29 051
Transfers and subsidies	-	634	-	634	634	-	100.0%	1 096	1 096
Payment for financial assets	-	-	-	-	-	-	-	-	-
SUBTOTAL	127 514	-	-	127 514	122 553	4 961	96.1%	118 969	107 888

**WESTERN CAPE PROVINCIAL PARLIAMENT
VOTE 2**

**APPROPRIATION STATEMENT
for the year ended 31 March 2013**

	2012/13		2011/12	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)	127 514	122 553	118 969	107 888
Reconciliation with Statement of Financial Performance				
ADD				
Departmental receipts	158		150	
Aid assistance	-		2 709	
Actual amounts per Statement of Financial Performance (total revenue)	127 672		121 828	
ADD		602		43
Aid assistance				
Actual amounts per Statement of Financial Performance (total expenditure)		123 155		107 931

**WESTERN CAPE PROVINCIAL PARLIAMENT
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**APPROPRIATION STATEMENT
for the year ended 31 March 2013**

Appropriation per economic classification									
Appropriation per economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2011/12	
								Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	36 712	(931)	-	35 781	32 033	3 748	89.5%	34 115	27 120
Goods and services	25 013	486	-	25 499	24 642	857	96.5%	23 396	19 619
Interest and rent on land	2	(2)	-	-	-	-	-	1	1
Transfers and subsidies									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	130	189	-	319	244	75	76.5%	95	95
Non-profit institutions	30 295	(182)	-	30 113	30 113	-	100.0%	27 430	27 430
Households	1 245	46	-	1 291	1 291	-	100.0%	1 263	1 263
Gifts and donations	28	(11)	-	17	17	-	100.0%	13	11
Payments for capital assets									
Machinery and equipment	1 416	1 196	-	2 612	2 612	-	100.0%	1 740	1 740
Software and other intangible assets	867	(867)	-	-	-	-	100.0%	642	446
Payments for financial assets									
	19	76	-	95	95	-	100.0%	21	16
TOTAL	95 727	-	-	95 727	91 047	4 680	95.1%	88 716	77 741

**APPROPRIATION STATEMENT
for the year ended 31 March 2013**

Statutory Appropriation per economic classification									
2012/13							2011/12		
Direct changes against the Provincial Revenue Fund Per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	31 787	(634)	-	31 153	30 872	281	99.1%	29 157	29 051
Transfers and subsidies									
Households	-	634	-	634	634	-	100.0%	1 096	1 096
Payments for financial assets									
	-	-	-	-	-	-	-	-	-
TOTAL	31 787	-	-	31 787	31 506	281	99.1%	30 253	30 147

**WESTERN CAPE PROVINCIAL PARLIAMENT
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**APPROPRIATION STATEMENT
for the year ended 31 March 2013**

Detail per Programme 1: Administration									
2012/13									
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	2011/12 Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the Speaker									
Current payment	3 310	336	-	3 646	3 646	-	100.0%	3 683	2 234
Transfers and subsidies	-	-	-	-	-	-	-	7	7
Payment for financial assets	8	3	-	11	11	-	100.0%	9	9
1.2 Office of the Secretary									
Current payment	12 313	(384)	-	11 929	10 506	1 423	88.1%	11 359	7 789
Transfers and subsidies	6	(4)	-	2	2	-	100.0%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
1.3 Finance									
Current payment	2 275	(67)	-	2 208	2 183	25	98.9%	1 851	1 749
Transfers and subsidies	3	(2)	-	1	1	-	100.0%	2	2
Payment for financial assets	-	69	-	69	69	-	100.0%	5	-
1.4 Supply chain management									
Current payment	2 969	(16)	-	2 953	2 953	-	100.0%	2 171	1 739
Transfers and subsidies	3	(1)	-	2	2	-	100.0%	1	1
1.5 Internal control									
Current payment	2 856	150	-	3 006	3 006	-	100.0%	2 056	1 928
Transfers and subsidies	1	(1)	-	-	-	-	-	-	-
1.6 Human resources									
Current payment	4 664	(269)	-	4 395	4 281	114	97.4%	4 746	3 713
Transfers and subsidies	2	7	-	9	9	-	100.0%	10	10

WESTERN CAPE PROVINCIAL PARLIAMENT
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APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per Programme 1: Administration									
2012/13					2011/12				
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.7 Information technology									
Current payment	5 375	371	-	5 746	5 746	-	100.0%	5 551	4 822
Transfers and subsidies	2	(2)	-	-	-	-	-	1	-
Payment for capital assets	1 667	(81)	-	1 586	1 586	-	100.0%	1 923	1 727
Payment for financial assets	-	-	-	-	-	-	-	-	-
1.8 Security and Facility Management									
Current payment	4 510	(514)	-	3 996	3 996	-	100.0%	4 299	3 886
Transfers and subsidies	5	(5)	-	-	-	-	-	59	59
Payment for capital assets	616	410	-	1 026	1 026	-	100.0%	459	459
Payment for financial assets	5	-	-	5	5	-	100.0%	5	5
TOTAL	40 590	-	-	40 590	39 028	1 562	96.2%	38 197	30 139

**WESTERN CAPE PROVINCIAL PARLIAMENT
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**APPROPRIATION STATEMENT
for the year ended 31 March 2013**

Programme 1: Administration per economic classification	2012/13					2011/12			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	24 483	(839)	-	23 644	22 082	1 562	93.4%	22 420	17 093
Goods and services	13 787	448	-	14 235	14 235	-	100.0%	13 295	10 766
Interest and rent on land	2	(2)	-	-	-	-	-	1	1
Transfers and subsidies to:									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Households	-	2	-	2	2	-	100.0%	69	69
Gifts and donations	22	(10)	-	12	12	-	100.0%	11	10
Payment for capital assets									
Machinery and equipment	1 416	1 196	-	2 612	2 612	-	100.0%	1 740	1 740
Software and other intangible assets	867	(867)	-	-	-	-	100.0%	642	446
Payments for financial assets									
	13	72	-	85	85	-	100.0%	19	14
TOTAL	40 590	-	-	40 590	39 028	1 562	96.2%	38 197	30 139

