

PART 5

ANNUAL FINANCIAL STATEMENTS



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ACCOUNTING OFFICER'S REPORT FOR THE YEAR ENDED 31 MARCH 2007

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

1 GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

1.1 INTRODUCTION

The Department of Foreign Affairs (department) is responsible for the formulation, application and execution of all aspects of South Africa's foreign policy as entrusted to the Minister of Foreign Affairs (minister). Liaison with foreign governments on matters of international relations is conducted through South Africa's accredited representatives. The head of a South African mission abroad acts as the representative of the head of state. In pursuit of the achievement of the South Africa's foreign policy, the department is currently represented in one hundred and seventeen (117) South African diplomatic missions throughout the world.

In line with the Public Finance Management Act, 1999 (Act No. 1 of 1999 as amended) (PFMA) and the Treasury Regulations, the department submitted its strategic plan for the medium term expenditure framework (MTEF) period 2006/07 to 2008/09. The following strategic priorities were identified for implementation during the year under review:

- Consolidation of the African Agenda;
- South-South co-operation;
- Global Governance;
- Bilateral Relations;
- Provision of an efficient and effective support service; and
- Provision of quality HR management and development services to attract, develop, nurture and retain skilled employees in the department.

In order to align the resources of the department to its strategic priorities and to enable the department to comply with the new monitoring, evaluation and reporting processes introduced by government, the programmes are structured as follow:

- Administration provides for the overall policy development and management of the Department.
- Foreign Relations promotes relations with foreign countries, and participate in international organisations and institutions, in pursuit of South Africa's national values, interests and foreign policy objectives.
- Public Diplomacy and Protocol promotes an understanding, both domestically and internationally, of South Africa's role and position in international relations, and provides State protocol services.
- International Transfers provides for the payment of membership fees and transfers to international organisations.

This report seeks to assist readers in measuring the extent to which the Department's resources allocated for the 2006/07 financial year were utilised in terms of the PFMA.

1.2 REVENUE

During the year under review, the Department received total revenue of R 3,089 billion made up of voted funds and non-voted funds as explained below: -

(i) Annual Appropriation – R 3,042 billion

The Department received a budget allocation of R3, 042 billion for the 2006/07 financial year after adjustment estimates, which includes an amount of R47,555 million in respect of devolution of funds from Department of Public Works for rental of office buildings(R34 ,263 million), municipal services (R8 ,036 million) and accommodation charges(R5 ,256 million). This translated into an increase of 11, 13% as against the budget allocated for the 2005/06 financial year. The budget increase of R300 million can be attributed to the additional funding for the Africa Agenda (R66, 000 million), Improving Service Delivery (R20, 000 million), African Union (R135, 000 million), Recapitalisation of African Renaissance Fund (R50, 000 million), International Commitments (R11, 000 million) and Capital works (R18, 000 million).

(ii) Departmental Revenue – R 46 million

This is in respect of revenue received in for ad hoc activities, as the Department does not have any income-generating programmes. The South African diplomatic missions in other countries are allowed to reclaim value-added tax (VAT) and the amount claimed in respect of the current year can be utilised by the mission. The VAT of R17 million in respect of previous years has been paid back to revenue. Furthermore, since the bulk of transactions are incurred in foreign currencies the department has recorded a forex gain (R24 million) during the year under review. The balance of R5 million revenue is in respect of proceeds from sale of capital assets, interest received, stale cheques written back, etc. as detailed in note 3 to the Annual Financial Statements.

1.3 EXPENDITURE

(i) Spending trends

South Africa maintains diplomatic relations with countries and organisations through 117 missions located throughout the world. Therefore the bulk of its expenditure is incurred in foreign currencies. In addition, the department, due to the non-availability of other local currencies, transfers funds to the missions using the five major currencies. The missions in turn purchase the local currencies, which may result in exchange gains or losses. This poses a major risk with regard to the management of the department's budget, as the Department has no

control over the fluctuation of both Rand against major foreign currencies as well as local currencies against major currencies. Due to this unpredictable or uncontrolled situation, the Department can either overspend or underspend its budget. However, the Department has reached an understanding with the National Treasury to use the fixed exchange rates determined by the Treasury for budgetary purposes. Therefore, should there be a difference between the actual performance of the Rand and the budgeted rate, the allocated budget is adjusted accordingly. In the event of a depreciation of the Rand (lower than the fixed rate determined by the National Treasury) the adjustment estimate process is the only avenue available for the Department to be provided with resources to compensate for exchange rate losses. However, should either depreciation or losses of the Rand take place after the adjustment estimate process, the Department has to fund such losses from within its allocated resources or reflect the loss as unauthorised expenditure in the Annual Financial Statements.

During the year under review, the Department has recorded an over expenditure of R84 million in programme 2 after virement, due to the exchange rate loss. During the adjustment estimates no additional funding was provided as the Rand at that time was performing relatively well as against major foreign currencies. However, the issue of rates adjustment for the financial year 2006/07 has been brought to the attention of National Treasury. During the allocation of budget the following rates for major currencies were used:

Currencies	Budget Foreign Currency	Budget Rate for 2006/07	Budget Rand Amount	Average Spot Rate for 2006/07	Average Rand Value	Foreign Exchange Rate Savings
	Million		R' 000		R' 000	R' 000
US \$	95 804	6.60	632 306	7.10	680 208	(47 902)
EUROS	47 656	8.20	390 779	9.00	428 904	(38 125)
POUND	4 608	11.70	53 914	12.22	56 310	(2 396)
YEN	477 933	0.0600	28 676	0.0574	27 433	1 243
SFR	9 878	5.30	52 353	5.26	51 958	395
TOTAL			1 158 028		1 244 813	(86 785)

Over the years the expenditure on the vote as a whole has been increasing by an annual average rate of 5%. However, there was a considerable increase during the 2001/02 financial year of approximately 27% compared to previous financial years as well as an increase of 14.73% in the 2002/03 financial year and a decrease of 10.70 % in the 2004/05 financial year. However, there was an increase of 13.01 % in expenditure in 2005/06 financial year and 11.13 % increase for 2006/07 as against the previous year. Overall, the Department has recorded a net savings of R97 million, as shown in the table below:

ANALYSIS OF UNDER/ (OVER) EXPENDITURE PER PROGRAMME				
Programme Description	Voted 2006/07	Actual Expenditure	Savings (excess)	Expenditure %
	R'000	R'000	R'000	VOTE
1: Administration	648 650	537 101	111 549	82.80 %
2: Foreign Relations	1 798 765	1 887 010	(88 245)	104.90 %
3:Public Diplomacy and Protocol	121 204	118 418	2 786	97.70 %
4:International Transfers	473 530	402 150	71 380	84.92%
TOTAL	3 042 149	2 944 679	97 470	96.79%

During the year under review, the Department has utilised 96, 79 % of the total budget allocated. Furthermore, during the year under review funds were transferred within a programme to defray over-expenditure between economic classifications and a virement of R13.9 million was done between programme 1 and programme 2. The under expenditure can be attributed to the following reasons:

(a) Programme 1: Administration

The department is responsible for providing office and residential accommodation for its employees abroad including partner departments. During the year under review, the department developed an operational plan, which included the construction, acquisition and refurbishment of properties abroad. However, due to the requirements of different property markets there has been delays in concluding certain projects, hence the savings in payment for capital assets.

In order to resolve this matter, during the year under review the department engaged in a process to restructure its asset management unit as explained in note 6 (i) below. Furthermore, as reported in the previous year, the department commissioned a feasibility study in order to develop its property acquisition strategy. The report has been finalised and the recommendations will be implemented in the 2007/08 financial year.

(b) Programme 4: International Transfers

Transfer payments relate to membership fees and transfer payments undertaken by South Africa at international organisations. The savings can be attributable to the AU fees (R50, 681), UN fees (R10, 740), CTBT (R2, 607), and UNDP (R3, 394). The savings in the AU fees are due to the change in the formulation of African Union scale of assessment.

During the 8th Extraordinary Session of the AU Executive Council held in Khartoum, Sudan in January 2006 an AU budget comprising of an Operational budget (based of new Scale of Assessment approved in July 2005 in Sirte) and a Programme Budget (provided on a voluntary basis) was approved. Based on the new scale of assessment for the operational budget South Africa was required to make a contribution of 15% of AU operational budget. A decision for a voluntary contribution towards a programme budget was revoked, hence the savings. With regard to the UN fees and CTBT transfers, savings can be attributable to the scaling down of the assessed contribution. In addition the department is providing office accommodation to the UN institutions situated in South Africa, which is in accordance with international practice. During the year under review a provision was made for rent increase based on the additional space needed. However, suitable accommodation on a lease basis could not be obtained, which resulted in the savings

(iii) Over- expenditure

The over-expenditure in Programme 2 arose from the foreign rates fluctuations as explained above under expenditure trends. The over-expenditure has been recorded as unauthorised in note 11 of the Annual financial statements

(vi) Roll-over of funds

Projects initiated by the department could not be finalised during the year under review. A request for roll-over of funds to the 2007/08 financial year was submitted to National Treasury for the following projects:-

(a) Land and buildings – R77million

There was a delay in completing the following buildings projects; AddisAbaba, Maseru and maintenance in Lilongwe, Brussels, Sao Paulo and Windhoek due the stringent processes to be followed in order to commence with the constructions as well as the untenable weather conditions experienced in other countries. Furthermore, funding was requested for the purchasing of the existing building for the UNDP building and the chancery in Brussels.

(b) International Transfers – R17 million

A request was made for humanitarian aid to the following countries:

• Republic of Guinea

In light of the recent political challenges that had engulfed Guinea, an assessment was done to establish how the South African Government could assist and offer solidarity to the peoples of Guinea. The result of the assessment was that one of the main contributors to the political challenges in Guinea amongst other things is the socio-economic situation. The prevailing view is that the new Prime Minister will only be able to successfully execute his political programme if he is assisted to firstly ameliorate the socio-economic hardships facing the people of Guinea. Without such assistance the prognosis is that it would only be a matter of time before these challenges manifest themselves again as political problems.

The political instability in Guinea merits the full attention and engagement of the international community if the deepening humanitarian crisis across the region is to be avoided. There is a need to ensure lasting peace in Guinea as the danger of political instability and uncertainty may spill over into neighbouring countries, particularly Liberia, Sierra Leone and Cote d' Ivoire, thereby undermining the sensitive and fragile peace in those countries.

• Djibouti

During October 2006 moderate flash floods caused damage to small gardens, especially near the banks of the Ambouli dry creek. Poor rainfall in the Heys/Dada regions, which are vital in replenishing pasture and water points in the coastal areas, were recorded during 2006 with less than 20% of the average being recorded in many areas of Djibouti during November 2006. The traditional migrations of Ethiopian pastoralists to Djibouti's coastal areas added strain to the already limited resources in the Heys/Dada areas. In view of the current economic situation in the country, including varying climatic conditions, flash floods and insufficient rain, as well as migratory causes, humanitarian support was needed.

1.4 APPROPRIATION FOR UNAUTHORISED EXPENDITURE (R12 million)

For the past financial years, the department has been reporting unauthorised expenditure (R19, 135 million) in respect of previous years, as follows: R6, 358 million (2000/01), R5, 898 million (2001/02) and R6, 879 million (2003/04) in respect of excess expenditure. During the year under review, Parliament has authorised the expenditure (R12, 256) for 2000/01 and 2001/02 respectively). However no additional funding was granted. The department was informed that if funds were surrendered to the National Revenue Fund in the previous years, these funds can be requested again. In other cases where additional fund/drawings cannot be requested, the expenditure can be carried against savings for 2006/07, however within the virement rules. Hence a virement of R13, 9 million was processed between programme 1 and programme 2

1.5 LEASE PAYMENTS

As reported in the previous financial year, the department negotiated an arrangement whereby vehicles for Heads of Mission are provided on a financial lease basis. In line with the PFMA, approval was granted by National Treasury. During the year under review, the department has entered into an agreement with BMW AG, Germany for the supply of a minimum number of 121 BMW vehicles until December 2009. Funding facilities have been obtained from KBC Bank Deutschland AG based on a bi-annual payment basis to the Bank, which will commence once a Credit Agreement has been signed. A total of 37 units were ordered during 2006.

National Treasury granted approval that Political Office Bearers, including Ministers and Deputy Ministers may be provided with official vehicles in accordance with Practice Note N0.5, of 2006/07. In terms of the scheme the Ministers and Deputy Ministers may be provided with 2 x official vehicles, one vehicle to be utilised in Pretoria and another vehicle to be utilised in Cape Town. The department has purchased the vehicles for the political principals utilising the scheme.

In addition, the department has also awarded a Seat Management Services Tender (SMS) through the

State Information Technology Agency (SITA) whereby computer desktops, laptops and printers are provided on an operational lease for head office and all missions. This tender was awarded in order to replace all obsolete computer equipment and printers and to provide equipment capable of handling the new technologies that are currently being deployed as explained in note 5 (iii) below. Significant progress has been made in the deployment of the equipment.

2. OTHER ORGANISATIONS TO WHOM TRANSFER PAYMENTS WERE MADE

Transfer payments primarily arise from obligations undertaken by South Africa at international, regional and sub-regional multilateral levels. The payments, which are made by the Department, generally take the form of: -

- Membership dues to organisations such as the UN, the AU, the SADC, the Commonwealth, etc.
- Contributions to peacekeeping operations of the UN.
- Meetings of state (parties to international treaties) of which South Africa is a member, and in which South Africa has participated.
- Voluntary pledges that South Africa has made to international organisations for the purpose of humanitarian assistance, technical assistance, etc.

In the context of the UN, South Africa's assessed contributions to the regular budget are calculated at 0,41% of the total budget, while peacekeeping contributions are calculated at a 'developing country discounted rate' of 20% of 0,41% of the total cost of each specific UN peacekeeping operation. Contributions to other UN organisations, treaty bodies, etc. are determined on the basis of the calculation for South Africa's contribution to the UN regular budget as adjusted to the membership of the particular organisation or body.

With regard to the AU, South Africa's scale of assessment is at 15% of the total budget, which was duly paid. Although there was a resolution to split the budget of the AU into a component comprised of Operational budget (contribution based on Scale of Assessment) and Programme Budget (provided on voluntary basis) the implementation was

revoked. South Africa also contributes 20% to the budget of SADC, which was duly paid.

The Development Bank of Southern Africa (DBSA) was requested to establish and host the NEPAD secretariat, for the implementation of NEPAD. NEPAD is a pledge by African leaders to eradicate poverty and to place their countries on a path of sustainable growth and development, and to participate actively in the world economy and body politics. The South African contribution to the NEPAD secretariat is channelled through the Department of Foreign Affairs.

The Trilateral Joint Commission of India, Brazil and South Africa (IBSA) on 4 and 5 March 2004 resolved to establish a facility for poverty and hunger alleviation. Following the announcement the Governments of IBSA decided to establish a trust fund, within UNDP, in a framework for improved international cooperation, including the implementation of the Millennium Development Goals (MDGs)

The IBSA Trust Fund will be used to implement identified replicable and scaleable projects to be implemented in interested developing countries as examples of best practices in the fight against poverty and hunger, including actions in the areas of improved access to health, sanitation, education, and food security. In this regard the Heads of State and Government of the IBSA countries committed to make a contribution on an annual basis starting in the 2006/07 financial year.

With regard to accountability, these organisations and institutions prepare detailed financial statements, which are subject to auditing and public scrutiny. The detailed list of the transfer payments to these organizations and institutions is per note 9 and Annexure IJ of the Annual Financial Statements.

3. SERVICES RENDERED BY THE DEPARTMENT

(i) Consular services

Consular Services are those services rendered to South African citizens that travel, work, study or reside abroad and who require assistance or protection. Consular

Services arise from the mandate of Article V of the Vienna Convention on Consular Relations, 1963.

Consular services rendered to South Africans abroad include, but are not restricted to the following areas; visitation of injured, hospitalised persons, detained or imprisoned persons, child abduction and child stealing, destitute persons, victims of crime, assistance to companies, families of deceased persons and legal matters. Certain of these services involve both Mission and Head Office personnel travelling to destinations where these services have to be rendered.

During the year under review, the Department was involved in providing assistance to South African citizens involved in various human disasters, with particular reference to the war in Lebanon and school children injured in a bus accident in Argentina.

(ii) Agency services

Agency services are services rendered on behalf of other government departments, which are either not represented abroad or only represented at some missions. These departments include Home Affairs, Justice, Welfare, Transport, Agriculture, the South African Revenue Services and Trade and Industry. The directorate primarily supports the Department of Home Affairs with services that include passport processing, visas, work and study permits. Where the services being rendered require a fee, collection and payment are managed according to the relevant department's requirements and in accordance with Treasury Guidelines and Regulations.

In addition, the Department is the custodian of the QED payroll system, which is used to process allowances payable to transferred officials, including those of other departments. This service to other departments takes place on an agency basis. The Department therefore incurs the expenditure on a recoverable basis.

(iii) Legalisation functions

A further service that is rendered is the legalising of documentation for usage abroad. Legalising or

authenticating documents means that official documents are affixed, sealed and signed either with an Apostille Certificate (where countries are party to The Hague Convention of 5 October 1961), or with a Certificate of Authentication where countries are not party to the Hague Convention. The following services are provided:

- Authenticate official public documents executed within South Africa for use outside the Republic of South Africa by means of an Apostille Certificate or a Certificate of Authentication;
- If documents submitted are incorrect/incomplete, the client is provided with guidelines to obtain the correct signatures/documents;
- Provide clients with information when telephone/ mail enquiries are received with regard to legalisation of documentation.