**WESTERN CAPE PROVINCIAL PARLIAMENT
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**APPROPRIATION STATEMENT
for the year ended 31 March 2013**

Detail per Programme 2: Facilities for Members and Political Parties									
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2011/12	
								Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Facilities and Benefits to Members									
Current payment	4 794	-	-	4 794	3 937	857	82.1%	4 578	3 808
Transfers and subsidies	1 375	182	-	1 557	1 482	75	95.2%	1 258	1 258
2.2 Political Parties Support Services									
Transfers and subsidies	30 295	(182)	-	30 113	30 113	-	100.0%	27 430	27 430
TOTAL	36 464	-	-	36 464	35 532	932	97.4%	33 266	32 496

**WESTERN CAPE PROVINCIAL PARLIAMENT
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**APPROPRIATION STATEMENT
for the year ended 31 March 2013**

Programme 2: Facilities for Members and Political Parties per economic classification	2012/13					2011/12			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	4 794	-	-	4 794	3 937	857	82.1%	4 578	3 808
Transfers and subsidies to:									
Foreign governments and international organisations	130	189	-	319	244	75	76.5%	95	95
Non-profit institutions	30 295	(182)	-	30 113	30 113	-	100.0%	27 430	27 430
Households	1 245	(7)	-	1 238	1 238	-	100.0%	1 163	1 163
TOTAL	36 464	-	-	36 464	35 532	932	97.4%	33 266	32 496

WESTERN CAPE PROVINCIAL PARLIAMENT
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APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per Programme 3: Parliamentary Services									
2012/13									
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	2011/12 Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Plenary Support									
Current payment	2 526	1	-	2 527	2 457	70	97.2%	2 404	2 302
Transfers and subsidies	1	(1)	-	-	-	-	-	1	-
3.2 Committee Support									
Current payment	9 743	594	-	10 337	9 009	1 328	87.2%	7 833	7 343
Transfers and subsidies	2	28	-	30	30	-	100.0%	17	17
Payment for financial assets	6	4	-	10	10	-	100.0%	2	2
3.3 Public Education and Outreach									
Current payment	2 136	1	-	2 137	1 939	198	90.7%	2 124	1 588
Transfers and subsidies	1	(1)	-	-	-	-	-	-	-
3.4 Research									
Current payment	856	(352)	-	504	256	248	50.8%	1 609	1 523
Transfers and subsidies	1	25	-	26	26	-	100.0%	-	-
3.5 Hansard and Language Services									
Current payment	3 400	(298)	-	3 102	2 760	342	89.0%	3 248	2 316
Transfers and subsidies	1	(1)	-	-	-	-	-	15	15
TOTAL	18 673	-	-	18 673	16 487	2 186	88.3%	17 253	15 106

WESTERN CAPE PROVINCIAL PARLIAMENT
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APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per Programme 3: Parliamentary Services									
Programme 3: Parliamentary Services per economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2011/12	
								Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	12 229	(92)	-	12 137	9 951	2 186	82.0%	11 695	10 027
Goods and services	6 432	38	-	6 470	6 470	-	100.0%	5 523	5 045
Transfers and subsidies to:									
Households	-	51	-	51	51	-	100.0%	31	31
Gifts and donations	6	(1)	-	5	5	-	100.0%	2	1
Payments for financial assets	6	4	-	10	10	-	100.0%	2	2
TOTAL	18 673	-	-	18 673	16 487	2 186	88.3%	17 253	15 106

**WESTERN CAPE PROVINCIAL PARLIAMENT
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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2013**

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-C) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets

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

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

4.1 Per programme

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Programme 1: Administration	40 590	39 028	1 562	4%
Programme 2: Facilities for Members and Political Parties	36 464	35 532	932	3%
Programme 3: Parliamentary Services	18 673	16 487	2 186	12%
TOTAL	95 727	91 047	4 680	5%

**WESTERN CAPE PROVINCIAL PARLIAMENT
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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2013**

Explanations of material variances per programme:

Programme 1: Administration

The under spending on **compensation of employees** is as a result of the delay in the filling of 11 vacant positions.

The under spending of the **Goods and Services** budget is mainly due to:

- SITA Software licensing costs; SITA mainframe time and system developer costs being lower than projected
- The Library section not purchasing any media collections
- The claim with regards to the outsourcing of the risk functions to the Department of the Premier being less than projected
- The lower expenditure on printing and other operating costs.

Programme 2: Facilities for Members and Political Parties

The under spending on Goods and Services is due to the full portion of enabling allowances not being utilised by Members.

The under spending on Transfers and Subsidies is due to:

Lower expenditure with regards to subscription fees for the Commonwealth Parliamentary Association based on a lower exchange rate than anticipated.

Programme 3: Parliamentary Services

The under spending on **compensation of employees** is as a result of the delay in the filling of 8 vacant positions.

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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2013**

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	35 781	32 033	3 748	10%
Goods and services	25 499	24 642	857	3%
 Transfers and subsidies				
Foreign governments and international organisations	319	244	75	23%
Non-profit institutions	30 113	30 113	0	0%
Households	1 291	1 291	0	0%
Gifts and donations	17	17	0	0%
 Payments for capital assets				
Machinery and equipment	2 612	2 612	0	0%
 Payments for financial assets	95	95	0	0%
 TOTAL	95 727	91 047	4 680	5%

Explanations of material variances per economic classification:

Compensation of Employees

The under spending on compensation of employees is as a result of the delay in the filling of 19 vacant positions.

Goods and Services

The under spending is mainly due to:

- SITA Software licensing costs; SITA mainframe time and system developer costs being lower than projected
- The Library section not purchasing any media collections
- The claim with regards to the outsourcing of the risk functions to the Department of the Premier being less than projected
- The lower expenditure on printing and other operating costs
- The full portion of enabling allowances not being utilised by Members
- The under spending on Transfers and Subsidies is due to
- Lower expenditure with regards to subscription fees for the Commonwealth Parliamentary Association based on a lower exchange rate than anticipated.

**WESTERN CAPE PROVINCIAL PARLIAMENT
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**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2013**

	<i>Note</i>	2012/13 R'000	2011/12 R'000
REVENUE			
Annual appropriation	<u>1</u>	95 727	88 716
Statutory appropriation	<u>2</u>	31 787	30 253
Departmental revenue	<u>3</u>	158	150
Aid Assistance	<u>4</u>	-	2 709 ¹
TOTAL REVENUE		127 672	121 828
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>5</u>	62 905	56 171
Goods and services	<u>6</u>	24 642	20 065
Interest and rent on land	<u>7</u>	-	1
Aid Assistance	<u>4</u>	602 ¹	43 ¹
Total current expenditure		88 149	76 280
Transfers and subsidies			
Transfers and subsidies	<u>9</u>	32 299	29 895
Total transfers and subsidies		32 299	29 895
Expenditure for capital assets			
Tangible capital assets	<u>10</u>	2 612	1 740
Total expenditure for capital assets		2 612	1 740
Payments for financial assets	<u>8</u>	95	16
TOTAL EXPENDITURE		123 155	107 931
SURPLUS/(DEFICIT) FOR THE YEAR		4 517	13 897
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		5 119	11 231
Annual appropriation		4 961	11 081
Departmental revenue		158	150
Aid Assistance	<u>4</u>	(602) ¹	2 666 ¹
SURPLUS/(DEFICIT) FOR THE YEAR		4 517	13 897

1. Donor funding relating to funds received from Legislative Sector Support (LSS) has been disclosed as Aid Assistance. This disclosure relates to funds received during the 2011/12 financial year and expenditure incurred during the 2011/12 and 2012/13 years. This treatment in the AFS is an amendment to the disclosure of donor funding in the prior year AFS (i.e. 2011/12).

**WESTERN CAPE PROVINCIAL PARLIAMENT
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**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2013**

	<i>Note</i>	2012/13 R'000	2011/12 R'000
ASSETS			
Current assets			
Cash and cash equivalents	<u>11</u>	6 410	13 740
Prepayments and advances	<u>12</u>	69	61
Receivables	<u>13</u>	1 346	998
TOTAL ASSETS		7 825	14 799
LIABILITIES			
Current liabilities			
Voted funds to be surrendered to the Revenue Fund	<u>14</u>	4 961	11 081
Departmental revenue to be surrendered to the Revenue Fund	<u>15</u>	158	150
Payables	<u>16</u>	150	390
Aid Assistance unutilised	<u>4</u>	2 064 ¹	2 666 ¹
TOTAL LIABILITIES		7 333	14 287
NET ASSETS		492	512
Represented by:			
Recoverable revenue		492	512
TOTAL		492	512

1. Donor funding relating to funds received from Legislative Sector Support (LSS) has been disclosed as Aid Assistance. This disclosure relates to funds received during the 2011/12 financial year and expenditure incurred during the 2011/12 and 2012/13 years. This treatment in the AFS is an amendment to the disclosure of donor funding in the prior year AFS (i.e. 2011/12).

**WESTERN CAPE PROVINCIAL PARLIAMENT
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**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 MARCH 2013**

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Recoverable revenue			
Opening balance		512	27
Transfers:		(20)	485
Debts recovered (included in departmental receipts)		(20)	(6)
Debts raised			491
Closing balance		492	512
 TOTAL		 492	 512

**WESTERN CAPE PROVINCIAL PARLIAMENT
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**CASH FLOW STATEMENT
for the year ended 31 March 2013**

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		127 708	121 880
Annual appropriated funds received	<u>1.1</u>	95 727	88 716
Statutory appropriated funds received	<u>2</u>	31 787	30 253
Departmental revenue received	<u>3</u>	194 ²	202
Aid Assistance	<u>4</u>	-	2 709 ¹
Net (increase)/decrease in working capital		(596)	(107)
Surrendered to Revenue Fund		(11 283)	(1 212)
Current payments		(88 149)	(76 280)
Payments for financial assets		(95)	(16)
Transfers and subsidies paid		(32 299)	(29 895)
Net cash flow available from operating activities	<u>17</u>	(4 714)	14 370
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>10</u>	(2 612)	(1 740)
Proceeds from sale of capital assets	<u>3.3</u>	16 ²	-
Net cash flows from investing activities		(2 596)	(1 740)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(20)	485
Net cash flows from financing activities		(20)	485
Net increase/(decrease) in cash and cash equivalents		(7 330)	13 115
Cash and cash equivalents at beginning of period		13 740	625
Cash and cash equivalents at end of period	<u>18</u>	6 410	13 740

1. Donor funding relating to funds received from Legislative Sector Support (LSS) has been disclosed as Aid Assistance. This disclosure relates to funds received during the 2011/12 financial year and expenditure incurred during the 2011/12 and 2012/13 years. This treatment in the AFS is an amendment to the disclosure of donor funding in the prior year AFS (i.e. 2011/12).

2. The total for Departmental revenue received only relates to revenue received from operating activities. Proceeds from sale of assets of R16 000 is disclosed under cash flows from investing activities.

**WESTERN CAPE PROVINCIAL PARLIAMENT
VOTE 2**

**ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2013**

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

1. Presentation of the Financial Statements

1.1 Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting.

Under this basis, the effects of transactions and other events are recognised in the financial records when the resulting cash is received or paid. The “modification” results from the recognition of certain near-cash balances in the financial statements as well as the revaluation of foreign investments and loans and the recognition of resulting revaluation gains and losses.

In addition supplementary information is provided in the disclosure notes to the financial statements where it is deemed to be useful to the users of the financial statements.

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

1.5 Comparative figures - Appropriation Statement

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

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

**WESTERN CAPE PROVINCIAL PARLIAMENT
VOTE 2**

**ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2013**

2. Revenue

2.1 Appropriated funds

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

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

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

Any amount due from the Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the Statement of Financial Position.