During the year under review, 21 684 documents were legalised, an increase of 10.74% as against the previous financial year.

4. PUBLIC ENTITIES

The Department, in consultation with the National Treasury, is responsible for the administration of the African Renaissance and International Co-operation Fund (fund).

The fund is under the control of the Director-General: Foreign Affairs who, as the accounting officer, keep records and accounts of all payments into and out of the fund. An Advisory Committee was appointed to make recommendations to the Ministers of Foreign Affairs and Finance on the disbursement of funds, as provided for in the African Renaissance and International Co-operation Fund Act, 2000 (Act No. 51 of 2000). Due to the urgency of some of the projects as well as the lengthy process to be followed to finalise the projects, the Department had to utilise its own funds after the approval of the Director-General or the Minister. This is done with a view to obtaining the monies back from the fund once a letter of concurrence has been received from the Minister of Finance. This has resulted in the opening of control accounts (Payables and Receivables) in the books of the Department and the fund. The arrangement poses a risk to the department, as the amount owed by the fund is not enforceable in the event

that the Minister of Finance does not issue the letter of concurrence.

During 2001/02, the Government of the Republic of Mali made a request for financial assistance in hosting of the 23rd Africa Cup of Nations (AFCON) 2002 Tournament, which was held from 19th January to 10th February 2002. At the time of our intervention, it was established that the preparations for hosting of the tournament were still at initial stage, which rendered the tournament a non starter without South Africa's support.

Since South Africa was intending to bid for the hosting of the 2006 World Cup it was prudent that support to the AFCON initiative be given in order to gain the confidence of the world that Africa can host an event of the magnitude of the World Cup. Had the South African Government not intervened, the AFCON Tournament would not have taken place as no other African country would be in a position to host the tournament successfully at such a late stage.

The Department of Sports and Recreation was responsible for the management of the project through a Mali Trust Fund. However, due to increased costs, the Minister of Finance requested an audit of the Trust Fund before he could issue a letter of concurrence, which audit was duly conducted by the Auditor General. The Audit report together with the request for a concurrence letter has been submitted to the Minister of Finance for his consideration.

The financial statements of the Fund are prepared separately from the department as the Fund is registered as a Public Entity in terms of the Public Finance Management Act.

5. CAPACITY CONSTRAINTS

The Department is responsible for co-ordinating and leading the entire spectrum of South Africa's interaction with the world. Its activities are therefore multifunctional, varied and complex. In addition, the improvements in government processes, amongst others, the implementation of the PFMA, which aimed at modernising budget and financial management practices in departments in order to maximise capacity in delivering services to all stakeholders (citizens, customers' etc), remain a challenge.

The following interventions were implemented, in a phase-in manner, to address key capacity challenges faced by the department:

(i) DFA Capacity and skills development

South Africa's increasing role in international relations calls for a capable and committed cadre of Diplomats. The expansion of South Africa's representation abroad, particularly in Africa, necessitates that the department increases its human resource capacity and further develop existing skills in various areas of Diplomacy.

The Department has implemented a methodical, structured approach to address the number of vacancies existing. In this regard, the department engages in two recruitment drives in January and July of each year in order to attract and recruit new talent into the department. However, despite undertaking these two major recruitment drives, the filling of all vacancies still remain a challenge and is indicative of the general skills shortage experienced by both the public and private sector.

These recruitment drives accord the department the opportunity to also acknowledge internal talent through promotions.

The recruitment drives are aligned with the posting cycles of departmental officials serving in South African Missions abroad in order to afford them the opportunity to apply for advertised vacant posts. Resultantly, two-thirds of departmental vacancies are filled by internal candidates.

The Department's interventions in addressing capacity constraints include programmes targeting the unemployed youth:

- The Cadet Programme: The Department has recruited 43 young people that are currently being trained in Diplomatic studies in collaboration with the University of South Africa.
- Learnerships: As part of the broader Government initiative to address the challenge of unemployed youth, DFA continues to take on learners, with the focus on preparing them for future employment and addressing the department's capacity constraints.

(a) Employer Brand

To ensure that the Department continues to attract good people, the outreach programme to Universities and other institutions of higher learning has been expanded. The department participates in countrywide Career Exhibitions, including the Career Faire hosted by the SABC, and University Open Days. As part of the department's marketing strategy, the department contributes to career magazines and other publications such as the "Sunday Times – Best Companies of the Future", wherein the department was ranked amongst the top 50 preferred employers by commercial and law students.

(b) Further development of the Department's Skills Base

During the 2005/6 financial year the Human Capital Management Branch was created by merging, the Chief Directorate: Human Resources and the Foreign Service Institute.

The FSI has since introduced new programmes and improved existing ones to further enhance the departmental human resource capacity. The Department is exploring innovative ways of delivering learning to all employees, particularly those based abroad through e-learning. The FSI is also in the process of exploring the development of a "Masters Degree in Diplomacy" in collaboration with identified institutions of Higher Learning.

During 2006/7 a new course for Counsellors was introduced and initial results indicate that the introduction of this course has contributed significantly to the expansion of the department's skills base.

The FSI continues to provide broader training to employees in other Departments of Government in the areas of Protocol and Languages. The demand for this training is increasing.

During the year under review the department also provided assistance to other countries in the continent in terms of cooperation agreements with these countries. Such countries included the DRC, Rwanda and Mozambique.

The Department will continue with its efforts to intensify training on foreign languages (specifically, French, Portuguese and Spanish) and also to provide programmes for specific skills e.g. Multilateral Negotiations, Conflict Resolution Skills, Peace Diplomacy, Economic Diplomacy and Health Diplomacy.

The Department will provide the necessary means to the FSI to ensure that it is fully equipped and resourced in carrying out this mandate and becomes the centre of excellence for the training of South African Diplomats.

(ii) Management of the department's property portfolio

The property portfolio managed by the Department may be divided into two (2) distinct areas of focus, namely the international portfolio and the local portfolio.

In the international portfolio, the Department is responsible for all properties owned by the South African government in countries outside of our borders. All acquisitions and disposal of land as well as construction, maintenance and refurbishment of chanceries, official residences and staff housing are managed on an ongoing basis. In addition hereto, the Department also enters into lease agreements for the renting of chanceries, official residences and staff housing where no RSA government owned accommodation is available in a specific country.

In the local portfolio, the Department focuses on the procurement, construction and ultimate management of the 25 year concession as it relates to its new Head Office as well as manages the existing leases of the buildings in which it is housed. Accommodation at the various airports, which is used as State Protocol Lounges, as well as the office accommodation used by the UNDP, also resorts within this portfolio.

The Department has, in the year under review, reassessed the way in which property activities are being managed and has identified the need to consolidate all of its property activities into a single point of accountability. For this purpose, a Chief Directorate: Property and Facilities Management has been established. One of the key

functions of the newly established Chief Directorate will be to review and implement the property management strategy that focuses on the acquisition, maintenance and disposal of immovable assets. This strategy will then, in future, drive the business plans and funding requirements as it relates to property management.

(iii) Information Communications Technology

As reported in the previous year, the department commenced with the implementation of master system plan (MSP). The MSP highlighted the recommendations that warranted the establishment of several projects mentioned hereunder. Significant progress has been made with regard to the implementation of some of these projects namely: The Voice over Internet Protocol (VoIP) Network, Windows Advanced Server 2003, Business Process Management and Business Intelligence.

In the ICT plan for 2006/7, the implementation of the four strategic priorities were defined, however two of these priorities, Voice over IP and Windows 2003 Advanced Server, have been combined into one major project called UKUSA due to the dependency on each other and for better management of the implementation.

(a) UKUSA (Voice over Internet Protocol (VoIP) & Windows 2003)

The aim of the project is to provide the department with integrated, effective and efficient communication infrastructure that will provide connectivity for all the missions and the Head Office and improve collaboration and service delivery within the entire department though converged global network data and voice media. The VOIP will allow the department to integrate the telephone, e-mail and other applications to take advantage of benefits of unified messaging and reducing costs.

This project was developed and implemented in partnership with the Department of Home Affairs on a sixty and forty percent split on costs. During the year under review, a (R38 million) contribution made by the Department of Home Affairs towards the purchase of computer equipment has been reflected as non-cash value assets in notes 37 and 38

to the Annual Financial Statement. These assets have also been captured in the Asset Register. As in the last report, the project is divided into two phases, which are: phase 1, the primary deployment involving six (6) Hubs that is Head Office; Washington; New York; Chicago; Maputo and Gaborone with all deployed.

Phase 1 is completed and operational. The second phase deployment to all missions is 53% complete with almost all equipment shipped to the sites (missions). The telecommunication links for these remaining sites will be deployed in line with the project.

This project is being implemented in conjunction with the Dimension Data Consortium and good progress has been recorded thus far. Cisco has already recognised the project with an innovation award for the best unified communications project of the year 2007, citing it as a well-managed, strategic converged communication network deployed in South Africa.

(b) Data Warehousing/ Business Intelligence (BI)

The aim of the project is to provide Human Resources and Finance with an executive business analysis and reporting tool. This project entails:

- executive business decision and analysis tool
- building and accessing information by topic (data-marts)
- collaborative information building
- sharing information
- Development of central repository for all DFA data
- Introduction of work-flow
- Common search engine
- Split repository for secure and open information.

During the year under review, the development of the basic system, which covers process priorities by both units have been completed. The SAS Business Intelligence software equipment has been purchased and installed. The scope of the project covered the 1st Iteration, which included the HR and Finance business units. The 1st iteration of the project has been completed and is operational with Locally Recruited Personnel (LRP) unit fully utilising the system and already realising the benefits. The project is in a stabilisation phase.

(c) Business Processes Management

The aim of the project is the automation of business process, providing optimised work flow with built in business rules for the Consular Services and Diplomatic Immunity and Privileges. Business Process Management (BPM) automatically manages the processes, by accessing repositories, applications, knowledge, workers, and /or databases at the appropriate point in the business process. BPM not only allows a business process to be executed more efficiently, it also provides the tools to measure performance, identify opportunities for improvement.

For Consular Services, the project has (8) eight processes that are all developed and tested. Currently the project is being piloted at Head Office and (3) three missions. For Diplomatic Immunity and Privileges, the project has (7) seven management processes, which include sub-processes totalling (28) twenty eight in number. Current status, a total of (18) eighteen have been developed and tested.

6. CORPORATE GOVERNANCE ARRANGEMENTS

The Department has progressed significantly in complying with the principles of good corporate governance during 2006/7 financial year. Concerted effort has been made to subscribe to relevant provisions of the King 2 report and other relevant persuasive literature. Policies, practices and processes were further evaluated and developed and are in compliance with the principles enshrined in the Constitution and the Public Finance Management Act and that these policies, practices and processes are valid, fair, transparent, adequate, efficient and effective. Furthermore departmental policies, processes and practices are benchmarked against international best practices and comply with the principles of economy, efficiency and effectiveness.

(i) Policies, Processes and Procedures

The Public Finance Management Act (PFMA) requires the Accounting Officer of the Department to ensure that the Department has and maintains effective, efficient and

transparent financial and risk management and internal control. The existence of a valid, approved set of policies, processes and procedures is one of the fundamental requirements for the existence of an adequate, effective system of internal controls. During the year under review, the Department continued with the reviewing of existing policies, processes and procedures and compiling policies, processes and procedures where these were either inadequate or non-existent. Furthermore, the comprehensive review and re-designing of the Administrative Code of the Department has continued. Considerable progress has been made in this regard. Considering the magnitude of the task, this process will continue during the new financial year.

(ii) Risk Management Approach

The Department of Foreign Affairs has adopted risk management as one of the management tools for the effective, efficient management of operations. The Department furthermore follows the risk-based approach to assess the systems of internal control. The Department's Risk Management Strategy was re-approved by both the Audit Committee and the Departmental Management and the high-level risk profile (Strategic Risk Profile) that was developed was used as a platform and foundation for identifying and responding to the business risks of the Department. Furthermore, detailed Operational Risk Profiles were developed for each unit in the department to assist managers at Directorate level to manage business risks and to utilize risk management as an effective management tool. These risk profiles were accepted by both the Management and the Audit Committee of the Department. The Department has adopted Control Self Assessment as a management tool in the Total Risk Management approach and Control Self Assessment will be vigorously promoted and implemented during the new financial year.

(iii) Fraud Prevention

The Department's Fraud Prevention Policy and Strategy has been in existence for a number of years and was re-confirmed during the 2006/7 financial year. The Fraud Prevention Control Committee that was established to

oversee the implementation of the requirements of the Policy and Strategy, met regularly, on a monthly basis, for the purposes of implementing the Policy and Strategy. The Fraud Prevention Policy and Strategy, and the Fraud Awareness Manual were made available to all employees of the department. Furthermore, a Fraud Awareness presentation was work-shopped to all officials stationed at the Head Office and the Fraud Hotline implemented by the Office of the Public Service Commission was vigorously communicated to all officials. Officials were encouraged to report alleged instances of fraud and corruption and were assured of the Government's and the Department's stance against fraud and corruption. The department will continue its efforts in promoting a corruption-free environment.

However, our employees stationed abroad are still not able to access the Fraud Hotline number and the matter is being pursued with Office of the Public Service Commission.

(iv) The Audit Committee and Internal Audit

The Audit Committee and The Internal Audit Unit have been functional since 2002 and continue to play an important role in the corporate governance mechanism of the Department. The Unit was strengthened during the year with the appointment of new staff members. However, because of the scarcity of skills in the Internal Audit environment, the Unit lost 3 members during 2006/7. Further appointments will be made in the 2007/8 financial year and will further strengthen the Internal Audit Unit.

The Unit has conducted a number of internal audits, performance audits and special investigations during the year and has offered the Department comprehensive recommendations for improvement, where relevant and necessary. The Unit was also involved in disciplinary cases initiated by the Department.

During the year under review, the Internal Audit Unit conducted a comprehensive departmental-wide risk assessment, the results of which have been accepted by both the Audit Committee and Departmental Management.

In accordance with the International Standards for the

Professional Practice of Internal Auditing, an external independent Quality Assurance Review of the Internal Audit Unit was conducted by the Institute of Internal Auditors. The Unit was found to generally conform to all the International Standards.

(v) Continuous Updating of Good Corporate Governance Principles and Management of Conflict of Interest

The Department has also implemented measures to ensure that management and departmental staff members are continuously updated on good corporate governance principles. In pursuance thereof, Corporate Governance is included in the training offered to newly appointed Heads of Mission, candidates undertaking the Mission Administration Course and those candidates on the Diplomatic Training Course. Corporate Governance is also included as part of the Internal Audit matters as a standing item in the Departmental Management Committee meetings. Departmental Management Committee members are continuously updated on the latest developments of corporate governance.

The Department furthermore complies with the requirement that all senior managers disclose their financial interests to the Office of the Public on an annual basis and has put into place mechanisms to manage any possible conflict between private and departmental interests of employees. In this regard all officials are required to disclose all conflicts, potential or otherwise, with regard to any activity that the employee may be involved in.

(vi) Investigations Management and Monitoring Committee

During the year under review, the Investigations Management and Monitoring Committee continued with its tasks of ensuring that all investigations conducted in the department meet certain prescribed standards and to offer recommendations to the Department on the results of these investigations. This Committee contributes to good governance within the Department by ensuring that thorough investigations are conducted and that results of investigations are supported with adequate, relevant,

reliable and competent evidence and cases are finalised within timeframes, as well as to ensure that proper attention is accorded to all disciplinary cases.

(vii) Audit Steering Committee

An Audit Steering Committee comprising of representatives from each branch within the department has been established as part of the corporate governance mechanism. The role and functions of the Audit Steering Committee is to ensure that all audit recommendations, both external and internal, are accorded due attention by the department and implemented. The Audit Steering Committee has met on a monthly basis during the year under review and has incorporated the Fraud Prevention Control Committee and the ICT Steering Committee.

7. PERFORMANCE INFORMATION

The Department has developed its strategic plan for the next MTEF period, which articulates the strategic priorities of the Department. The plan includes all statutory requirements as defined in chapter 5 of the PFMA and chapter 1, part III B of the new Public Service Regulations (2001).

(i) Performance management system

The performance management and development system is a management tool for the effective monitoring of individual performance to ensure that departmental goals are achieved in line with its strategic plan. The department's performance management system is well integrated into the Strategic Planning process of the Department, and encourages a cascading effect of priorities and goals from the Departmental Strategic Objectives to the Business unit level and down to the individual's performance agreement.

During the year under review, the department ensured that Business Units have business plans and all employees have signed performance agreements and their activities are ultimately tied to the broader organisational goals. A committee was established to ensure alignment of Performance Agreements to Business Plans. However, the implementation of the PMDS still poses some challenges

with particular reference to compliance and evaluation of business unit performance as against predetermined objectives.

With regard to Branch performance evaluations, a two-pronged approach was adopted, whereby for the period April 2006 to September 2006 individual branch reviews were conducted and for the period October 2006 to March 2007 a departmental review was conducted. To ensure that Branches report against predetermined objectives as stated in the departmental Strategic plan a template was designed for the submission of the reports. Furthermore, the designed template will be utilised for the submission of quarterly reports in the next financial year. To strengthen the implementation of PMDS, Business Units and Missions were not allowed to utilise their budget without the submission of Business Plans and Performance Agreements.

The Department has progressed considerably in embedding the PMDS and rewards. Extensive training was provided for Moderation Committees and detailed guidelines were developed for the evaluation process. The recognition for employees was based on the performance appraisal outcomes as against the individual performance agreement as well as the performance of the Unit.

(ii) Systems of implementation and monitoring

The Minister, Deputy-Ministers and Director-General monitor the implementation of policy and the strategic plan by ambassadors at missions abroad and by senior officials of the Department. Branches of the Department and the programme managers at Business Unit level determine regional priorities and objectives, which are aligned to the Department's strategic plan and priorities. Directorates and missions abroad implement business plans, which are country and region-specific. The Business Unit Heads monitors implementation performance through a system of quarterly reports to head office on progress, supported by weekly and regular interaction and reports on the substance of the set objectives. The monitoring of progress and performance is further enhanced by the following systems:

- Business unit business plans and quarterly reports;
- Mission business plans and quarterly reports;

- Six-monthly reviews of the operating environment and priorities;
- A performance management system at all levels; and
- A departmental in-house six-monthly/annual strategic review.

These systems are further integrated and co-ordinated by a process of departmental management committees to ensure a coherent and focused approach. As part of the Strategic monitoring process, as explained above the branches engaged in mid-term reviews to determine the extent to which goals were achieved and to conduct an analysis of mission spending against its budget.

During the year under review a Heads of Mission conference was held in February 2007 in Cape Town. The forum provided for the Heads of Mission to be briefed by the Presidency, various ministries and business on various strategic issues relevant to our foreign policy objectives. The outcome of the conference has been integrated into the 2006/07 Strategic Plan and also formed an integral part of the mission business plan. To ensure the continued improvement on monitoring the performance information a departmental business plan for 2007/08 financial year has been developed.

8. PUBLIC PRIVATE PARTNERSHIPS (PPP)

The Department's project to acquire a suitable and sustainable working environment for its total Head Office staff complement has advanced steadily during the year under review.

The scope of the project encompasses:

- a) the provision of office accommodation for the full Head Office staff complement, together with appropriate staff wellness facilities necessary for the Department to fulfil its mandate;
- b) a training facility to replace the present FSI;
- c) a conference centre seating 400 delegates to accommodate the many local and international conferences hosted by South Africa through the Department;
- d) the upgrading of the existing diplomatic guest house; and

- e) the construction of a new guest house on the selected site.

A detailed feasibility study was concluded during 2004 and submitted to the National Treasury for approval. This feasibility study identified a suitable site for the project, proved the project to be in the best interest of the department and defined the scope of the project. The feasibility study furthermore proved the project to be affordable and viable to be implemented via a Public Private Partnership. Treasury Approval 1 in respect of the feasibility study was received in November 2004, which approval paved the way for the commencement of the procurement process.

The procurement process aims to select a Private Party with which the Department will enter into a long term (approximately 25 year) concession agreement to finance, design, construct, operate and maintain the Head Office facility. Following a Request for Qualification (RFQ) process and Request for Proposals (RFP) phases, the Department identified two (2) consortia for final consideration.

During the financial year under review, the Department embarked upon a Best And Final Offer (BAFO) process with the two short-listed bidders. Following a detailed evaluation of the bids submitted, the Department selected its Preferred and Reserve Bidder in September 2006 and commenced with final negotiations. Negotiations around the PPP agreement were largely completed in December 2006 with the first three months of 2007 focussing on the schedules to the agreement as well as financial and technical issues. Towards the end of the financial year, the Department decided to enter into an Early Works Agreement with the Preferred Bidder in order to contain the construction cost and to define the completion date of the project, thereby limiting the negative influences of the present buoyant construction market on the project's affordability. This has also allowed the construction to commence in May 2007.

It is expected that financial close will be reached in the first quarter of the next financial year with the service commencement date of March 2009.

9. MISSION FINANCIAL SYSTEM

The department continued with the development of a financial system for the missions that would enable the department to meet its financial reporting obligations as required by the PFMA. The department completed the development of all the modules and replaced the foreign currency system with DIGICA. However, the rolling out of the system has been delayed due to the dependency on VoIP network project, as the financial system to be implemented is an online financial package. To obviate the problem the team was requested to develop an additional program that would be able to accommodate the downloading of information to be interfaced to BAS. The development of the program is now at the final stages and the roll out will begin by August 2007. However, the department continues to use the system as developed in Phase 1.

The on line financial system, which will include Business Cycle Process Automation, Business Cycle Management and automation of processes is planned to take place with effect from 1st April 2008.

10. PAYABLES

The department is currently utilising three banks (FNB, Standard Bank and ABSA) to transfer foreign currency funds to the Missions abroad for their operations. In terms of the agreement the department evaluates the request from the mission and authorises the bank to process the transaction after the equivalent rand value has been paid to the local commercial bank.

During the year under review, certain payments for the month of March were transferred to the mission by the bank (ABSA) before a payment was made by the department, hence an amount of R33 million has been recorded in payables. However, the amount has been cleared during the month of April 2007.

11. RECEIVABLES

During the year under review, the department made an effort to manage the partner department's accounts. Statements indicating current and older balances per financial year

were sent to the departments on a monthly basis. All efforts were made to ensure that all supporting vouchers were forwarded to the respective Departments and copies of vouchers not paid were also kept by the department. This was to ensure the validity and existence of the debts recorded against partner departments. The efforts resulted in the recoverability of more than 50% on old debts being debts recorded for periods prior to the 2006/2007 financial year. At the beginning of the financial year 2006/07, the partner departments owed DFA an amount of R129 million and of that an amount of R66 million has been recovered with a balance of R63 million still being owed to DFA at end of 2006/2007 financial year. The institution and provinces opened with a balance of R112 million and an amount of R60 million was recovered leaving a balance of R52 million. In order to ascertain the recoverability of the remaining R63 million and the R52 million an analysis of partner department and institutions balances was done. The analysis indicated the following:

Partner Departments

Details of Claims	Amount	Action to be taken
Claims with supporting schedules	R47m	Obtain supporting vouchers and further analyse and send statements to partner departments for recovery
Claims with supporting vouchers	R5m	Make follow ups on payments by partner departments
Claims without supporting documents	R11m	Categorise per financial year and recommend write offs (all for 2003 and prior)
Total	R63m	

Institutions

Details of Claims	Amount	Action to be taken
Claims with supporting schedules	R33m	Obtain supporting vouchers and further analyse and submit to partner departments for recovery
Claims with supporting documents	-R1m	Investigate the credit balance of R1 million and implement the necessary action by October.
Claims without supporting documents	R20m	Categorise per financial year and recommend write offs (all for 2003 and prior)
Total	R52m	

As indicated in the tables above an amount of R31 million will be recommended to National Treasury for a write off as it relates to periods prior to 2003. This figure represents 27% of the total owed on balances prior 2006/07 and has been disclosed in note 36 of the annual financial statements.

In summary, an amount of R241 million owed to department at beginning of financial year, R126 million was recovered which translate into a 52% recovery. This to the department was an achievement on the effort put on collecting the old outstanding balances. The department is confident that documentation for the remaining R80 million will be forwarded to the departments, proof of the validity will be requested from the various missions where possible and departments will be in a position to repay the amounts owed to DFA.

During the current financial year, the department has processed claims and strict measures were implemented to ensure that the current financial year claims are recovered. As indicated

above all claims to departments were accompanied by vouchers and monthly reconciliations and prompt follow ups were done. The table below indicates recoveries done for current year:

Debt category	2006/07 claims	Recoveries	% recoveries	Balance owed
Partner Depart	327m	-238m	72.78m	89m
Institutions & Provinces	193m	-143m	74.09m	50m
Total	520m	-381m	73.27m	139m

Included in the amount of R520 million is an amount of R51 million for claims relating to February and March 2007, that could not be submitted to relevant departments. This is due to the time required to receive and process the claim (supporting vouchers) from DFA missions abroad where they originate. This amount was however, included in the confirmation certificates sent to departments and were indicated as funds in transit. This amount therefore, could neither be confirmed nor paid during 2006/07 by the partner department concerned. These claims have been subsequently forwarded to the relevant departments during May and June 2007.

During the year under review, the department continued to engage National Treasury on the issue of the agency services on behalf of other departments and the impact it has on the cash flow of the DFA as well as the clearing of outstanding balances. This was also raised by the previous CFO, Mr Apleni as a concern in the CFO's forum during the financial year. Various engagements by the CFO as well as the financial team were conducted during the year to resolve the issue of old debts as well as current ones. This resulted amongst others in the drafting of the Memoranda of Understanding that were sent to various departments addressing the issue of how service should be managed. To date very few departments have responded and follow ups on the MOU's have already been put into place through various appointments with relevant departments. The Director General has further raised this matter with the other Directors-General as an issue to be discussed at FOSAD. National Treasury has since included in their in-year monitoring the issue of payments by partner departments. Quarterly reports will thus be provided to National Treasury for discussions with the various programme managers.

It is a fact that the partner departments, provinces and institutions have not confirmed the balances as required by DFA and as noted by the Auditor General. However, subsequent to the financial year end, payments to the value of R60 million (April to June 2007) were received in lieu of outstanding balances. This is an indication that departments are aware of the outstanding balances despite their non-confirmation. The table below details payments made subsequent to year end.

Summary of payments after financial year end

Debt category	Opening balance	Current balance	Total
Partner Depart	1,271m	35,129m	36,400m
Provinces	0,303m	1,961m	2,264m
Institution	4,779m	17,197m	21,976m
Total	6,353m	52,849m	60,640m

12. MANAGEMENT OF FIXED ASSETS

A phased approach to asset management has been taking place since the enactment of the PFMA. National Treasury has been providing guidance in this regard in terms of minimum information required for the asset register. However, the implementation of the minimum requirements has been challenging due to limited resources both human and systems.

During the year under review, the department continued to improve its processes in relation to Asset Management. National Treasury's Asset Management Implementation Strategy of complying with the minimum Asset Register requirements and establishing an Asset Management Team (headed by a deputy director) was accomplished. This paves the way for the Department to now develop a comprehensive Asset Management Strategy together with life cycle plans, a fully compliant asset register (including valuation of assets) in line with National Treasury's Broad Implementation Plan.

The roll out plan from National Treasury provided for a phased approach to the development of the asset register. The first phase was to ensure that all assets are uniquely identified and reflected in the asset register. Where actual values or fair values could not be determined, R1.00 values were to be used. The last phase provides for determination of actual or fair values by 31 March 2008.

The current accounting policy as well as the guidelines from National Treasury acknowledge this fact and makes provision for assets to be valued at R1.00 where actual or fair values cannot be determined. The Department has engaged in a project of determining fair values for all the assets with R1 value including those assets whose purchase date could not be determined. All the assets have been revalued and Auditors were kept informed of the processes followed in conducting the revaluation.

To meet the requirement of the National Treasury asset management roll out plan, the department will engage in a process of re-valuing assets in the financial year 2007/08.

13. PROGRESS WITH FINANCIAL MANAGEMENT IMPROVEMENTS

During the year under review, the department identified the following critical issues as part of its strategy in improving financial management.

(i) Improvement of corporate service management at missions

A scorecard was partially implemented to monitor and evaluate whether the normative measures set for the various corporate services functions at missions were being complied with and to consider corrective measures where necessary. The scorecard also provides for monitoring of whether Head Office components (business units) are responding and attending to mission correspondence timeously.

(ii) Effective management of debtors

Several interventions have been introduced to improve the management of departmental debts. These are:

- Performing monthly reconciliations, monitoring of the accounts and analysing debts in order to determine the risk of bad debts occurring.
- Undertaking a bi-annual exercise of getting partner departments to confirm balances much earlier in the financial year.
- Developing Memoranda of Understanding to be entered into with partner departments (to be operationalised in the coming financial year).
- Regularly despatching monthly statements to all debtors

Furthermore, the Department has approached National Treasury with a view to obtaining an approval for implementing an integrated debtors management system. This request has been referred to SITA for their consideration.

(iii) Develop and implement policies and standard operating procedures

As part of the ongoing efforts of improving the internal control culture in the department, a crucial element of financial

management, a number of policies and procedures were developed and some are being prepared for final approval.

(iv) Implementation of Supply Chain Management (SCM) Framework

A SCM Implementation Plan was developed encompassing the restructuring of the Directorate (upgraded to a chief directorate) in line with SCM Framework, which was approved and implemented. Training was provided for the Branch Bid Committee, Departmental Bid Committee and SCM staff members. The mission tender control committees have been established and operationalised. In the following year a system to monitor utilisation of BEE and SMME entities will be developed and the service delivery improvement plan including Batho Pele Principles formalised. Overall, great strides have been made to implement foundational blocks for the successful implementation of SCM.

(v) Resource Management

During the year under review the department continued with the budget review sessions with all Missions and Head Office as a mechanism to ensure that all missions operate within their allocated budget and that sound financial management principles required in terms of the PFMA are being complied with.

14. CONTINGENCY LIABILITIES

(i) Housing and motor finance guarantees

This relates to the financial guarantees made to commercial

banks in respect of employees when they purchase a dwelling or a vehicle in terms of the housing policy or motor finance scheme. In the event that an employee fails to meet his/her obligation to the bank, the Department either deducts the guarantee amount in instalments from that employee's salary or against his/her pension. In addition, should the employee resign from the service, the Department notifies the bank concerned and terminates the guarantee.

(ii) Financial guarantees

The Department of Water Affairs and the Lesotho Highlands Development Authority, through the Department of Foreign Affairs of the respective countries, entered into a water treaty agreement in terms of which the Lesotho Highlands Development Authority was to supply water to South Africa.

In order for the Lesotho Highlands Development Authority to meet this challenge, it had to improve its infrastructure. The Lesotho Highlands Development Authority then applied for a loan from the Development Bank of South Africa. As part of the agreement, the Department stood surety for the loan. It is important to report that all the repayments have been kept up to date.

15. SCOPA RESOLUTIONS

The table below summarises the Standing Committee on Public Accounts (SCOPA) resolutions under implementation, as contained in SCOPA seventy-seventh report, 2003 on the report of the Auditor-General on the financial statements of the department for the year ended 31 March 2002 [RP206/2002]:

Reference to previous audit report and SCOPA resolutions	Subject	Findings in progress
<p>(1) Resolution – audit report 2001/02</p> <p>The Committee recommends that:</p> <ul style="list-style-type: none"> • the department resolves the matter with other departments as speedily as possible; • a progress report on the matter be furnished to Parliament within 60 days after the tabling of this report in Parliament • the Auditor-General reports thereon in his next report on foreign affairs 	Receivables- Interdepartmental balances	<p>The resolution is under implementation.</p> <p>Please refer to paragraph 11 of the Accounting Officer's report.</p>
<p>(2) Resolution – audit report 2001/02</p> <p>The Committee recommends that:</p> <ul style="list-style-type: none"> • the department indicates the nature and impact of the corrective steps it intends to take to rectify the situation; • the Auditor-General reports thereon in his next report. 	Computer audit	<p>The resolution is under implementation.</p> <p>Please refer to paragraph 5(iii) of the Accounting Officer's report.</p>

Apart from the above-mentioned, there have been no other SCOPA resolutions since the 2001-02 audit report.

16. EVENTS AFTER REPORTING DATE

At the time of reporting, no material events affecting the operations of the Department occurred.

Approval

The financial position of the Department as at 31 March 2007 and the results of its operations are set out in the attached financial statements:

- Appropriation statement
- Notes to the appropriation statement
- Statement of Financial Performance
- Statement of Financial Position
- Statement of changes in Net Assets
- Cash flow statement
- Notes to the Annual Financial Statements
- Disclosure Notes to the Annual Financial Statements
- **ANNEXURES**
 - Annexure 1F : Statement of Unconditional Transfers to Municipalities
 - Annexure 1G : Statement of Transfers to Departmental Agencies and Accounts
 - Annexure 1I : Statement of Transfers to Public Corporations and Private Enterprises
 - Annexure 1J : Statement of Transfers to Foreign Govt. and Inter. Organisations
 - Annexure 1L : Statement of Transfers/Subsidies to Households
 - Annexure 1M : Statement of Gifts, Donations and Sponsorships Received
 - Annexure 1O : Statement of Gifts, Donations and Sponsorships Made
 - Annexure 3A : Statement of Financial Guarantees Issued
 - Annexure 3B : Statement of Contingent Liabilities
 - Annexure 4 : Inter-Governmental Receivables
 - Annexure 5 : Inter-Departmental Payables – Current

The Accounting Officer has approved the above-mentioned financial statements.



DR. A NTSALUBA

Director-General: Department of Foreign Affairs

Date: 31 May 2007



AUDITOR - GENERAL

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE ANNUAL FINANCIAL STATEMENTS OF THE DEPARTMENT OF FOREIGN AFFAIRS – VOTE 3 FOR THE YEAR ENDED 31 MARCH 2007

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Foreign Affairs which comprise the statement of financial position as at 31 March 2007, appropriation statement, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 26 to 94.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in the accounting policy 1.1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:
- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution

of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004), my responsibility is to express an opinion on these financial statements based on my audit.

4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 647 of 2007, issued in Government Gazette No. 29919 of 25 May 2007. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
- appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as

set out in the accounting policy 1.1 to the financial statements.

Opinion

9. In my opinion the financial statements present fairly, in all material respects, the financial position of The Department of Foreign Affairs as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy 1.1 to the financial statements and in the manner required by the PFMA.