2.2 Departmental revenue

The Provincial Parliament's revenue is recognised in the Statement of Financial Performance when received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the Provincial Revenue Fund at the end of the financial year is recognised as a payable in the Statement of Financial Position.

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

2.3 Aid assistance

Aid assistance is recognised as revenue when received.

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

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

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

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

**WESTERN CAPE PROVINCIAL PARLIAMENT
VOTE 2**

**ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2013**

3. Expenditure

3.1 Compensation of employees

3.1.1 Salaries and wages

Salaries and wages are expensed in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the Disclosure Notes to the Financial Statements at its face value and are not recognised in the Statement of Financial Performance or Position.

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

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

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

Employer contributions made by the Provincial Parliament for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the Statement of Financial Performance.

3.2 Goods and services

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

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

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

**WESTERN CAPE PROVINCIAL PARLIAMENT
VOTE 2**

**ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2013**

3.3 Interest and rent on land

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

3.4 Payments for financial assets

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

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

3.5 Transfers and subsidies

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

3.6 Unauthorised expenditure

When confirmed unauthorised expenditure is recognised as an asset in the Statement of Financial Position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

Unauthorised expenditure approved with funding is derecognised from the Statement of Financial Position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the Statement of Financial Performance on the date of approval.

3.7 Fruitless and wasteful expenditure

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

3.8 Irregular expenditure

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

**WESTERN CAPE PROVINCIAL PARLIAMENT
VOTE 2**

**ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2013**

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost.

Bank overdrafts are shown separately on the face of the Statement of Financial Position.

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

4.2 Other financial assets

Other financial assets are carried in the Statement of Financial Position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the Statement of Financial Position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the Statement of Financial Position at cost.

4.4 Receivables

Receivables included in the Statement of Financial Position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the Statement of Financial Position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the Disclosure Notes.

4.5 Investments

Capitalised investments are shown at cost in the Statement of Financial Position.

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

4.6 Loans

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

**WESTERN CAPE PROVINCIAL PARLIAMENT
VOTE 2**

**ACCOUNTING POLICIES
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Amounts that are potentially irrecoverable are included in the Disclosure Notes.

4.7 Inventory

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

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

4.8 Capital assets

4.8.1 Movable assets

Initial recognition

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

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

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the Statement of Financial Performance as "expenditure for capital assets" and is capitalised in the asset register of the Provincial Parliament on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the Statement of Financial Performance.

4.8.2 Immovable assets

Initial recognition

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

Subsequent recognition

Work-in-progress of a capital nature is recorded in the Statement of Financial Performance as "expenditure for capital assets". On completion, the total cost of the project is included in the asset register of the Provincial Parliament that is accountable for the asset.

Repairs and maintenance is expensed as current "goods and services" in the Statement of Financial Performance.

**WESTERN CAPE PROVINCIAL PARLIAMENT
VOTE 2**

**ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2013**

4.8.3 Intangible assets

Initial recognition

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

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

Subsequent expenditure

Subsequent expenditure of a capital nature is recorded in the Statement of Financial Performance as "expenditure for capital asset" and is capitalised in the asset register of the Provincial Parliament on completion of the project.

Maintenance is expensed as current "goods and services" in the Statement of Financial Performance.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the Statement of Financial Position.

5.2 Contingent liabilities

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

5.3 Contingent assets

Contingent assets are included in the Disclosure Notes to the financial statements when it is probable that an inflow of economic benefits will flow to the entity.

5.4 Commitments

Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the Disclosure Notes.

5.5 Accruals

Accruals are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the Disclosure Notes.

**WESTERN CAPE PROVINCIAL PARLIAMENT
VOTE 2**

**ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2013**

5.6 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the Disclosure Notes to the Financial Statements. These amounts are not recognised in the Statement of Financial Performance or the Statement of Financial Position.

5.7 Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the Statement of Financial Position. Finance lease payments are recognised as a capital expense in the Statement of Financial Performance and are not apportioned between the capital and the interest portions. The finance lease payment is disclosed in the Disclosure Notes to the Financial Statements.

Operating lease

Operating lease payments are recognised as an expense in the Statement of Financial Performance. The operating lease commitments are disclosed in the Disclosure Notes to the Financial Statement.

5.8 Impairment

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

5.9 Provisions

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

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the Disclosure Notes to the Annual Financial Statements.

**WESTERN CAPE PROVINCIAL PARLIAMENT
VOTE 2**

**ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2013**

7. Net Assets

7.1 Capitalisation reserve

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

7.2 Recoverable revenue

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

8. Related party transactions

Specific information with regards to related party transactions is included in the Disclosure Notes.

9. Key management personnel

Compensation paid to key Management personnel including their family members where relevant, is included in the Disclosure Notes.

**WESTERN CAPE PROVINCIAL PARLIAMENT
VOTE 2**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act):

	2012/13 Final Appropriation	Actual Funds Received	2011/12 Appropriation received
	R'000	R'000	R'000
Programme 1	40 590	40 590	38 197
Programme 2	36 464	36 464	33 266
Programme 3	18 673	18 673	17 253
TOTAL	95 727	95 727	88 716

2. Statutory Appropriation

	2012/13 R'000	2011/12 R'000
Member of Provincial Legislature	31 787	30 253
TOTAL	31 787	30 253
Actual Statutory Appropriation received	31 787	30 253

3. Departmental revenue

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Sales of goods and services other than capital assets	3.1	51	37
Interest	3.2	109	147
Sales of capital assets	3.3	16	-
Transactions in financial assets and liabilities	3.4	34	18
Total revenue collected		210	202
Less: Own revenue included in appropriation	14	52	52
Departmental revenue collected		158	150

3.1 Sales of goods and services other than capital assets

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Sales of goods and services produced by the WCPP	<u>3</u>	41	37
Sales by market establishment		9	11
Other sales		32	26
Sales of scrap, waste and other used current goods		10	-
TOTAL		51	37