Emphasis of matter

Without qualifying my audit opinion, I draw attention to the following matter:

10. Note 16: Receivables and Annexure 4: Inter-governmental receivables
Disclosed in note 16 and annexure 4 to the financial statements are intergovernmental receivables of R157.4 million (2005/06: R177.6 million) of which R59.9 million relates to amounts owing for a period longer than one year. The department has made significant efforts to recover these long outstanding debts resulting in 51% of all debts outstanding at the beginning of the current financial year being recovered.
Included in these long outstanding amounts is an amount of R31 million for which the department could not obtain supporting documentation. Furthermore, these debts could not be confirmed by the related inter-governmental departments which created audit uncertainties about the validity and recoverability of these debts.
On 16 August 2007 the National Treasury communicated in writing to the department that the accounting officer may in terms of Treasury

Regulation 11.4 issued in terms of section 76 of the PFMA, write off the long outstanding debt of R 31 million from departmental saving from current and future financial years. The aforementioned process as well as the controls over interdepartmental debtors will be followed up during the 2007/08 audit.

OTHER MATTERS

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

11. Non-compliance with section 40 of the PFMA
Included in the fixed asset register were 2 306 assets purchased after 1 April 2002 which were captured at a value of R1. Subsequently an adjustment of R1 120 390 was processed to revalue these assets to comply with the department's accounting policy as the original purchase invoice amounts of these assets could not be traced to the related invoices. Furthermore, a large number of the aforementioned fixed assets disclosed on the fixed assets register did not contain the date that these assets were purchased.
12. Value for money matters
The department's HR plan did not comply with Part iii, D.1. C. of the Public Service Regulation. This regulation requires that the department plan within the available budgeted funds, for the recruitment, retention, deployment and development of human resources. The regulation also requires that the costs of strategies to address the gaps be determined and the target dates for the achievement and finalisation of these strategies be set. It was also noted that the department's funded and unfunded vacancy rate as at 31 March 2007 was 35%. The department has however experienced practical problems in filling these posts due to a limitation of space within the current office structure and has never been able in any of

the cycles to fill all the vacancies, due to shortage of skills in the labour market.

13. Matters of governance: Annexure 4. Inter-governmental receivables: African Renaissance and International Co-operation Fund
As reported in the previous years audit report, the balance of R 48,2 million (2005/06: R 48,2 million) of the control account of African Renaissance and International Co-operation Fund account included a series of payments totaling R29.9 million, which the department had made in 2002 on behalf of the fund to the Mali Trust Fund to enable the hosting of the twenty-third Africa Cup of Nations soccer tournament. At that time, the Mali Trust Fund had been managed by Sports and Recreation South Africa.

The total payment of R29.9 million exceeded the initial amount pledged and contrary to section 5 of the African Renaissance and International Co-operation Fund Act, 2000 (Act No. 51 of 2000), these payments have not been regularised by the advisory committee. During the year under review the department received the audit opinion from the Auditor General related to the expenses for Mali Trust Fund, however, concurrence by the Minister of Finance is still outstanding.

14. Delay in finalisation of audit

Due to the national public sector strike action during June 2007 the Auditor-General had to delay the finalisation of the affected departments, although this department has not been affected. As a result, the Auditor-General's consistency review process of the audit reports could only be conducted subsequent to 31 July 2007, the consequence of which was a delay in the finalisation of the audit of this department for the 2006/07 financial year.

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

15. I have audited the performance information as set out on pages 42 to 230 of Part 3.

Responsibilities of the accounting officer

16. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

Responsibility of the Auditor-General

17. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with General Notice 646 of 2007, issued in Government Gazette No. 29919 of 25 May 2007.

18. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgment.

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

Audit findings

20. As per the requirement of the PFMA section 40(3)(a) and Treasury Regulation 5.3.1 the annual report of the department should fairly present its performance against predetermined objectives and quarterly reports should be prepared. The following exceptions have been identified:

- The department's objectives per the strategic plan were aligned to the operational plan and did not define the outputs for each of the respective years.
- The department prepared biannual performance information reports for the year under review. The department was, however, required to prepare quarterly reports.
- Targets did not always include quality, quantity or timeliness during the year under review. The department has, however, included these requirements for the following financial year.
- The reasons provided for the differences between planned and actual performance were not always adequate.

APPRECIATION

21. The assistance rendered by the staff of the department during the audit is sincerely appreciated.



DEL Zondo
for Auditor-General
Pretoria
31 August 2007



AUDITOR - GENERAL

ACCOUNTING POLICIES for the year ended 31 March 2007

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

1. Presentation of the Financial Statements

1.1 Basis of preparation

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

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

1.5 Comparative figures – Appropriation Statement

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

2. Revenue

2.1 Appropriated funds

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

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National Revenue Fund, unless approval has been given by the National Treasury to rollover the funds to the subsequent financial year. These rollover funds form part of retained funds in the annual financial statements. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is paid into the National Revenue Fund when received, unless otherwise stated. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the statement of financial performance when received.

2.2.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

2.2.3 Fines, penalties & forfeits

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

2.2.4 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

2.2.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

2.2.6 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

Forex gains are recognised on payment of funds.

2.2.7 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the National Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the financial statements.

2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the department directly receives the cash from the donor(s).

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance. The value of the assistance expensed prior to the receipt of the funds is recognised as a receivable in the statement of financial position.

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

2.4 CARA Fund assistance

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as current or capital expenditure in the statement of financial performance.

Unspent CARA funds are transferred to Retained Funds as these funds do not need to be surrendered to the National Revenue Fund.

3. Expenditure

3.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the statement of financial performance.

All other payments are classified as current expense.

Social contributions include the employer's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the statement of financial performance when the payment is effected on the system.

3.1.1 Short term employee benefits

Short term employee benefits comprise of leave entitlements (including capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

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

3.1.2 Long-term employee benefits

3.1.2.1 Termination benefits

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

3.1.2.2 Post employment retirement benefits

The department provides retirement benefits (pension

benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the payment to the fund is effected on the system (by no later than 31 March of each year).

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the 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 services were used on a capital project or an asset of R5000 or more is purchased. All assets costing less than R5000 will also be reflected under goods and services.

3.3 Interest and rent on land

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

3.4 Financial transactions in assets and liabilities

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

Forex losses are recognised on payment of funds

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

3.5 Unauthorised expenditure

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

Unauthorised expenditure approved with funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.7 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.

3.8 Transfers and subsidies

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

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an

expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year)

4. Assets

4.1 Cash and cash equivalents

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

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

4.2 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

4.3 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.4 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance when the cash is received.

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 disclosure note 36.

4.5 Loans

Loans are recognised in the statement of financial position

at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary. Amounts that are potentially irrecoverable are included in disclosure note 36.

4.6 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

4.7 Capital assets

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 capital asset may be stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised as assets on completion of the project and at the total cost incurred over the duration of the project.

Disclosure Notes 37 and 38 reflect the total movement in the asset register for the current financial year.

5. Liabilities

5.1 Payables

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

5.2 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These 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.

Operating and finance lease commitments are expensed

when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures to the financial statements.

5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

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

5.4 Contingent liabilities

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

A contingent liability is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure notes.

5.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

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.

6. Net Assets

6.1 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 transferred to the National Revenue Fund on disposal, repayment or recovery of such amounts.

6.2 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.

7. Related party transactions

Related parties are parties that are controlled or significantly influenced by the department in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.

8. Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department.

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

9. Public private partnerships

A public private partnership (PPP) is a commercial

transaction between the department and a private party in terms of which the private party:

- Performs an institutional function on behalf of the institution; and/or
- acquires the use of state property for its own commercial purposes; and
- assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and
- receives a benefit for performing the institutional function or from utilizing the state property, either by way of:
 - consideration to be paid by the department which derives from a Revenue Fund;
 - charges fees to be collected by the private party from users or customers of a service provided to them; or
 - a combination of such consideration and such charges or fees.

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

10. Expenditure incurred abroad in foreign currency

For expenditure incurred at missions abroad, the Rand value of cost is determined by the spot rate of exchange upon transfer of funds and the cost incurred in foreign currency. Mission cashbook balances are re-valued using daily spot rate of exchange upon each transfer of funds. Transactions processed against balance sheet items, at missions abroad are valued at historical rate of exchange.

APPROPRIATION STATEMENT PER PROGRAMME
for the year ended 31 March 2007

	2006/07				2005/06				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	382,128	(3,686)	(13,900)	364,542	359,002	5,540	98,5%	377,794	360,558
Transfers and subsidies	3,467	3,686	-	7,153	7,079	74	99,0%	6,912	6,891
Payment for capital assets	276,955	-	-	276,955	171,020	105,935	61,8%	103,504	90,531
2. Foreign Relations									
Current payment	1,721,199	-	13,900	1,735,099	1,825,466	(90,367)	105,20%	1,601,414	1,590,018
Transfers and subsidies	10,672	-	-	10,672	18,241	(7,569)	170,9%	17,591	13,098
Payment for capital assets	52,994	-	-	52,994	43,303	9,691	81,7%	115,329	115,329
3. Public Diplomacy									
Current payment	98,461	(3,113)	-	95,348	94,221	1,127	98,8%	94,773	92,043
Transfers and subsidies	20,000	3,113	-	23,113	23,113	-	100,0%	15,886	15,885
Payment for capital assets	2,743	-	-	2,743	1,084	1,659	39,5%	1,821	1,252
4. International Transfers									
Current payment	-	-	-	-	-	-	0,0%	-	-
Transfers and subsidies	473,530	-	-	473,530	402,150	71,380	84,9%	358,742	358,742
Payment for capital assets	-	-	-	-	-	-	0%	-	-
Subtotal	3,042,149	-	-	3,042,149	2,944,679	97,470	96,80%	2,693,766	2,644,347
Statutory Appropriation									
Current payment									
Transfers and subsidies									
Payment for capital assets									
TOTAL	3,042,149	-	-	3,042,149	2,944,679	97,470	96,80%	2,693,766	2,644,347

APPROPRIATION STATEMENT PER PROGRAMME
for the year ended 31 March 2007

	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	2006/07		2005/06 Actual Expenditure
							Expenditure as % of final appropriation	Final Appropriation	
Reconciliation with Statement of Financial Performance									
Add:									
Prior year unauthorised expenditure approved with funding				-					
Departmental receipts				46,282				42,164	
Local and foreign aid assistance received				-					
Actual amounts per Statements of Financial Performance (Total revenue)				3,088,431				2,735,930	
Add:									
Local and foreign aid assistance					-				
Prior year unauthorised expenditure approved					12,256				
Prior year fruitless and wasteful expenditure authorized					-				
Actual amounts per Statements of Financial Performance (Total expenditure)					-				
					2,956,935				2,644,347

**APPROPRIATION STATEMENT PER ECONOMIC CLASSIFICATION
for the year ended 31 March 2007**

Appropriation per economic classification		2005/06										
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
Current payments												
Compensation of employees	1,142,064	(1,852)	-	1,140,212	1,136,451	3,761	99,7%	1,089,993	1,072,371			
Goods and services	1,059,709	(5,115)	-	1,054,594	1,142,119	(87,525)	108,30%	983,988	949,401			
Interest and rent on land	-	-	-	-	-	-	-	-	-			
Financial transactions in assets and liabilities	15	168	-	183	119	64	65,0%	-	20,847			
Transfers and subsidies												
Provinces and municipalities	19,865	784	-	20,649	20,649	-	100,0%	13,659	13,650			
Departmental agencies and accounts	150,007	(7)	-	150,000	150,000	-	100,0%	100,000	100,000			
Universities and technikons	-	-	-	-	-	-	-	-	-			
Foreign governments and international organisations	323,530	74	-	323,604	252,150	71,454	77,9%	263,187	259,734			
Public corporations and private enterprises	8,108	2,480	-	10,588	10,588	-	100,0%	9,829	9,307			
Non-profit institutions	-	-	-	-	-	-	-	-	-			
Households	6,159	3,468	-	9,627	17,196	(7,569)	178,6%	12,456	11,925			
Payments for capital assets												
Buildings and other fixed structures	216,294	1,238	-	217,532	119,398	98,134	54,9%	44,000	42,820			
Machinery and equipment	115,328	(4,156)	-	111,172	92,573	18,599	83,3%	142,336	129,974			
Biological or cultivated assets	-	-	-	-	-	-	-	-	-			
Software and other intangible assets	1,070	2,918	-	3,988	3,436	552	86,2%	34,318	34,318			
Land and subsoil assets	-	-	-	-	-	-	--	-	-			
Total	3,042,149	-	-	3,042,149	2,944,679	97,470	96,8%	2,693,766	2,644,347			

DETAIL PER PROGRAMME
for the year ended 31 March 2007

PROGRAMME 1 - Administration

Programme per subprogramme	2006/07				2005/06				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Minister									
Current payment	885	-	-	885	885	-	100.0%	843	843
Transfers and subsidies	-	-	-	-	-	-	0%	-	-
Payment for capital assets	-	-	-	-	-	-	0%	-	-
1.2 Deputy Minister									
Current payment	1,438	-	-	1,438	1,438	-	100.0%	1,348	1,348
Transfers and subsidies	-	-	-	-	-	-	0%	-	-
Payment for capital assets	-	-	-	-	-	-	0%	-	-
1.3 Management									
Current payment	63,542	(11,662)	-	51,880	46,340	5,540	89.3%	49,519	49,519
Transfers and subsidies	174	(133)	-	41	41	-	100.0%	388	388
Payment for capital assets	1,317	-	-	1,317	241	1,076	18.3%	618	618
1.4 Corporate Services									
Current payment	203,846	(11,490)	(13,900)	178,456	178,456	-	100.0%	326,084	308,848
Transfers and subsidies	197	547	-	744	670	74	90.1%	6,524	6,503
Payment for capital assets	275,153	-	-	275,153	170,685	104,468	62.0%	101,160	89,484
1.5 Human Capital Management									
Current payment	112,417	19,466	-	131,883	131,883	-	100.0%	-	-
Transfers and subsidies	3,096	3,272	-	6,368	6,368	-	100.0%	-	-
Payment for capital assets	485	-	-	485	94	391	19.4%	1,726	429
1.6 Government Motor Transport									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	662,550	-	(13,900)	648,650	537,101	111,549	82.8%	488,210	457,980

DETAIL PER ECONOMIC CLASSIFICATION

for the year ended 31 March 2007

PROGRAMME 1 - Administration

Economic Classification	2006/07				2005/06				
	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 payment									
Compensation of employees	157,773	-	(13,900)	143,873	140,965	2,908	98,0%	157,080	150,320
Goods and services	224,340	(3,686)	-	220,654	218,086	2,568	98,8%	220,714	210,238
Interest and rent on land	-	-	-	-	-	-	0,0%	-	-
Financial transactions in assets and liabilities	15	-	-	15	(49)	64	-326,7%	-	-
Transfers and subsidies									
Provinces and municipalities	347	(250)	-	97	97	-	100,0%	413	404
Departmental agencies and accounts	-	-	-	-	-	-	0,0%	-	-
Universities and technikons	-	-	-	-	-	-	0,0%	-	-
Foreign governments and international organisations	-	74	-	74	-	74	0,0%	57	56
Public corporations and private enterprises	3,000	2,585	-	5,585	5,585	-	100,0%	5,431	5,429
Non-profit institutions	-	-	-	-	-	-	0,0%	-	-
Households	120	1,277	-	1,397	1,397	-	100,0%	1,011	1,002
Payment for capital assets									
Buildings and other fixed structures	216,294	-	-	216,294	118,160	98,134	54,6%	44,000	42,820
Machinery and equipment	60,176	(2,918)	-	57,258	49,457	7,801	86,4%	25,227	13,434
Biological or cultivated assets	-	-	-	-	-	-	0,0%	-	-
Software and other intangible assets	485	2,918	-	3,403	3,403	-	100,0%	34,277	34,277
Land and subsoil assets	-	-	-	-	-	-	0,0%	-	-
Total	662,550	-	(13,900)	648,650	537,101	111,549	82,8%	488,210	457,980

DETAIL PER PROGRAMME
for the year ended 31 March 2007

PROGRAMME 2- Foreign Relation

Programme per subprogramme	2006/07				2005/06				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Africa Bilateral									
Current payment	436,551	(25,402)	5,700	416,849	416,849	-	100,0%	449,909	449,275
Transfers and subsidies	2,604	614	-	3,218	10,787	(7,569)	335.2%	12,564	12,564
Payment for capital assets	22,931	-	-	22,931	19,747	3,184	86.1%	34,369	34,369
2.2 Africa Multilateral									
Current payment	139,452	(19,994)	900	120,358	124,751	(4,393)	103.6%	120,330	109,568
Transfers and subsidies	118	2,937	-	3,055	3,055	-	100,0%	-	-
Payment for capital assets	3,282	-	-	3,282	2,521	761	76.8%	8,899	8,899
2.3 Americas									
Current payment	222,169	34,536	-	256,705	256,705	-	100,0%	218,910	218,910
Transfers and subsidies	3,543	(2,763)	-	780	780	-	100,0%	28	-
Payment for capital assets	7,693	-	-	7,693	3,455	4,238	44.9%	6,992	6,992
2.4 Europe									
Current payment	446,770	18,810	4,500	470,080	505,546	(35,466)	107.5%	384,689	384,689
Transfers and subsidies	3,642	1,355	-	4,997	4,997	-	100,00%	1,573	534
Payment for capital assets	9,670	-	-	9,670	8,824	846	91.30%	52,037	52,037
2.5 Asia and Middle East									
Current payment	357,613	-	-	357,613	408,121	(50,508)	114.1%	350,965	350,965
Transfers and subsidies	21	(1,529)	-	(1,508)	(1,508)	-	100,0%	3,047	-
Payment for capital assets	8,583	(368)	-	8,215	7,553	662	91.9%	11,346	11,346
2.6 Multilateral									
Current payment	118,644	(7,950)	2,800	113,494	113,494	-	100.00%	76,611	76,611
Transfers and subsidies	744	(614)	-	130	130	-	100.00%	379	-
Payment for capital assets	835	368	-	1,203	1,203	-	100.00%	1,686	1,686
Total	1,784,865	-	13,900	1,798,765	1,887,010	(88,245)	104.9%	1,734,334	1,718,445

DETAIL PER ECONOMIC CLASSIFICATION

for the year ended 31 March 2007

PROGRAMME 2- Foreign Relation

Economic Classification	2006/07				2005/06				
	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 payment									
Compensation of employees	935,869	(1,204)	13,900	948,565	948,565	-	100.0%	895,088	885,633
Goods and services	785,330	1,036	-	786,366	876,733	(90,367)	111.5%	706,326	683,538
Interest and rent on land	-	-	-	-	-	-	0,0%	-	-
Financial transactions in assets and liabilities	-	168	-	168	168	-	100.0%	-	20,847
Transfers and subsidies to:									
Provinces and municipalities	1,538	(1,431)	-	107	107	-	100.0%	546	546
Departmental agencies and accounts	7	(7)	-	-	-	-	0,0%	-	-
Universities and technikons	-	-	-	-	-	-	0,0%	-	-
Foreign governments and international organisations	-	-	-	-	-	-	0,0%	4,388	936
Public corporations and private enterprises	5,108	(105)	-	5,003	5,003	-	100.0%	4,392	3,872
Non-profit institutions	-	-	-	-	-	-	0,0%	-	-
Households	4,019	1,543	-	5,562	13,131	(7,569)	236.1%	8,265	7,744
Payment for capital assets									
Buildings and other fixed structures	-	1,238	-	1,238	1,238	-	100.0%	-	-
Machinery and equipment	52,435	(1,238)	-	51,197	42,032	9,165	82.1%	115,288	115,288
Biological or cultivated assets	-	-	-	-	-	-	0,0%	-	-
Software and other intangible assets	559	-	-	559	33	526	5.9%	41	41
Land and subsoil assets	-	-	-	-	-	-	0,0%	-	-
Total	1,784,865	-	13,900	1,798,765	1,887,010	(88,245)	104.9%	1,734,334	1,718,445

DETAIL PER PROGRAMME
for the year ended 31 March 2007

PROGRAMME 3 - Public Diplomacy

Programme per subprogramme	2006/07				2005/06				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Protocol Matters									
Current payment	75,361	(5,331)	-	70,030	68,903	1,127	98.4%	94,773	92,043
Transfers and subsidies	19,945	3,083	-	23,028	23,028	-	100.0%	15,886	15,885
Payment for capital assets	715	1	-	716	716	-	100.0%	1,821	1,252
3.2 Public Diplomacy									
Current payment	23,100	2,217	-	25,317	25,317	-	100.0%	-	-
Transfers and subsidies	55	30	-	85	85	-	100.0%	-	-
Payment for capital assets	2,028	(1)	-	2,027	368	1,659	18.2%	-	-
3.3 Presidential Inauguration									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	1	-	1	1	-	100.0%	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	121,204	-	-	121,204	118,418	2,786	97,7%	112,480	109,180

DETAIL PER ECONOMIC CLASSIFICATION

for the year ended 31 March 2007

PROGRAMME 3 - Public Diplomacy

Economic Classification	2006/07				2005/06				
	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 payment									
Compensation of employees	48,422	(648)		47,774	46,921	853	98.2%	37,825	36,418
Goods and services	50,039	(2,465)		47,574	47,300	274	99.4%	56,948	55,625
Interest and rent on land	-	-		-	-	-	0.0%	-	-
Financial transactions in assets and liabilities	-	-		-	-	-	0.0%	-	-
Transfers and subsidies to:									
Provinces and municipalities	17,980	2,465		20,445	20,445	-	100.0%	12,700	12,700
Departmental agencies and accounts	-	-		-	-	-	0.0%	-	-
Universities and technicians	-	-		-	-	-	0.0%	-	-
Foreign governments and international organisations	-	-		-	-	-	0.0%	-	-
Public corporations and private enterprises	-	-		-	-	-	0.0%	6	6
Non-profit institutions	-	-		-	-	-	0.0%	-	-
Households	2,020	648		2,668	2,668	-	100.0%	3,180	3,179
Payment for capital assets									
Buildings and other fixed structures	-	-		-	-	-	-	-	-
Machinery and equipment	2,717	-		2,717	1,084	1,633	39.9%	1,821	1,252
Biological or cultivated assets	-	-		-	-	-	0.0%	-	-
Software and other intangible assets	26	-		26	-	26	0.0%	-	-
Land and subsoil assets	-	-		-	-	-	0.0%	-	-
Total	121,204	-	-	121,204	118,418	2,786	97,7%	112,480	109,180

DETAIL PER PROGRAMME
for the year ended 31 March 2007

PROGRAMME 4 - International Transfers

Programme per subprogramme	2006/07				2005/06				
	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
4.1 Current Payment									
Current payment									
Transfers and subsidies									
Payment for capital assets	473,530			473,530	402,150	71,380	84.9%	358,742	358,742
3.2 Public Diplomacy									
Current payment									
Transfers and subsidies									
Payment for capital assets									
3.3 Presidential Inauguration									
Current payment									
Transfers and subsidies									
Payment for capital assets									
Total	473,530	-	-	473,530	402,150	71,380	84.9%	358,742	358,742

**DETAIL PER ECONOMIC CLASSIFICATION
for the year ended 31 March 2007**

PROGRAMME 4

Economic Classification	2006/07				2005/06				
	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 payment									
Compensation of employees									
Goods and services									
Interest and rent on land									
Financial transactions in assets and liabilities									
Transfers and subsidies to:									
Provinces and municipalities									
Departmental agencies and accounts	150,000			150,000	150,000		100,0%	100,000	100,000
Universities and technikons									
Foreign governments and international organisations	323,530			323,530	252,150	71,380	77,9%	258,742	258,742
Public corporations and private enterprises									
Non-profit institutions									
Households									
Payment for capital assets									
Buildings and other fixed structures									
Machinery and equipment									
Biological or cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total	473,530	-	-	473,530	402,150	71,380	84,9%	358,742	358,742

Notes to the Appropriation Statement for the year ended 31 March 2007

1. Details of transfers and subsidies as per Appropriation Act (after Virement):
Details of these transactions can be viewed in note 9 (Transfers and subsidies) and Annexure 1 (A-K) to the Annual Financial Statements.
2. Details of specifically and exclusively appropriated amounts voted (after Virement):
Details of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.
3. Detail on financial transactions in assets and liabilities
Details of these transactions per programme can be viewed in note 8 (Financial transactions in assets and liabilities) to the Annual Financial Statements.
4. Explanations of material variances from Amounts Voted (after Virement):

4.1

Per Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	648,650	537,101	111,549	17%
Foreign Relation	1,798,765	1,887,010	(88,245)	-5%
Public Diplomacy	121,204	118,418	2,786	2%
International Transfers	473,530	402,150	71,380	15%

Please refer to note 1.3 of the Accounting Officer's report for the explanation for variances of under spending

4.2

Per Economic classification	2006/07 R'000
Current payment:	
Compensation of employees	3,761
Goods and services	(87,525)
Interest and rent on land	0
Financial transactions in assets and liabilities	64
Unauthorised expenditure approved	12,256
Transfers and subsidies:	
Provinces and municipalities	0
Departmental agencies and accounts	0
Universities and Technikons	0
Public corporations and private enterprises	0
Foreign governments and international organisations	71,454
Non-profit institutions	0
Households	(7,569)
Payments for capital assets:	
Buildings and other fixed structures	98,134
Machinery and equipment	18,599
Heritage assets	0
Biological or cultivated assets	0
Software and other intangible assets	552
Land and subsoil assets	0

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
REVENUE			
Annual appropriation	1	3,042,149	2,693,766
Statutory appropriation	2	-	-
Appropriation for unauthorised expenditure approved	11	-	-
Departmental revenue	3	46,282	42,164
CARA Fund assistance	4A	-	-
Local and foreign aid assistance	4	-	-
TOTAL REVENUE		3,088,431	2,735,930
EXPENDITURE			
Current expenditure			
Compensation of employees	5	1,136,451	1,072,371
Goods and services	6	1,142,119	949,401
Interest and rent on land	7	-	-
Financial transactions in assets and liabilities	8	119	20,847
CARA Fund assistance	4A	-	-
Local and foreign aid assistance	4	-	-
Unauthorised expenditure approved	11	12,256	-
Total current expenditure		2,290,945	2,042,619
Transfers and subsidies	9	450,583	394,616
Expenditure for capital assets			
Buildings and other fixed structures	10	119,398	42,820
Machinery and equipment	10	92,573	129,974
Biological or cultivated assets	10	-	-
Software and other intangible assets	10	3,436	34,318
Land and subsoil assets	10	-	-
CARA Fund assistance	4A	-	-
Local and foreign aid assistance	4	-	-
Unauthorised expenditure approved	11	-	-
Total expenditure for capital assets		215,407	207,112
TOTAL EXPENDITURE		2,956,935	2,644,347
SURPLUS/(DEFICIT)		131,496	91,583
Add back unauthorised expenditure	11	97,936	-
Add back fruitless and wasteful expenditure	12	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		229,432	91,583

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2007

	Note	2006/07	2005/06
Reconciliation of Surplus/(Deficit) for the year			
Voted Funds to be surrendered to the revenue fund	19	183,150	49,419
Departmental Revenue to be surrendered to the revenue fund	20	46,282	42,164
Local and foreign aid assistance	4	-	-
CARA Fund Assistance	4A	-	-
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u>229,432</u>	<u>91,583</u>

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
ASSETS			
Current assets			
		498,850	438,593
Unauthorised expenditure	11	104,816	19,136
Fruitless and wasteful expenditure	12	-	-
Cash and cash equivalents	13	87,323	96,034
Other financial assets	14	-	-
Prepayments and advances	15	4,666	5,569
Receivables	16	302,045	317,854
Investments	17	-	-
Loans	18	-	-
Local and foreign aid assistance receivable	4	-	-
Non-current assets			
		47,251	38,215
Investments	17	-	-
Loans	18	47,251	38,215
Other financial assets	14	-	-
TOTAL ASSETS		546,101	476,808
LIABILITIES			
Current liabilities			
		498,850	438,593
Voted funds to be surrendered to the Revenue Fund	19	183,150	173,143
Departmental revenue to be surrendered to the Revenue Fund	20	34,284	31,178
Bank overdraft	21	-	-
Payables	22	281,416	234,272
Local and foreign aid assistance repayable	4	-	-
Local and foreign aid assistance unutilised	4	-	-
Non-current liabilities			
Payables	23	-	-
TOTAL LIABILITIES		498,850	438,593
NET ASSETS		47,251	38,215
Represented by:			
Capitalisation reserves		47,251	38,215
Recoverable revenue		-	-
Retained funds (Legislatures/Parliament/CARA Fund assistance)		-	-
Revaluation reserves (Housing dept)		-	-
TOTAL		47,251	38,215

STATEMENT OF CHANGES IN NET ASSTS
for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
Capitalisation Reserves			
Opening balance		38,215	34,690
Transfers:		9,036	3,525
Movement in Equity		-	-
Movement in Operational Funds		-	-
Other movements		-	-
Closing balance		47,251	38,215
Recoverable revenue			
Opening balance		-	-
Transfers		-	-
Irrecoverable amounts written off	8.6	-	-
Debts revised	16.5	-	-
Debts recovered (included in departmental receipts)		-	-
Debts raised		-	-
Closing balance		-	-
Retained funds			
Opening balance		-	-
Transfer from Statement of Financial Performance		-	-
CARA Fund Assistance	4A	-	-
Utilised during the year		-	-
Other		-	-
Closing balance		-	-
Revaluation Reserve			
Opening balance		-	-
Revaluation adjustment (Housing department's)		-	-
Transfers		-	-
Other		-	-
Closing balance		-	-
TOTAL		47,251	38,215

CASHFLOW STATEMENT
for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		3,045,662	2,734,443
Annual appropriated funds received	1.1	3,042,149	2,693,766
Statutory appropriated funds received		-	-
Appropriation for unauthorised expenditure received	11	-	-
Departmental revenue received		3,513	40,677
CARA Fund Assistance	4A	-	-
Local and foreign aid assistance received	4	-	-
Net (increase)/decrease in working capital		(21,824)	105,062
Surrendered to Revenue Fund		(216,319)	(134,042)
Current payments		(2,278,689)	(2,042,619)
Unauthorised expenditure – Current payment	11	85,680	-
Transfers and subsidies paid		(450,583)	(394,616)
Net cash flow available from operating activities	24	<u>163,927</u>	<u>268,228</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(215,407)	(207,112)
Payments for investments		-	-
Proceeds from sale of capital assets	3	1,168	1,487
Proceeds from sale of investments	3	-	-
Proceeds from sale of other financial assets		41,601	-
(Increase)/decrease in loans		(9,036)	(3,525)
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
Net cash flows from investing activities		<u>(181,674)</u>	<u>(209,150)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		-	-
Increase/(decrease) in net assets		9,036	3,525
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		<u>9,036</u>	<u>3,525</u>
Net increase/(decrease) in cash and cash equivalents		(8,711)	62,603
Cash and cash equivalents at the beginning of the period		96,034	33,431
Cash and cash equivalents at end of period	25	<u><u>87,323</u></u>	<u><u>96,034</u></u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

1. Annual Appropriation

1.1 Annual Appropriation

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

	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received 2005/06
Programmes	R'000	R'000	R'000	R'000
Administration	648,650	648,650	-	488,210
Foreign Relation	1,798,765	1,798,765	-	1,736,546
Public Diplomacy	121,204	121,204	-	112,480
International Transfers	473,530	473,530	-	356,530
	-	-	-	-
Total	3,042,149	3,042,149	-	2,693,766

Please provide an explanation for funds not requested/not received.

	Note	2006/07 R'000	2005/06 R'000
1.2 Conditional grants			
Total grants received	Annexure 1A	-	-
Provincial grants included in Total Grants received		-	-

(** It should be noted that the Conditional grants are included in the amounts per the Total Appropriation in Note 1.1.)

1.3	Unconditional grants received	Annexure 1B	-	-
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

2. Statutory Appropriation

President and Deputy President's salaries	-	-
Member of executive committee/parliamentary officers	-	-
Judges' salaries	-	-
Sector education and training authorities (SETA)	-	-
National Skills Fund	-	-
Total	<u>-</u>	<u>-</u>
Actual Statutory Appropriation received	<u>-</u>	<u>-</u>

3. Departmental revenue to be surrendered to revenue fund

Tax revenue		-	-
Sales of goods and services other than capital assets	3.1	382	475
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land	3.2	3,131	2,080
Sales of capital assets	3.3	1,168	1,487
Financial transactions in assets and liabilities	3.4	41,601	38,122
Transfer received	3.5	-	-
Total revenue collected	20	46,282	42,164
Less: Departmental revenue budgeted*		-	-
Total		<u>46,282</u>	<u>42,164</u>

* Please note that departmental revenue budgeted applies to provincial departments. This must equal the amount received in the appropriation. Only if the department has under-collected on budgeted revenue, then the amount collected should be inserted in the budgeted revenue line. This will result in a zero balance for departmental revenue in the face of the Income Statement.