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FOR THE YEAR ENDED 31 MARCH 2013**

3.2 Interest

	<i>Note</i> <u>3</u>	2012/13 R'000	2011/12 R'000
Interest		109	147
TOTAL		109	147

3.3 Sale of capital assets

	<i>Note</i> <u>3</u>	2012/13 R'000	2011/12 R'000
Tangible assets			
Machinery and equipment		16	-
TOTAL		16	-

3.4 Transactions in financial assets and liabilities

	<i>Note</i> <u>3</u>	2012/13 R'000	2011/12 R'000
Receivables		-	6
Other Receipts including Recoverable Revenue		34	12
TOTAL		34	18

4. Aid assistance

4.1 Aid assistance received in cash from other: Legislature Support Programme Foreign

	<i>Note</i> <u>4</u>	2012/13 R'000	2011/12 R'000
Opening Balance		2 666	-
Revenue		-	2 709
Expenditure		(602)	(43)
Current		(602)	(43)
Closing Balance		2 064	2 666

4.2 Analysis of balance

	2 064	2 666
Aid assistance unutilised		
Other: LSS	2 064	2 666

Donor funding relating to funds received from Legislative Sector Support (LSS) has been disclosed as Aid Assistance. This disclosure relates to funds received during the 2011/12 financial year and expenditure incurred during the 2011/12 and 2012/13 years. This treatment in the AFS is an amendment to the disclosure of donor funding in the prior year AFS (i.e. 2011/12).

5. Compensation of employees

5.1 Salaries and Wages

	<i>Note</i> <u>4</u>	2012/13 R'000	2011/12 R'000
Basic salary		40 826	35 921
Performance award		217	493
Service Based		65	93
Compensative/circumstantial		472	507
Other non-pensionable allowances		13 409	11 992
TOTAL		54 989	49 006

**WESTERN CAPE PROVINCIAL PARLIAMENT
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

5.2 Social contributions

	<i>Note</i> <u>4</u>	2012/13 R'000	2011/12 R'000
Employer contributions			
Pension		6 772	6 040
Medical		1 012	993
UIF		132	132
TOTAL		7 916	7 165
Total compensation of employees		62 905¹	56 171
Average number of employees		83²	80

1. Includes an amount of R30, 871,558 in respect of the Speaker, Deputy Speaker and 31 Members of the Provincial Parliament.
2. Excludes the Speaker, Deputy Speaker and Members of the Provincial Parliament.

6. Goods and services

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Administrative fees		310	23
Advertising		1 749	1 195
Assets less than R5,000	<u>6.1</u>	384	769 ²
Bursaries (employees)		49	101
Catering		1 575	1 326
Communication		833	677
Computer services	<u>6.2</u>	3 279 ¹	2 515 ²
Consultants, contractors and agency/outsourced services	<u>6.3</u>	4 174	3 028
Entertainment		19	21
Audit cost – external	<u>6.4</u>	2 293	1 928
Inventory	<u>6.4</u>	943	1 200
Operating leases		158	122
Rental and hiring		1	19
Travel and subsistence	<u>6.6</u>	7 730	6 132
Venues and facilities		26	32
Training and staff development		433	348
Other operating expenditure	<u>6.7</u>	686	629
TOTAL		24 642	20 065

1. During the year all licences procured in the 2012/13 and prior financial year has been reclassified as good and services and not intangible assets.
2. Minor intangible assets of the previous year amounting to R321 000 and capital intangible assets of the previous year amounting to R446 000 will be reclassified to computer services to comply with the above definition.

6.1 Assets less than R5,000

	<i>Note</i> <u>6</u>	2012/13 R'000	2011/12 R'000
Tangible assets			
Machinery and equipment		384	769
		-	
TOTAL		384	769

- During the year all licences procured in the 2012/13 and prior financial year has been reclassified as good and services and not intangible assets.
- Minor intangible assets of the previous year amounting to R321 000 will be reclassified to comply with the above definition.

**WESTERN CAPE PROVINCIAL PARLIAMENT
VOTE 2**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

6.2 Computer Services

	<i>Note</i> <u>6</u>	2012/13 R'000	2011/12 R'000
SITA computer services		341	270
External computer service providers		2 938	2 245
TOTAL		3 279	2 515

6.3 Consultants, contractors and agency/outsourced services

	<i>Note</i> <u>6</u>	2012/13 R'000	2011/12 R'000
Business and advisory services		2 242	1 737
Legal costs		122	85
Contractors		1 542	904
Agency and support/outsourced services		268	302
TOTAL		4 174	3 028

6.4 Audit cost - external

	<i>Note</i> <u>6</u>	2012/13 R'000	2011/12 R'000
Regularity audits		2 293	1 928
TOTAL		2 293	1 928

6.5 Inventory

	<i>Note</i> <u>6</u>	2012/13 R'000	2011/12 R'000
Learning and teaching support material		1	117
Other consumables		67	190
Materials and supplies		10	188
Stationery and printing		865	705
TOTAL		943	1 200

6.6 Travel and subsistence

	<i>Note</i> <u>6</u>	2012/13 R'000	2011/12 R'000
Local		4 783	5 126
Foreign		2 947	1 006
TOTAL		7 730	6 132

6.7 Other operating expenditure

	<i>Note</i> <u>6</u>	2012/13 R'000	2011/12 R'000
Learnerships		37	-
Professional bodies, membership and subscription fees		36	43
Gifts		613	586
TOTAL		686	629

**WESTERN CAPE PROVINCIAL PARLIAMENT
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

7. Interest and rent on land

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Interest Paid		-	1
TOTAL		-	1

8. Payments for financial assets

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Other material losses written off	8.1	95	7
Debts written off	8.2	-	9
TOTAL		95	16