3.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	-	279
Sales by market establishment	-	-
Administrative fees	-	-
Other sales	-	279
Sales of scrap, waste and other used current goods	382	196
Total	<u>382</u>	<u>475</u>

3.2 Interest, dividends and rent on land and buildings

Interest	3,131	2,080
Dividends	-	-
Rent on land and buildings	-	-
Total	<u>3,131</u>	<u>2,080</u>

3.3 Sale of capital assets

Land and subsoil assets	-	-
Other capital assets	1,168	1,487
Total	<u>1,168</u>	<u>1,487</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

3.4 Financial transactions in assets and liabilities

Nature of loss recovered		
Loans and advances	-	-
Repayment of Public Contributions	-	-
Receivables	-	-
Proceeds from Investment	-	-
Forex Gain	28,595	-
Stale cheque written back	-	-
Other Receipts including Recoverable Revenue	13,006	38,122
Total	41,601	38,122
Transfers received		
Other governmental units	-	-
Universities and Technikons	-	-
Foreign Governments	-	-
International Organisations	-	-
Public Corporations and Private enterprises	-	-
Total	-	-

4. Local and foreign aid assistance

4.1 Assistance received in cash from RDP

Local

Opening Balance	-	-
Revenue	-	-
Expenditure	-	-
Current	-	-
Capital	-	-
Closing Balance	-	-

Foreign

Opening balance		
Revenue		
Expenditure		
Current		
Capital		
Closing balance		

4.2 Assistance received in cash: Other

Local		
Opening balance	-	-
Revenue	-	-
Expenditure	-	-
Current	-	-
Capital	-	-
Closing balance	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

Foreign

Opening Balance	-	-
Revenue	-	-
Expenditure	-	-
Current	-	-
Capital	-	-
Closing Balance	-	-

Analysis of balance

Local and foreign aid receivable	-	-
Local and foreign aid unutilised	-	-
Local and foreign aid payable to RDP fund/donors	-	-
Closing balance	-	-

4A CARA Fund assistance

	2006/07	2005/06
Opening Balance	-	-
Revenue received	-	-
Expenditure	-	-
Current	-	-
Capital	-	-
Closing Balance	-	-

5. Compensation of employees

	2006/07	2005/06
	R'000	R'000
5.1 Salaries and Wages		
Basic salary	609,764	531,586
Performance award	7,192	11,394
Service Based	1,145	1,760
Compensative/circumstantial	31,432	25,583
Periodic payments	1,414	516
Other non-pensionable allowances	374,101	333,463
	<u>1,025,048</u>	<u>904,302</u>

5.2 Social contributions

5.2.1 Employer contributions

Pension	73,471	117,569
Medical	37,872	50,398
UIF	-	42
Bargaining council	60	59
Official unions and associations	-	-
Insurance	-	1
	<u>111,403</u>	<u>168,069</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2007

5.2.2 Post Retirement benefits

Medical	-	-
Total	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Total compensation of employees	<u>1,136,451</u>	<u>1,072,371</u>
Average number of employees	<u>4,313</u>	<u>3,953</u>
Disclosure of Statutory compensation		

6. Goods and services

Advertising		7,312	2,313
Attendance fees (including registration fees)		18,634	19,852
Bank charges and card fees		3,512	2,795
Bore waterhole drilling		-	-
Bursaries (employees)		508	891
Cash discount		-	-
Communication		64,311	59,632
Computer services		8,073	11,508
Commission		-	-
Consultants, contractors and special services		15,731	10,808
Courier and delivery services		4,690	3,713
Tracing agents & Debt collections		-	-
Drivers' licences and permits		2,425	1,804
Entertainment		40,273	35,005
External audit fees	6.1	3,237	2,684
Equipment less than R5000		5,561	6,147
Firearm handling fees		-	-
Freight service		22,962	31,522
Government motor transport		-	-
Helicopter services		-	-
Honoraria (Voluntarily workers)		631	703
Inventory	6.2	38,797	36,459
Land reform/restitution		-	-
Learnerships		-	-
Legal fees		4,154	3,834
Licence agency fees		-	-
Housing		-	-
Maintenance, repairs and running cost		76,026	73,748
Medical Services		15,532	12,570
Municipal Services		-	-
Operating leases		487,805	329,565
Mint of decorations/medals		-	-
Personnel agency fees		-	-
Photographic services		-	-
Plant flowers and other decorations		1,745	1,052

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
Printing and publications		590	1,011
Professional bodies and membership fees		1,159	1,344
Resettlement cost		3,390	4,665
Road laboratories		-	-
Roadworthy tests		-	-
School & boarding fees		-	-
Subscriptions		2,038	80
Storage of furniture		8,852	8,886
System access fees		-	-
Taking over of contractual obligations		-	-
Owned leasehold property expenditure		50,697	37,653
Translations and transcriptions		1,740	1,777
Transport provided as part of the departmental activities		-	-
Travel and subsistence	6.3	211,506	204,880
Venues and facilities		34,312	40,206
Protective, special clothing & uniforms		1,891	2,050
Training & staff development		4,025	244
Town & regional planning		-	-
Water research/testing		-	-
Witness and related fees		-	-
Total		1,142,119	949,401
6.1 External audit fees			
Regulatory audits		3,237	2,684
Performance audits		-	-
Other audits		-	-
Total external audit fees		3,237	2,684
6.2 Inventory			
Inventory surcharges		-	-
Medsas inventory interface		-	-
Construction work in progress		-	-
Other inventory		-	-
Strategic stock		-	-
Domestic consumables		4,994	3,954
Agricultural		-	-
Learning and teaching support material		-	-
Food and Food supplies		1,553	1,731
Fuel, oil and gas		6,898	5,077
Laboratory consumables		-	-
Other consumables		102	22
Parts and other maintenance mat		1,839	1,099
Sport and recreation		-	-
Stationery and printing		22,772	24,080
Veterinary supplies		-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

	2006/07	2005/06
Note	R'000	R'000
Restoration and fittings	-	-
Road construction and supplies	-	-
Medical supplies	639	496
Weapons and armaments	-	-
Total inventory	<u>38,797</u>	<u>36,459</u>

6.3 Travel and subsistence

Local	49,083	46,021
Foreign	162,423	158,859
Total travel and subsistence	<u>211,506</u>	<u>204,880</u>

7. Interest and rent on land

Interest expense	-	-
Rent on land	-	-
Total interest and rent on land	<u>-</u>	<u>-</u>

8. Financial transactions in assets and liabilities

Material losses through criminal conduct:		119	217
Theft	8.4	119	217
Other material losses	8.1	-	-
Other material losses written off	8.2	-	-
Debts written off	8.3	-	-
Forex losses	8.5	-	20,630
		<u>119</u>	<u>20,847</u>

8.1 Other Material losses

Nature of losses
(Group major categories, but list material items)
Incident Disciplinary Steps taken/ Criminal proceedings

	-	-
	-	-
	-	-
Total	<u>-</u>	<u>-</u>

Provide details of criminal or disciplinary steps taken.

8.2 Other material losses written off

Nature of losses
(Group major categories, but list material items)
Total

	-	-
Total	<u>-</u>	<u>-</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
8.3 Debts written off			
Nature of debts written off			
Transfer to debts written off		-	-
(Group major categories, but list material items)		-	-
Total		-	-
8.4 Detail of Theft			
(Group major categories, but list material items)			
Theft & losses		-	217
Theft & losses		119	-
Total		119	217
8.5 Forex losses			
(Group major categories, but list material items)			
Forex loss prior year		-	20,630
Total		-	20,630
8.6 Irrecoverable amounts written off			
(Group major categories, but list material items)			
Receivables written off		-	-
Loans written off		-	-
Other		-	-
Total		-	-
9. Transfers and subsidies			
Provinces and municipalities	Annex 1C, 1D,1E& 1F	20,649	13,650
Departmental agencies and accounts	Annex 1G	150,000	100,000
Universities and Technikons	Annex 1H	-	-
Foreign governments and international organisations	Annex 1J	252,150	259,734
Public corporations and private enterprises	Annex 1I	10,588	9,307
Non-profit institutions	Annex 1K	-	-
Households	Annex 1L	17,196	11,925
Unauthorised expenditure approved by Parliament		-	-
		450,583	394,616
10. Expenditure for capital assets			
Buildings and other fixed structures	37	119,398	42,820
Machinery and equipment	37	92,573	129,974
Land and subsoil assets	37	-	-
Investment Property	37	-	-
Biological or cultivated assets	37	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

	2006/07	2005/06
Note	R'000	R'000
Software and other intangible assets	3,436	34,318
Capitalised Development Costs	-	-
Computer Software	3,436	34,318
Masterheads and Publishing Titles	-	-
Patents, Licenses, Copyrights, Brand names, Trademarks	-	-
Recipes, Formulae, prototypes, Designs, Models	-	-
Services and operating rights	-	-
Other Intangibles	-	-
Total	215,407	207,112

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

Compensation of employees	-	-
Good and Services	-	-
Total	-	-

11. Unauthorised expenditure

11.1. Reconciliation of unauthorised expenditure

Opening balance	19,136	19,136
Unauthorised expenditure – current year	97,936	-
Amounts approved by Parliament/Legislature (with funding)	-	-
Current expenditure	-	-
Transfers and subsidies	-	-
Expenditure for capital assets	-	-
Amounts approved by Parliament/Legislature (without funding)	(12,256)	-
Current expenditure	(12,256)	-
Transfers and subsidies	-	-
Expenditure for capital assets	-	-
Transfer to receivables for recovery (not approved)	-	-
Unauthorised expenditure awaiting authorisation	104,816	19,136

11.2 Analysis of Current Unauthorised expenditure

Incident	Disciplinary steps taken/criminal proceedings	Total
Total		-

12. Fruitless and wasteful expenditure

12.1 Reconciliation of fruitless and wasteful expenditure

Opening balance	-	-
Fruitless and wasteful expenditure – current year	-	-
Current	-	-
Capital	-	-
Amounts condoned	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
Current expenditure		-	-
Transfers and subsidies		-	-
Expenditure for capital assets		-	-
Transfer to receivables for recovery (not condoned)		-	-
Fruitless and wasteful expenditure awaiting condonement		<u>-</u>	<u>-</u>

12.2 Analysis of Current Fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	
Total		<u>-</u>

13. Cash and cash equivalents

Consolidated Paymaster General Account	67,749	(6,297)
Cash receipts	15	-
Disbursements	(58,261)	-
Cash on hand	140	296
Cash in Transit	3,042	-
Cash with commercial banks (Local)	-	-
Cash with commercial banks	74,638	102,035
Total	<u>87,323</u>	<u>96,034</u>

14 Other financial assets

Current

Local

(Group major categories, but list material items)

Total	<u>-</u>	<u>-</u>
--------------	----------	----------

Foreign

(Group major categories, but list material items)

Total	<u>-</u>	<u>-</u>
--------------	----------	----------

Total Current Other Financial Assets

	<u>-</u>	<u>-</u>
--	----------	----------

Non-current

Local

(Group major categories, but list material items)

Total	-	-
--------------	---	---

Foreign

(Group major categories)

Total Non Current Other Financial Assets	<u>-</u>	<u>-</u>
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15 Prepayments and advances

Description

Staff advances		
Travel and subsistence	4,666	5,569
Total	<u>4,666</u>	<u>5,569</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

16. Receivables

		Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	Total R'000
Households and non- profit Institutions	16.1	36,687	9,537	56,977	103,201	111,669
Private enterprises	16.2	-	-	-	-	-
Staff debt	16.3	7,447	21,817	4,818	34,082	22,009
Other Debtors	16.4	4,885	2,505	-	7,390	6,527
Intergovernmental Receivables	Annex 4	97,478	12,511	47,383	157,372	177,649
		146,497	46,370	109,178	302,045	317,854

16.1 Households and non-profit institutions

(Group major categories, but list material items)

	R'000	R'000
ACCOUNT C	59,034	60,795
ESKOM	41	41
IDC	1	1
ARMSCOR	-	6
MEDICAL RESEARCH	14	19
MINTEK	43	43
ACCOUNT G	1,659	1,019
ACCOUNT A	10,386	13,686
CHAMBER OF MINES PARLIAMENT	-	-
HRSC	123	51
MINERAL BURO	13	13
SABS	2	2
SASOL	7	7
SATOUR	7,058	12,931
NEPAD	5,215	(1,402)
UNISA	3,561	1,575
CSIR	82	79
WATER RESEARCH C	11	10
SAPO	110	7
TELKOM	703	703
TRANSNET	30	30
STATE LIBRARY	270	270
AGRICULTURE RESEARCH C	719	719
VAT ADMINISTRATION	94	94
AUDITOR GENERAL	23	43
MENTAL & DENTAL C	11	25
SURGEON GENERAL	-	-
OTHER ACCOUNTS	0	10,754
UNIVERSITY OF CAPE TOWN		1

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

	2006/07 R'000	2005/06 R'000
UNIVERSITY OF NATAL	83	24
UNIVERSITY OF THE NORTH	9	9
UNIVERSITY OF FREE STATE	1	1
UNIVERSITY OF POTCHEFSTROOM	1	1
UNIVERSITY OF PRETORIA	16	16
RAND AFRIKAANS UNIVERSITY	-	(19)
UNIVERSITY OF STELLENBOSCH	-	-
UNIVERSITY OF WESTERN CAPE	46	46
UNIVERSITY OF WITWATERSRAND	1	1
UNISA	-	-
TSA	-	(45)
OTHER/0254 –DRC Project(ARF)	3,109	(1,536)
IEC	1	-
SAMDI	490	-
FIC-0246	85	-
SASSA	15	-
Total	103,201	111,669
16.2 Private enterprises (Group major categories, but list material items)		
Total	-	-
16.3 Staff Debt (Group major categories, but list material items)		
Departmental Dept Account	15,722	9,453
Staff Debtors	18,012	12,555
Persal accounts	348	1
Total	34,082	22,009
16.4 Other debtors (Group major categories, but list material items)		
Detainees	152	157
Debtor Governments	-	-
Sundry Debtors	2,607	3,818
Balance of the vote	-	-
Claims recoverable	-	-
Advance to State Department	2,505	2,552
Belgium Government	2,126	-
Total	7,390	6,527
16.5 Debts revised		
Total	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

	2006/07 R'000	2005/06 R'000
17. Investments		
Annex2A,2B		
Current		
Securities other than shares	-	-
Shares and other equity	-	-
Insurance technical reserves	-	-
Financial derivatives	-	-
Total current	<u>-</u>	<u>-</u>
Non-Current		
Shares and other equity		
(List investments at cost, investment in associates)	-	-
Total	<u>-</u>	<u>-</u>
Securities other than shares		
(List investments at cost , incl.investment in joint ventures)	-	-
Total	<u>-</u>	<u>-</u>
Total non-current	<u>-</u>	<u>-</u>
Analysis of non current investments		
Opening balance	-	-
Additions in cash	-	-
Disposals for cash	-	-
Non-cash movements	-	-
Closing balance	<u>-</u>	<u>-</u>
18. Loans		
Public corporations	-	-
Universities and Technikons	-	-
Foreign governments	47,251	38,215
Private enterprises	-	-
Total	<u>47,251</u>	<u>38,215</u>
Analysis of Balance		
Opening balance	38,215	34,690
New Issues	9,036	3,525
Repayments	-	-
Write-offs	-	-
Closing balance	<u>47,251</u>	<u>38,215</u>
Current portion of loans		

Loans to Foreign Governments represents rental advances for accommodation in countries abroad

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

		2006/07	2005/06
		R'000	R'000
19. Voted funds to be surrendered to the Revenue Fund			
Opening balance		173,143	193,724
Transfer from Statement of Financial Performance		183,150	49,419
Voted funds not requested/not received	19.1	-	-
Paid during the year		<u>(173,143)</u>	<u>(70,000)</u>
Closing balance		<u>183,150</u>	<u>173,143</u>

19.1 Voted funds not requested/not received

Funds to be rolled over		-	-
Funds not to be requested		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
Please disclose the requests for roll overs for the current year.(Total amount with supporting figures)		<u>-</u>	<u>-</u>

20. Departmental revenue to be surrendered to the Revenue Fund

Opening balance		31,178	53,056
Transfer from Statement of Financial Performance	3	46,282	42,164
Departmental revenue budgeted	4	-	-
Transfer from local and foreign aid assistance**		-	-
Paid during the year		<u>(43,176)</u>	<u>(64,042)</u>
Closing balance		<u>34,284</u>	<u>31,178</u>

**Amount not used at end of project, which donors allow department to maintain should be paid over to the Revenue Fund.

21. Bank overdraft

Consolidated Paymaster General Account		-	-
Fund requisition account		-	-
Cash with commercial banks(local)		-	-
		-	-
Cash with commercial banks(Foreign)		<u>-</u>	<u>-</u>
Totals		<u>-</u>	<u>-</u>

22. Payables – current

Description				2006/07	2005/06
		30Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
Amounts owing to other entities	Annexure 5	-	155,959	155,959	112,565
Advances received	21.1	-	56,632	56,632	119,278
Clearing accounts	22.2	-	-	-	-
Other payables	22.3	-	68,825	68,825	2,429
			<u>281,416</u>	<u>281,416</u>	<u>234,272</u>

22.1 Advances received

Labour		5,378	467
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

	2006/07 R'000	2006/07 R'000
Trade & Industry	2,238	511
Minerals & Energy Affairs	-	-
Transport	-	-
Health	719	19
Public Works	708	8,430
Housing	142	69
Justice	-	-
Agriculture	-	-
Welfare & Population Development	-	-
Art, Culture, science & technology	864	133
Inland Revenue	-	-
South African Police Service	4,448	2,172
South African Defence Force	-	-
Others	964	-
South African Communication Service	-	-
North West Province	-	-
Western Cape Province	-	-
Mpumalanga Province	97	-
Home Affairs	1,185	78,375
GCIS	5	5
Advances from institutions	39,834	29,097
Amscor	3	-
TSA	38	-
RAU	9	-
Total	56,632	119,278

22.2 Clearing accounts

Description

(Identify major categories, but list material amounts)

Total	-	-
--------------	---	---

22.3 Other payables

Description

(Identify major categories, but list material amounts)

Persal accounts	588	88
Other receipts payable	-	58
Debt receivable income	2,955	2,251
Debt receivable interest	74	32
African Renaissance Fund	31,863	-
ABSA Bank	33,345	-
Total	68,825	2,429

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

23. Payables – Non-current

Description

		One to two years R'000	One to three years R'000	More than three years R'000	Total R'000	Total R'000
Amounts owing to other entities	Annexure 5	-	-	-	-	-
Advances received	23.1	-	-	-	-	-
Other payables	23.2	-	-	-	-	-
		-	-	-	-	-

23.1 Advances received

(Identify major categories, but list material items)

Total		-	-	-	-	-
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23.2 Other payables

Description

(Identify major categories, but list material items)

Total		-	-	-	-	-
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2006/07
R'000

24. Net cash flow available from operating activities

	2006/07 R'000	2005/06 R'000
Net surplus/(deficit) as per Statement of Financial Performance	229,432	91,583
Add back non cash/cash movements not deemed operating activities	(65,505)	176,645
(Increase)/decrease in receivables – current	15,809	21,664
(Increase)/decrease in prepayments and advances	903	2,252
(Increase)/decrease in other current assets	(85,680)	-
Increase/(decrease) in payables – current	47,144	81,146
Proceeds from sale of capital assets	(1,168)	(1,487)
Proceeds from sale of investments	-	-
Proceeds from sale of other financial assets	(41,601)	-
Expenditure on capital assets	215,407	207,112
Surrenders to revenue fund	(216,319)	(134,042)
Voted funds not requested/not received	-	-
Other non-cash items	-	-
Net cash flow generated by operating activities	163,927	268,228

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

Consolidated Paymaster General Account	67,749	(6,297)
Fund requisition account	-	-
Cash receipts	15	-
Disbursements	(58,261)	-
Cash on hand	3,182	296
Cash with commercial banks-Local	-	-
Cash with commercial banks-Foreign	74,638	102,035
	87,323	96,034

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2007

These amounts are not recognised in the financial statements and are disclosed to enhance the usefulness of the financial statements.