8.1 Other material losses written off

	<i>Note</i>	2012/13	2011/12
	<i>8</i>	R'000	R'000
Nature of losses			
Telkom Interest		-	4
Damaged tyres to GG vehicle		-	1
Lapsed air tickets		9	-
Unemployment Insurance Fund Contributions (Members)		3	-
Missing ear pieces		3	-
Cancelled accommodation: Standing Committees		8	-
Damaged furniture		-	2
Damaged GG		3	-
J Bell Debt		69	-
TOTAL		95	7

8.2 Debts written off

	<i>Note</i>	2012/13	2011/12
	<i>8</i>	R'000	R'000
Tax debt: Ex-employees		-	1
Supplier Overpayment		-	8
TOTAL DEBT WRITTEN OFF		-	9

9. Transfers and subsidies

		2012/13	2011/12
		R'000	R'000
Foreign governments and international organisations	<i>Note Annex 1A</i>	244	95
Non-profit institutions	<i>Annex 1B</i>	30 113	27 430
Households	<i>Annex 1C</i>	1 925	2 370
Gifts, donations and sponsorships made		17	-
TOTAL		32 299	29 895

**WESTERN CAPE PROVINCIAL PARLIAMENT
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

10. Expenditure for capital assets

	<i>Note</i> 30.1	2012/13 R'000	2011/12 R'000
Tangible assets			
Machinery and equipment		2 612	1 740
TOTAL		2 612	1 740

During the 2012/13 year all licences procured in the 2012/13 financial year has been reclassified as good and services and not intangible assets.

Capital intangible assets of the previous year amounting to R446 000 will be reclassified to comply with the above definition.

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

	Voted funds R'000	Total R'000
Tangible assets		
Machinery and equipment	2 612	2 612
TOTAL	2 612	2 612

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

	Voted funds R'000	Total R'000
Tangible assets		
Machinery and equipment	1 740	1 740
TOTAL	1 740	1 740

Capital intangible assets of the previous year amounting to R446 000 will be reclassified to comply with the above definition.

11. Cash and cash equivalents

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Consolidated Paymaster General Account		7 116	6 050
Disbursements		(2 771)	(1 996)
Cash on hand		1	1
Investments (Domestic)		-	7 019
Legislature Sector Support Programme bank account		2 064 ¹	2 666 ¹
TOTAL		6 410	13 740

1. Donor funding relating to funds received from Legislative Sector Support (LSS) has been disclosed as Aid Assistance. This disclosure relates to funds received during the 2011/12 financial year and expenditure incurred during the 2011/12 and 2012/13 years. This treatment in the AFS is an amendment to the disclosure of donor funding in the prior year AFS (i.e. 2011/12).

12. Prepayments and advances

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Staff advances		69	61
TOTAL		69	61

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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13. Receivables

		2012/13			2011/12
		R'000	R'000	R'000	R'000
		Less than one year	One to three years	Older than three years	Total
	<i>Note</i>				
Recoverable expenditure	<u>13.1</u>	401	17	123	541
Staff debt	<u>13.2</u>	-	37	-	37
Other debtors	<u>13.3</u>	21	747	-	768
TOTAL		422	801	123	1 346

13.1 Recoverable expenditure (disallowance accounts)

	<i>Note</i>	2012/13	2011/12
	<i>12</i>	R'000	R'000
Disallowance: Telephone		-	17
Disallowance: Miscellaneous		364	45
Disallowance: Suppliers		119	122
GG Accident		56	-
GEPP overpayment		2	-
TOTAL		541	184

13.2 Staff debt

	<i>Note</i>	2012/13	2011/12
	<i>12</i>	R'000	R'000
Staff		37	82
TOTAL		37	82

13.3 Other debtors

	<i>Note</i>	2012/13	2011/12
	<i>13</i>	R'000	R'000
SARS (UIF iro Members and Interpreters)		593	593
GG Accident		-	52
Ex-personnel and -Members		5	28
Pension Fund		16	16
Medical: Prosano Medical Aid		-	5
Medical: Parmed		6	6
Supplier Overpayment		3	-
Supplier Telephone account		8	8
Interest on LSS Funding Bank account		137	24
TOTAL		768	732

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14. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Opening balance		11 081	1 061
Transfer from Statement of Financial Performance		4 961	11 081
Paid during the year		(11 081)	(1 061)
Closing balance		4 961	11 081

15. Departmental revenue to be surrendered to the Revenue Fund

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Opening balance		150	99
Transfer from Statement of Financial Performance		158	150
Own revenue included in appropriation		52	52
Paid during the year		(202)	(151)
Closing balance		158	150

16. Payables – current

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Other payables	16.1	150	390
TOTAL		150	390

16.1 Other payables

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Income Tax payover	16	-	310
Unemployment Insurance Fund		12	2
Pension Fund		-	2
Parking Payover to Dept. of Transport and Public Works		1	-
Medical Aid		-	44
Unallocated Receipts: 30 days		137	32
TOTAL		150	390

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17. Net cash flow available from operating activities

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		4 517	13 897
Add back non cash/cash movements not deemed operating activities		(9 231)	473
(Increase)/decrease in receivables – current		(348)	(359)
(Increase)/decrease in prepayments and advances		(8)	(8)
Increase/(decrease) in payables – current		(240)	260
Proceeds from sale of capital assets		(16)	-
Expenditure on capital assets		2 612	1 740
Surrenders to Revenue Fund		(11 283)	(1 212)
Own revenue included in appropriation		52	52
Net cash flow generated by operating activities		(4 714)	14 370

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

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Consolidated Paymaster General account		7 116	6 050
Disbursements		(2 771)	(1 996)
Cash on hand		1	1
Cash with commercial banks (Local)		-	7 019
Legislature Sector Support Bank Account		2 064 ¹	2 666 ¹
TOTAL		6 410	13 740

1. Donor funding relating to funds received from Legislative Sector Support (LSS) has been disclosed as Aid Assistance. This disclosure relates to funds received during the 2011/12 financial year and expenditure incurred during the 2011/12 and 2012/13 years. This treatment in the AFS is an amendment to the disclosure of donor funding in the prior year AFS (i.e. 2011/12).