	Note	2006/07 R'000	2005/06 R'000
26. Contingent liabilities			
Liable to	Nature		
Motor vehicle guarantees	Employees	Annexure 3A 281	671
Housing loan guarantees	Employees	Annexure 3A 2,243	2,503
Other guarantees		Annexure 3A 145,454	155,240
Claims against the department		Annexure 3B 6,562	4,047
Other departments (interdepartmental unconfirmed balances)		Annexure 5 -	-
Environmental rehabilitation liability		Annexure 3B -	-
Other		Annexure 3B -	-
Total		154,540	162,461

27. Commitments

Current expenditure

Approved and contracted		6,360
Approved but not yet contracted		
		<u>6,360</u>

Non-current expenditure

Approved and contracted		
Approved but not yet contracted		
		<u>-</u>
Total Commitments		<u>6,360</u>

28. Accruals

	30 Days R'000	30+ Days R'000	Total R'000	Total R'000
By economic classification				
Compensation of employees	-	-	-	-
Goods and services	-	7,199	7,199	568
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	-
Buildings and other fixed structures	-	-	-	-
Machinery and equipment	-	-	-	187
Biological or cultivated assets	-	-	-	-
Software and other intangible asset	-	-	-	-
Land and subsoil assets	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>7,199</u>	<u>7,199</u>	<u>755</u>
Listed by programme level				
Administration			5,685	755
Foreign Relations			1,390	-
Public diplomacy			124	-
			<u>7,199</u>	<u>755</u>

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

		2006/07 R'000	2005/06 R'000
Confirmed balances with other departments	ANNEXURE 5	155,959	112,565
Confirmed balances with other government entities	ANNEXURE 5	-	-
	Total	155,959	112,565

29. Employee benefit provisions

Leave entitlement	15,878	12,465
Thirteenth cheque	13,724	12,379
Performance awards	6,384	5,674
Capped leave commitments	56,177	56,515
Total	92,163	87,033

30. Lease Commitments

30.1 Operating leases 2006/2007	Land R'000	Buildings & other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year		303,473	4,994	308,467
Later than 1 year and not later than 5 years		318,818	5,715	324,533
Later than five years		55,976	3	55,979
Total present value of lease liabilities	-	678,267	10,712	688,979

2005/2006

Not later than 1 year	-	218,268	3,878	222,146
Later than 1 year and not later than 5 years	-	215,805	4,440	220,245
Later than five years	-	120,890	1,588	122,478
Total present value of lease liabilities	-	554,963	9,906	564,869

30.2 Finance lease

2006/2007	Land R'000	Buildings & other fixed R'000	Machinery and R'000	Total R'000
Not later than 1 year			651	651
Later than 1 year and not later than 5 years			2,076	2,076
Later than five years			177	177
Total value of finance leases	-	-	2,904	2,904

Analysis

Condoned	-	-	-	-
Not condoned			-	-
Total				

2005/2006

Not later than 1 year				
Later than 1 year and not later than 5 years			10,276	10,276
Later than five years		-	-	-
Total present value of lease liabilities		-	10,276	10,276

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

	2006/07 R'000	2005/06 R'000
31. Receivables for departmental revenue		
Tax revenue	-	-
Sales of goods and services other than capital assets	-	-
Fines, penalties and forfeits	-	-
Interest, dividends and rent on land	-	-
Sales of capital assets	532	-
Financial transactions in assets and liabilities	-	-
Transfers received	-	-
Other	-	-
	532	-
32. Irregular expenditure		
32.1 Reconciliation of irregular expenditure		
Opening balance	-	-
Irregular expenditure – current year	-	-
Amounts condoned	-	-
Current expenditure	-	-
Transfers and subsidies	-	-
Expenditure for capital assets	-	-
Transfer to receivables for recovery (not condoned)	-	-
Irregular expenditure awaiting condonement	-	-
Analysis		
Current	-	-
Prior years	-	-
	-	-
32.2 Irregular expenditure		
Incident	Disciplinary steps taken/criminal proceedings	
	-	-
	-	-
	-	-

33. Related party transactions

Information about related party transactions is required for accountability purposes and to facilitate a better understanding of the financial position and performance of the department. The principle issues in disclosing information about related parties is identifying which parties control or significantly influence the department and determining what information should be disclosed about transactions with those parties.

Disclosure of:

- The types of the related party relationship
- The types of transactions that have occurred
- The elements of the transactions necessary to clarify the significance of these transactions to its operations and sufficient to enable the Annual Financial Statements to provide relevant and reliable information for decision-making and accountability purposes.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

The above excludes transfer payments and subsidies, as that is disclosed in the annexures to the Financial Statements.

Revenue received/(paid)

Tax revenue/ User charges	-	-
Sales of goods and services other than capital assets	-	-
Fines, penalties and forfeits	-	-
Interest, dividends and rent on land	-	-
Sales of capital assets	-	-
Financial transactions in assets and liabilities	-	-
Transfers	-	-
Total	-	-

Movement of funds between department and related party

Investment	-	-
Non-interest bearing loans to/ (from)	-	-
Interest bearing loans to/ (from)	-	-
Debtor balances	-	-
Creditor balances	-	-
Sales of assets	-	-
Guarantees provided	-	-
	-	-

Balances between department and related party

Investment	-	-
Non-interest bearing loans to/ (from)	-	-
Interest bearing loans to/ (from)	-	-
Debtor balances	-	-
Creditor balances	31,863	-
Sales of assets	-	-
Guarantees provided	-	-
	31,863	-

Description	No. of Individuals	Total R'000	Total R'000
Political Office Bearers(provide detail below)	3	2,323	2,531
Officials			
Level 15 to 16	12	8,898	9,124
Level 14(incl CFO if at lower level)	57	33,906	30,276
Family members of key management personnel			-
Total		45,127	41,931

35. Public Private Partnership

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

The Department's project to acquire a suitable and sustainable working environment for its total Head Office staff complement has advanced steadily during the year under review.

The scope of the project encompasses:

- the provision of office accommodation for the full Head Office staff complement, together with appropriate staff wellness facilities necessary for the Department to fulfil its mandate;
 - a training facility to replace the present FSI;
 - a conference centre seating 400 delegates to accommodate the many local and international conferences hosted by South Africa through the Department;
 - the upgrading of the existing diplomatic guest house; and
 - The construction of a new guest house on the selected site.
- The Department's project to acquire a suitable and sustainable working environment for its total Head Office staff complement has advanced steadily during the year under review.

Contract fee received

(Specify)	-	-
(Specify)	-	-

Contract fee paid

Fixed component	-	-
Indexed component	-	-

Current Expenditure

Compensation of employees	-	-
Goods and services (excluding lease payments)	-	-
Operating leases	-	-
Finance leases	-	-
Interest	-	-

Capital/ (Liabilities)

Tangible rights	-	-
Intangible rights	-	-
Property	-	-
Plant and equipment	-	-
Loans	-	-

Other

Prepayments and advances	-	-
Pre-production obligations	-	-
Other obligations	-	-

TOTAL

-	-
-	-

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

36. Provisions

Potential irrecoverable debts		
Households and non profit institutions		-
Private enterprises		-
Staff debtors		-
Other debtors	2,000	2,000
Claims recoverable	31,000	30,000
	<u>33,000</u>	<u>32,000</u>
Provisions		
Impairment of investments	-	-
Provision for non-recoverable loans	-	-
Other – Specify one per line	-	-
Total	<u>33,000</u>	<u>32,000</u>

37. Tangible Capital Assets

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Opening balance Cost	Current Year Adjustments to prior year balances Cost	Additions Cost	Disposal Cost	Closing Balance Cost
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	221,876	-	88,241	-	310,117
Dwellings	181,992	-	88,241	-	270,233
Non-residential buildings	39,884	-	-	-	39,884
Other fixed structures	-	-	-	-	-
Heritage assets	-	-	-	-	-
	-	-	-	-	-
Machinery and Equipment	226,204	1,120	128,341	(1,168)	354,497
Transport assets	29,177	-	7,071	(743)	35,505
Specialised military assets	-	-	-	-	-
Computer equipment	69,255	205	930	-	70,390
Furniture and Office equipment	80,567	915	34,560	(425)	115,617
Other machinery and equipment	47,205	-	85,780	-	132,985
	-	-	-	-	-
TOTAL TANGIBLE ASSETS	<u>448,080</u>	<u>1,120</u>	<u>216,582</u>	<u>(1,168)</u>	<u>664,614</u>

The Department has engaged in a project of determining fair values for all the assets with R1 value including those assets whose purchase date could not be determined. All the assets have been revalued and Auditors were advised of the processes followed in conducting the revaluation.

It was agreed that the asset register will not be adjusted with the revalued amount as the department will be engaged with the revaluation process during financial year 2007/08.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

37.1 ADDITIONS TO TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Cash Cost	Non-Cash Fair Value	(Capital work in progress- current costs) Costs	Received current year, not paid (Paid current year) Cost	Total Cost
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	119,398	-	(31,157)	-	88,241
Dwellings	119,398	-	(31,157)	-	88,241
Non-residential buildings	-	-	-	-	-
Other fixed structures	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	92,573	35,768	-	-	128,341
Transport assets	7,071	-	-	-	7,071
Specialised military assets	-	-	-	-	-
Computer equipment	930	-	-	-	930
Furniture and Office equipment	34,560	-	-	-	34,560
Other machinery and equipment	50,012	35,768	-	-	85,780
TOTAL CAPITAL ASSETS	211,971	35,768	(31,157)	-	216,582

37.2 DISPOSALS OF TANGIBLE CAPITAL ASSETS PER ASSET REGISTRAR FOR THE YEAR ENDED 31 MARCH 2007

	Sold (cash) Cost	Non-cash Fair Value	Total Cost	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	1,168	-	(1,168)	1,168
Transport assets	743	-	(743)	743
Specialised military assets	-	-	-	-
Computer equipment	-	-	-	-
Furniture and Office equipment	425	-	(425)	425
Other machinery and equipment	-	-	-	-
TOTAL	1,168	-	(1,168)	1,168

37.3 MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	179,056	42,820	-	221,876
Dwellings	151,760	30,232	-	181,992
Non-residential buildings	27,296	12,588	-	39,884
Other fixed structures	-	-	-	-
Heritage assets	-	-	-	-

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

37.3 MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2006
(continue from page 71)

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACINERY AND EQUIPMENT	97,717	129,974	(1,487)	226,204
Transport assets	19,341	10,121	(285)	29,177
Specialised military assets	-	-	-	-
Computer equipment	13,359	55,896	-	69,255
Furniture an Office equipment	37,318	44,451	(1,202)	80,567
Other machinery and equipment	27,699	19,506	-	47,205
TOTAL TANGIBLE ASSETS	276,773	172,794	(1,487)	448,080

38 Intangible Capital Assets

MOVEMENT IN INTAGIBLE CAPITAL ASSETS PER ASSET REGISTRAR FOR THE YEAR ENEDED 31 MARCH 2007

	Opening balance Cost R'000	Current Year Ad- justments to prior year balances Cost R'000	Additions Cost R'000	Disposals Cost R'000	Closing balance Cost R'000
CAPITALISED DEVELOPMENT COSTS	-	-	-	-	-
COMPUTER SOFTWARE	47,045	-	5,294	-	52,339
TOTAL INTANGIBLE ASSETS	47,045	-	5,294	-	52,339

38.1 ADDITIONS TO INTAGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Cash Cost	Non-cash Fair Value	(Develop- ment work in progress current costs) Cost	Received current year, not paid (Paid current year, received prior year) Cost	Total Cost
CAPITALISED DEVELOPMENT COST					-
COMPUTER SOFTWARE	3,436	1,858	-	-	5,294
TOTAL	3,436	1,858	-	-	5,294

38.3 CAPITAL INTANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance Cost R'000	Additions Cost R'000	Disposals Cost R'000	Closing balance Cost R'000
CAPITALISED DEVELOPMENT COSTS				
COMPUTER SOFTWARE	12,727	34,318	-	47,045
TOTAL INTANGIBLE ASSETS	12,727	34,318	-	47,045

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

ANNEXURE 1F

STATEMENT OF UNCONDITIONAL TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT			2005/06	
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Avail- able Funds Transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Total Available R'000
Tshwane & PW Municipality Foreign rates & Taxes	5,175	-	-	5,175	5,353	103.4%			0.0%	10,241
Municipal rates & taxes: PW Municipality	12,707	-	-	12,707	15,059	118.5%			0.0%	4,444
RSCL: Tswane metropoli- tan mun	660	-	-	660	237	35.9%			-	
	18,542	-	-	18,542	20,649					14,685

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

**ANNEXURE 1G
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER			2005/06 Appropriation Act	Final Appropriation Act
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	R'000		
African Renaissance Fund	R'000 150,000	R'000	R'000	R'000 150,000	R'000 150,000	% 100.0%	R'000 100,000	R'000 100,000	
						0.0%			
				-		0.0%			
				-		0.0%			
	150,000	-	-	150,000	150,000		100,000	100,000	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

ANNEXURE 11
STATEMENT OF TRANSFERS TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

(NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE)	TRANSFER ALLOCATION				EXPENDITURE				2005/06 Total Available
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
Transfers	-	-	-	-	-		-	-	9,829
Non life insurance premium	6,558	-	-	6,558	10,588	161.5%	-	-	9,829
	6,558	-	-	6,558	10,588		-	-	
Subsidies	-	-	-	-	-		-	-	
Total	6,558	-	-	6,558	10,588	-	-	-	9,829
Private Enterprises									
Transfers	-	-	-	-	-		-	-	-
Subsidies	-	-	-	-	-		-	-	-
Total	-	-	-	-	-		-	-	-
TOTAL	6,558	-	-	6,558	10,588				9,829

Explain reasons for underspending, should actual be less than 90 percent, what corrective steps were taken, mention early warning report on corrective steps as a result and whether or not an application has been made for a roll over. List each transfer by public corporation or private enterprise

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

ANNEXURE 1J

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE			2005/06
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Final Appropriation Act R'000	
Transfers						%		
African Caribbean & Pacific	2,200			2,200	3,058	139.0%	2,200	
Common Wealth	7,000			7,000	7,006	100.1%	7,000	
GLOC	3,700			3,700	3,668	99.1%	2,400	
AU Membership fees	135,700			135,700	85,019	62.7%	80,000	
South Centre	1,000			1,000	495	49.5%	1,000	
UN Human Rights	300			300	148	49.3%	300	
UNDP	9,950			9,950	6,556	65.9%	950	
OIRARC	120			120	-	0.0%	120	
PGTF	50			50	50	100.0%	50	
CTBT	4,986			4,986	2,379	47.7%	4,986	
SADC Membership	25,735			25,735	25,255	98.1%	15,006	
NEPAD	30,000			30,000	30,000	100.0%	30,000	
Inter Seabed Authority	286			286	-	0.0%	286	
Humanitarian Aid	18,000			18,000	17,801	98.9%	21,000	
UN Membership fees	75,066			75,066	64,326	85.7%	80,000	
African Renaissance fund	-			-	-	0.0%	-	
UNDP Rentals	-			-	-	0.0%	9,000	
G77 TCBC	100			100	100	100.0%	100	
BTWC	414			414	-	0.0%	414	
UNCLOS	500			500	-	0.0%	500	
UN Econ Comm	200			200	-	0.0%	200	
Permanent Court of Arbitration	115			115	76	66.1%	115	
OIOR Research Centre	-			-	-	0.0%	-	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

ANNEXURE 1J

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE			2005/06	
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Appropriation Act R'000	Final Appropriation Act R'000	
Intern Tribunal Law of the Sea	458			458	285	62.2%		458	
UNICEF	200			200	168	84.0%		200	
UN Technical Coop	100			100	218	218.0%		100	
Asia-African Legal Consultative Organisation (AALCO)	120			120	99	82.5%		120	
BIE	25			25	-	0.0%		25	
India, Brazil, SA Dialogue Forum	7,000			7,000	5,443	77.8%			
Org for economic co-op& dev	205			205	-	0.0%			
Foreign rates & taxes									
Total	323,530	-	-	323,530	252,150	77.9%		256,530	