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Disclosure notes to the Annual Financial Statements

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

19. Contingent liabilities and contingent assets

19.1 Contingent liabilities

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Liable to			
Nature			
Claims against the department	<i>Annex 2A</i>	19	43
Other departments (interdepartmental unconfirmed balances)	<i>Annex 3</i>	-	2
TOTAL		19	45

20. Commitments

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Current expenditure			
Approved and contracted		3 200	1 171
Approved but not yet contracted		-	107
		3 200	1 278
Capital expenditure			
Approved and contracted		163	202
Approved but not yet contracted		-	11
		163	213
TOTAL COMMITMENTS		3 363	1 491

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21. Accruals

	2012/13 R'000			2011/12 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	1 165	191	1 356	834
Other	120	-	120	77
TOTAL	1 285	191	1 476	911

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Listed by programme level			
Programme 1: Administration		1039	682
Programme 2: Facilities and Benefits for Members and Political Parties		136	30
Programme 3: Parliamentary Services		301	199
TOTAL		1 476	911

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Confirmed balances with other departments	<i>Annex 3</i>	-	12
TOTAL		-	12

22. Employee benefits

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Leave entitlement		2 014 ¹	1 487
Service bonus (Thirteenth cheque)		968	718
Performance awards		218	479
TOTAL		3 200	2 684

1. As at 31 March 2012 negative leave balances to the value of R12 091.48 existed relating to the 2012/13 financial year.

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23. Lease commitments

23.1 Operating leases expenditure

	Machinery and equipment	Total
	R'000	R'000
2012/13		
Not later than 1 year	193	193
Later than 1 year and not later than 5 years	308	308
TOTAL LEASE COMMITMENTS	501	501

	Machinery and equipment	Total
	R'000	R'000
2011/12		
Not later than 1 year	75	75
Total lease commitments	75	75

23.2 Finance leases expenditure**

	Machinery and equipment	Total
	R'000	R'000
2012/13		
Not later than 1 year	411	411
Later than 1 year and not later than 5 years	949	949
Later than five years	217	217
TOTAL LEASE COMMITMENTS	1 577	1 577

	Machinery and equipment	Total
	R'000	R'000
2011/12		
Not later than 1 year	447	447
Later than 1 year and not later than 5 years	890	890
TOTAL LEASE COMMITMENTS	1 337	1 337
LESS: finance costs	3	3
TOTAL PRESENT VALUE OF LEASE LIABILITIES	1 334	1 334

**The arrangement between the Provincial Parliament and the Government Motor Transport (GMT) constitutes finance leases and are included above.

The Provincial Parliament leased 5 vehicles from GMT as at 31 March 2013 (2012:6). Daily tariffs are payable on a monthly basis covering the operational costs, capital costs of replacement of vehicles and the implicit finance costs in this type of arrangement.

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24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Opening balance		119	35
Add: Irregular expenditure – relating to prior year		575	-
Add: Irregular expenditure – relating to current year		322	138
Less: Amounts condoned		(119)	(54)
Irregular expenditure awaiting condonation		897	119
Analysis of awaiting condonation per age classification			
Current year		322	119
Prior years		575	-
TOTAL		897	119

24.2 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2012/13
		R'000
Authorisation of a quotation not in compliance with the delegations of the Accounting Officer's system		32
Procurement from a supplier without obtaining a tax clearance certificate from the South African Revenue Services		87
TOTAL		119

24.3 Details of irregular expenditure - current year

Incident	Condoned by (condoning authority)	2012/13
		R'000
Procurement from a supplier without obtaining a tax clearance certificate from the South African Revenue Services		322
TOTAL		322

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24.4 Details of irregular expenditure under investigation

Incident	2012/13 R'000
Procurement from a supplier without obtaining a tax clearance certificate from the South African Revenue Services	575
TOTAL	575

25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Opening balance		-	-
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		5	9
Less: Amounts resolved		(5)	(9)
Less: Amounts transferred to receivables for recovery		-	-
Fruitless and wasteful expenditure awaiting resolution		-	-

25.2 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2012/13 R'000
Expenditure incurred in respect of tickets not utilised.	After investigation it was found that no official could be held liable, therefore the amount was written off	5
Expenditure incurred in respect of missing plates.		
TOTAL		5

26. Related party transactions

During the year the Provincial Parliament received services from the following parties that are related as indicated:

- a) Department of Transport and Public Works: Free rental, inclusive of related costs (water and electricity).
- b) Department of Community Safety in the Western Cape Province provides Security Services in the building occupied by the Provincial Parliament.
- c) The Provincial Parliament occupies a building free of charge managed by the Department of Transport and Public Works. Parking space is also provided for government officials at an approved fee that is not market related.

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Payments made	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Goods and services		-	303
TOTAL		-	303

27. Key management personnel

Key management personnel (Parliament/Legislatures)

	No. of Individuals	2012/13	2011/12
		R'000	R'000
Speaker and Deputy Speaker to Parliament	2	2 967	2 766
Secretary to Parliament	1	1 299	1 168
Deputy Secretary	2	2 070 ¹	1 482
Chief Financial Officer and Chief Parliamentary Officer	2	327 ²	748
TOTAL		6 663	6 164

1. With effect from 1 June 2012 the CFO is acting in the post of Deputy Secretary: Corporate Services and her full salary from this date are included in the Deputy Secretary total.

2. As from 1 January 2013 the Chief Parliamentary Officer (CPO) post was filled, and the 3 months' salary from January to March 2013 is included under the CFO total.

28. Impairment

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Impairment			
Debtors		48	16
TOTAL		48	16

29. Provisions

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Once-off gratuity paid to Members of the Provincial Legislature		4 418	4 441
Time-off hours in respect of overtime worked by staff		486	369
TOTAL		4 904	4 810

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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30. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	233	-	-	-	233
Heritage assets	233	-	-	-	233
MACHINERY AND EQUIPMENT	10 008	-	2 052	1 326	10 734
Transport assets	1 880	-	319	796	1 403
Computer equipment	5 045	-	496	501	5 040
Furniture and office equipment	693	-	162	29	826
Other machinery and equipment	2 390	-	1 075	-	3 465
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	10 241	-	2 052	1 326	10 967

30.1 Additions

	Cash	Non-Cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	2 612	319	(879)	-	2 052
Transport assets	841	319	(841)	-	319
Computer equipment	496	-	-	-	496
Furniture and office equipment	162	-	-	-	162
Other machinery and equipment	1 113	-	(38)	-	1 075
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	2 612	319	(879)	-	2 052

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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30.2 Disposals

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	530	796	1 326	16
Transport assets	-	796	796	-
Computer equipment	501	-	501	3
Furniture and office equipment	29	-	29	13
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	530	796	1 326	16

30.3 Movement for 2011/12

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

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
HERITAGE ASSETS	83	150	-	233
Heritage assets	83	150	-	233
MACHINERY AND EQUIPMENT	8 368	1 654	14	10 008
Transport assets	1 413	467	-	1 880
Computer equipment	4 334	725	14	5 045
Furniture and office equipment	687	6	-	693
Other machinery and equipment	1 934	456	-	2 390
TOTAL MOVABLE TANGIBLE ASSETS	8 451	1 804	14	10 241

30.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	440	25	4 772	5 237
Curr Year Adjustments to Prior Yr Balances	(440)	-	434	(6)
Additions	-	-	384	384
Disposals	-	-	(107)	(107)
TOTAL MINOR ASSETS	-	25	5 483	5 508

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Minor assets

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

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	119	25	4 003	4 147
Additions	321	-	769	1090
TOTAL MINOR ASSETS	440	25	4 772	5 237

	Machinery and equipment	Total
Number of R1 minor assets		
Number of minor assets at cost	139	139
TOTAL NUMBER OF MINOR ASSETS	139	139

30.5 Movable assets written off for the year ended 31 March 2012

	Machinery and equipment R'000	Total R'000
Assets written off	107	107
TOTAL MOVABLE ASSETS WRITTEN OFF	107	107

31 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance R'000	Current Year Adjust- ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Computer software	1 985	(1 985)	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	1 985	(1 985)	-	-	-

During the year all licences procured in the 2012/13 and prior financial year has been reclassified as goods and services and not intangible assets.

Capital intangible assets of the previous year amounting to R1 985 000 will be reclassified to comply with the above definition, current Minor intangible assets of the previous year amounting to R440 000 will be reclassified to comply with the above definition.

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31.1 Movement for 2011/12

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

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Computer software	1 539	446	-	1 985
TOTAL INTANGIBLE CAPITAL ASSETS	1 539	446	-	1 985

During the year all licences procured in the 2012/13 and prior financial year has been reclassified as goods and services and not intangible assets.

Capital intangible assets of the previous year amounting to R446 000 will be reclassified to computer services to comply with the above.

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1A
STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS**

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2011/12
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
Commonwealth Parliamentary Association	319	-	-	319	244	76%	122
TOTAL	319	-	-	319	244	-	122

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1B
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2011/12
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
African National Congress	10 058	-	-	10 058	10 058	100%	9 085
Democratic Alliance	15 349	-	-	15 349	15 349	100%	14 134
African Christian Democratic Party	1 007	-	-	1 007	1 007	100%	879
Congress of the People	2 199	-	-	2 199	2 199	100%	2 016
Independent Democrats	1 500	-	-	1 500	1 500	100%	1 316
TOTAL	30 113	-	-	30 113	30 113	-	27 430

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ANNEXURE 1C
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2011/12
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
Gratuity paid due to resignations	52	-	-	52	52	100%	100
Medical i.r.o. continuation Members	1 239	-	-	1 239	1 239	100%	1 163
Gratuities paid to non-returning	634	-	-	-	-	-	1 096
TOTAL	1 925	-	-	1 925	1 925	-	2 372

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1D
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2012/13	2011/12
		R'000	R'000
Received in cash			
European Union Funding through the Legislative Sector Policy Support Programme (LSPSP) - South Africa	European Union donor funding in terms of the Legislative Sector Policy Support Programme (LSPSP) to assist with the implementation of the SA Legislative Sector mandate over a period of four years (2009-2013).	-	2 709
TOTAL		-	2 709

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 2A
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2013

Nature of Liability	Opening Balance 1 April 2012 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled /reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2013 R'000
Claims against the Provincial Parliament					
Channel 4 Productions	24	-	24	-	-
Transcription Africa (PTY) Ltd	19	-	-	-	19
TOTAL	43	-	24	-	19

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 2A (continued)

Nature of Liabilities recoverable	Opening Balance 1 April 2011 R'000	Details of Liability and Recoverability	Movement during year R'000	Closing Balance 31 March 2013 R'000
The Country Section Media	45		(45)	-
Channel 4 Productions	24		(24)	-
Transcription Africa (PTY) Ltd	80		(61)	19
Bagraims Attorneys, Labour Law Specialist	6		(6)	-
TOTAL	155		(112)	19

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 3
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of the Premier	-	12	-	-	-	12
Department of Social Development	-	-		2	-	2
TOTAL	-	12	-	2	-	14

**ANNEXURE 4
INVENTORY**

Inventory	Note	Quantity	2012/13	Quantity	2011/12
			R'000		R'000
Opening balance			1	75	
		53 715	410	537	1 548
Add/(Less): Adjustments to prior year balance			(3)	45	
		(110)			
Add: Additions/Purchases - Cash			1	87	
		197 770	905	525	1 427
Add: Additions - Non-cash		2		12	
		806	29	210	22
(Less): Disposals		-	-	-	-
(Less): Issues		-	-	-	-
Add/(Less): Adjustments					
		(159)	(1	(118	
		412)	860)	588)	(1 571)
			(3		
		(2 689)	(15)	014)	(16)
Closing balance			1	53	
		92 080	466	715	1 410