List each transfer by foreign government/international organisation

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

**ANNEXURE 1L
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE			Final Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Over R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Transferred %	2005/06 Appropriation Act R'000	
Households	-	-	-	-	-	0.0%	12,456	
Household Empl social Benefit- cash res	3,750	-	-	3,750	11,821	315.2%	-	
Household social benefit- Local recruited staff	2,409	-	-	2,409	5,375	223.1%	-	
Total	6,159	-	-	6,159	17,196		12,456	

List by major categories

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2007

ANNEXURE 1M

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2007

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07		2005/06	
			R'000		R'000
Received in kind					
Several as disclosed in 2005/06					501
Persemie Mark & Andrew Dunkley "The gallery Team"	Box of Stainless Steel Bar set		1		
HE Dr Matko Zupanic, Ambassador Of Croatia	Royal Crystal Rock- Cristallo Al Piombo 24% Italia –Olympia		1		
HE Mr Ove Thorsheim Ambassador of Royal Norwegian Embassy	Two Fossen slices Smoked Norwegian Salmon (Fish)		1		
Ms Yvonne Muthien MTN	Cellphone – Make Nokia 6630		2		
President of the International Diplomatic Spouses Association (IDSA), Ms saeda Yahaya	Leaneese Hand Embroided Table cloth and Napkins		1		
JSE	Silver Ice Bucket		1		
The Ambassador of the Slovak Republic, HE Mr Pavol Ivan	Hand Cut Lead Crystal Classic & 2007 Calander		1		
Ambassador of the Argentine Republic HE R Carlos Sarsale id Cerisano	6 Bottle of Mendoza Argentine wine and Christmas Card		1		
South Korean Minister of Maritime Affairs and Fisheries: HE Sung Jim Kim	Sumsung Camera, Sumsung Ditial Audio Player, USB Drive memory stick, Java writing Instrument x2 and 2 Catalogues "The living ocean and coast"		1		
Ambassador of Poland	Ipod Nano		1		
Ambassador of Czeck Republic	Crystal Bowl		1		
Standard Bank Of South Africa	2xReturn air tickets to Cape Town, gift bag, hotel accommodation, rented car and 2x weekend passes at the International Jazz Festival		5		
South Korean Minister of Mariime Affairs and Fisheries: HE Sung Jin Kim	Sumsung Camera, Sumsung Digital Audio Player & USB Drive memory stick, Java writing instrument X2 and 2 Catalogues "The living ocean and coast		2		
Ambassador of Argentine	6 bottle of Mendoza Argentine wine Republic HE R. Carlos and Christmas Card		1		
President of the International Diplomatic Spouses Association (IDSA), Ms Saeda Yahaya	Sersale di Cerisano		1		
	Lebanese Hand Embroided		1		
JSE High Commissioner of India	Silver Ice Bucket				
The Ambassador of the Slovak Republic, H E Mr Pavol Ivan	3 Books: Indian Moods and Memories World Heritage sites in India Two Tango		1		
	Hand Cut Lead Crystal Classic & 2007 Calendar		1		
Embassy of the Sulnate of Oman (Frakhri AL Said)	Ladies Perfume, L'air du Temps by Nina Ricci, Bottle of William Grant's whisky, Omani sweet meat		1		

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

ANNEXURE 1M (continued)

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2007

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07	2005/06
		R'000	R'000
Ambassador of Argentine Republic HE R. Carlos Sersale di Cerisano	6 bottle of Mendoza Argentine wine and Christmas Card	1	
The Royal Norwegian Embassy, H E Mr O Thorsheim	Two Fossen slices smoked Norwegian Salmon (Fish)	1	
Anglo American International	Opening of Parliament	200	
BMW	Opening of Parliament	500	
Burghers Park Hotel	Opening of Parliament	40	
BrandHouse Beverages	Opening of Parliament	27	
KWV International	Opening of Parliament	6	
Distell	Head of Mission Conference	20	
MIH	Head of Mission Conference	313	
Sasol	Head of Mission Conference	288	
SA Tourism	Head of Mission Conference	35	
Standard Bank	Head of Mission Conference	250	
Vodacom	Head of Mission Conference	112	
Extrata	International Fair	30	
Telkom	International Fair	90	
Special Events	International Fair	5	
BMW South Africa	Ambassador Modise farewell	228	
Eskom	Ambassador Modise farewell	111	
PetroSA	Ambassador Modise farewell	200	
Pricewaterhouse coopers	Ambassador Modise farewell	25	
ABSA	Ambassador Modise farewell	25	
SAP	Ambassador Modise farewell	25	
De Beers	Ambassador Modise farewell	25	
Hoxies	Ambassador Modise farewell	15	
Coca Cola	Ambassador Modise farewell	15	
Centre for conflict resolution	Advanced mediation training	100	
Netcare	Skills development program training	61	
Standard bank	Development of training manuals of Consular management system	97	
Indian Foreign Ministry	Set of 8 CD's krishnadwani Ustand Zakil Husain and the Maestros	1	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

ANNEXURE 1M (continued)

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2007

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07	2005/06
		R'000	R'000
Turkish special envoy	Gold plated ornamental vase	1	
Japanese counterpart	Wako desk clock	1	
Sahara computers	Carol Boyes Salad bowl	2	
Algerian Embassy	Johnny walker whisky collection	2	
President of the PROC	Tea set	1	
Sahara computers	47 piece dinner set, quarter oz Kruger rand, food basket and Beng TV wide screen	1	
Subtotal		2,880	501

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

ANNEXURE 10

**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR
THE YEAR ENDED 31 MARCH 2007**

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organization)	R'000
Paid in cash	
Subtotal	
Made in kind	
Arts an crafts presented during the Deputy President's visit to Japan	18
Arts an crafts presented during the Deputy President's visit to Indonesia and Solo	7
Arts an crafts presented during the Deputy President's visit to Uganda	
Arts an crafts presented during the Deputy President's visit to London and Germany	
Ostrich leather folders for the Office of the Deputy President- gifts for incoming visits	38
Arts and crafts presented by Deputy Minister Sue van der Merwe- Foreign Minister of Iran	
Arts and crafts presented during Deputy Minister Pahad's visit to China	4
Arts and crafts presented during the President's visit to Sudan	6
Arts and crafts presented during the President's visit to Niger	7
Traditional arts and crafts for the Office of the Deputy President- gifts for incoming visits	9
Arts and crafts presented during the President's visit to Guinea	3
Clive Sithole Pot and Rooibos Tea display- Visit Chinese Prime Minister	22
Arts and crafts presented during the President's visit to Mozambique	5
Arts and crafts presented during the President's visit to Gambia	3
Clive Sithole Pots and Ardmore- First Lady	85
Arts and crafts presented during the President's visit to Germany	10
Arts and crafts presented during the President's visit to Russia	3
Clive Sithole Pots and David rees Glassware- First Lady (incoming and outgoing visits)	97
Traditional arts and crafts presented during the President's visit to Lesotho	5
Ostrich Leather Folder presented to the hotel manager of the Table Bay Hotel, Cape Town	
Painting by Sam presented to the Office of the First Lady for incoming and outgoing visits	22

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

**ANNEXURE 10 (continued)
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN
ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2007**

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organization)	R'000
David Koloane-rooms to let acrylic on canvas presented to the Office of the First Lady for incoming and outgoing visits	28
Arts and crafts presented during the visit of the President of Russia	16
Arts and crafts presented during the President's visit to Brazil	3
Arts, crafts and leather ware presented during the President's visit to Cuba	12
Arts, crafts and stationary presented during the President's visit to New York	2
Arts and crafts presented during the President's visit to Ivory Cost	2
Arts and crafts presented during the President's visit to Burkina Faso	2
Arts and crafts presented during the First Lady's visit to Chile and Tunisia	
Ardmore and Clive Sithole Pot presented by the President to the Prime Ministe of India	
Ardmore vase in box presented by the President to Prince Edward of Sweden	8
Traditional arts and crafts presented by Minister Dlamini-Zuma to visitin delegation from Argentina, Dominican Republic and Venezuela.	15
Arts and crafts presented during the President's visit to Addis Ababa	5
Ardmore, Clive Sithole Pots and other arts and crafts presented during the Deputy President's visit to Australia and New Zealand	81
Arts and crafts presented for the pre-advance team to Canada	1
Ardmore and boxes presented to the Office of the First Lady for Incoming and Outgoing visits.	51
Arts and crafts presented during the President's visit to Namibia	5
Books and bookmarks presented during the advance team's visit to Canada	1
Books, bookmarks and pins presented to the incoming advance team of the Cheq Republic	1
Ardmore bowls, tea sets and jars presented to the Office of the First Lady for incoming and outgoing visits	92
Zulu Basket presented by the President to HE Salva Kiir Mayadit of Sudan	
Beaded pot and box presented by Deputy Minister Pahad to Vice Minister Bolivar of Venezuela	4
Arts and crafts presented to Goldfields mining administrative Personnel during the visit of Vice Minister Bolver of Venezuela	2
20 Seasons of hope books presented to the Office of the Deputy President for incoming and outgoing visits	3
Arts, crafts and leatherwear presented to the Office of the Minister for incoming and outgoing visits	15

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2007

ANNEXURE 10 (continued)

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2007

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organization)	R'000
Arts, crafts, Rooibos presentations and SA Wines presented during the President of Canada's visit	28
Arts, crafts, Rooibos presentations and SA Wines and handbags presented during the President of the Cheq Republic's visit	29
Arts and crafts presented during the President's visit to Nigeria	6
Arts and crafts presented during the President's visit to DRC	4
Traditional arts and crafts presented during the President's visit to Washington	6
20 Seasons of hope books presented to the Office of the Deputy President for incoming and outgoing visits	7
Ardmore, Clive Sithole Pots and other arts and crafts presented during the Deputy President's visit to London	24
Clive Sithole Pot and other traditional arts and crafts presented during the First Lady's visit to Tunisia	7
Arts and crafts presented during the Deputy Minister Sue van der Merwe's visit to France	11
Arts and crafts presented during the President's visit to davos, Switzerland	6
Arts and crafts presented during the President's visit to Addis Ababa	5
Ardmore mugs, ceramics and other arts and crafts presented to the Office of the First Lady for Incoming and outgoing visits	25
Mont Banc presented to the Libyan Foreign Minister by Minister Dlamini-Zuma	16
Arts and crafts presented during the visit of the President China	26
Brief case presented by Deputy Minister Pahad to the Vice Minister of Syria	3
Arts and crafts presented during the President's visit to Davos and Addis Ababa	16
Beaded Suede Pot presented by Minister Dlamini-Zuma to the visiting Foreign Minister of Argentina	1
Clive Sithole Pot presented by Minister Dlamini-Zuma to the visiting Foreign Minister of Ireland	1
Arts and crafts presented during the President's visit to Saudi Arabia	21
Arts and crafts presented during the President's visit to Qatar	4
Arts and crafts presented during the President's visit to Ghana	8
Arts and crafts presented during the President's visit to Benin	4
Arts and crafts presented by the Deputy President during the Russian Prime Minister's visit	3
Glassware presented to the Office of the First Lady for incoming Visits	9

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2007

ANNEXURE 10

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2007

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organization)	R'000
Framed copper artwork and gift box presented to the HOM of Cuba- Farewell function	2
Beaded pot and gift box presented to the Columbian HOM- Farewell function	4
Large beaded platter and gift box presented to the Namibian HOM- Farewell function	3
Beaded leather pot and gift box presented to the Indian HOM- Farewell function	4
Ceramic vase and gift box presented during the dinner in honour of Prime Minister of India	3
Gift box and pedestals presented to the HOM of France- Farewell function	2
Vase and gift box presented to the HOM of Korea- Farewell function	3
Beaded pot and gift box presented to the HOM of Ireland- Farewell function	4
Sithole pot and gift box presented to the HOM of Ukraine- Farewell function	3
Zenele Pot and gift box presented to the HOM of Malawi- Farewell function	3
Sithole pot and gift box presented to the HOM of the Vatican- Farewell function	3
Sithole Pot presented to the HOM of Canada- Farewell function	2
Mbenzi Doll and gift box presented to the HOM of Senegal- Farewell function	2
Ostrich leather folder presented to the HOM of Italy- farewell function	3
Subtotal	1,004
Remissions, refunds, and payments made as an act of grace	-

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2007 – LOCAL

Guarantor institution	Guaranteee in respect of	Original guaranteed capital amount	Opening balance 01/04/2006	Guarantees issued during the year	Guarantees released/paid/cancelled/reduced during the year	Currency Revaluations	Closing balance 31/03/2007	Guaranteed interest outstanding 31/03/2007	Realised losses not recoverable. i.e claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles								
Stannic		292	671	-	(390)	-	281	-	-
		292	671	-	(390)	-	281	-	-
	Housing								
Standard Bank	Housing loans	504	463	28	(40)	-	451	-	-
Nedbank Ltd.	Housing loans	378	331	-	-	-	331	-	-
Firststrand Bank: FNB	Housing loans	399	397	-	(63)	-	334	-	-
ABSA Bank	Housing loans	690	122	42	(92)	-	72	-	-
Fidelity Bank	Housing loans	46	-	-	-	-	-	-	-
BOE Bank(NBS Division)	Housing loans	464	458	-	(46)	-	412	-	-
FNB/Saambou Bank	Housing loans	898	498	-	(85)	-	413	-	-
Peoples/ Permanent Bank	Housing loans	259	187	-	(4)	-	183	-	-
Old Mutual	Housing loans	23	20	-	-	-	20	-	-
VBS	Housing loans	-	23	-	-	-	23	-	-
Hlano Fin Serv	Housing loans	4	4	-	-	-	4	-	-
Total		3,665	2,503	70	(330)	-	2,243	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2007 – LOCAL

Guarantor institution	Guaranteee in respect of	Original guaranteed capital amount	Opening balance 01/04/2006	Guarantees issued during theyear	Guarantees released/paid/ cancelled/ reduced during the year	Currency Revaluations	Closing balance 31/03/2007	Guaranteed interest outstanding 31/03/2007	Realised losses not recoverable. i.e claims paid out
	Other								
South African Development Bank	Lesotho High-lands Development Authority for the Northern access road project IHT 02021	54,045	21,898	-	(4,168)		17,730	1,852	-
South African Development Bank	Lesotho High-lands Development Authority for the Northern access road project IHT 02022	154,279	74,507		(8,748)		65,759	5,155	-
South African Development Bank	Lesotho High-lands Development Authority for the northern access road project IHT 02023	2,385	762		(213)		549	70	-

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2007 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 01/04/2006	Guarantees issued during the year	Guarantees released/paid/ cancelled/ reduced during the year	Currency Revaluations	Closing balance 31/03/2007	Guaranteed interest outstanding 31/03/2007	Realised losses not recoverable. i.e claims paid out
South African Development Bank	Loan granted to Lesotho High-lands Development Authority for the Northern access road project IHT 01 678	24,805	7,258		(2,032)		5,226	1,455	-
South African Development Bank	Loan granted to Lesotho High-lands Development Authority for the Leshoto infrastructure (construction-northern access road project) IHT 02 485	41,600	21,087		(2,476)		18,611	1,736	-
South African Development Bank	Loan granted to Lesotho High-lands Development Authority for Katze-town programme (project1) IHT 02 024	21,393	14,298		(1,230)		13,068	2,396	-

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

**ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2007 – LOCAL**

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 01/04/2006	Guarantees issued during the year	Guarantees released/paid/ cancelled/ reduced during the year	Currency Revaluations	Closing balance 31/03/2007	Guaranteed interest outstanding 31/03/2007	Realised losses not recoverable. i.e claims paid out
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for advanced infrastructure. Upgrading of the boarder post facilities Maputo and Caledonspoort IHT 02270/2	7,530	4,332		(406)		3,926	408	-
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for advanced infrastructure. Upgrading of current roads IHT 02 214/2	29,059	11,098		(4,558)		6,540	973	-
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for communication system IHK 02 653	1,546	-	-	-		-	-	-
		336,642	155,240	-	(23,831)		131,409	14,045	-
	Total	340,599	158,414	70	(24,551)		133,933	14,045	-

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

ANNEXURE 3A (continued)

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2007 – FOREIGN

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2005	Guarantees issued during the year	Guarantees released/paid/ cancelled/reduced during the year	Guaranteed interest for year ended 31 March 2006	Closing balance 31 March 2006	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles						-	
	Housing						-	
	Other						-	
	Total	-	-	-	-	-	-	-

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

**ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2007**

Nature of Liability	Opening Balance 01/04/2006 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 31/03/2007 R'000
Claims against the department					
Catlin V Minister of Foreign affairs	280	-	-	-	280
Vespa- Munich, Germany V Republic of South Africa	12	-	-	-	12
De Souza- Brasilia, Brazil Vs Republic of South Africa	55	-	-	-	55
Gangat V Minister of Foreign affair	2,500	-	-	-	2500
Madencilik Metal Ticaret Anonm Sirket (Istanbul) V Government of South Africa	200	-	-	-	200
De'eb v Minister of Foreign Affairs	-	-	-	-	-
Kwepile v Minister of Foreign Affairs	1,000	-	(65)	-	935
Van Zyl VS President of South Africa	-	1,500	-	-	1,500
Feldman v Minister of Foreign Affairs	-	1,056	-	-	1,056
Ngaki v Minister of Foreign Affairs	-	24	-	-	24
Runz v Minister of Foreign Affairs	-	-	-	-	-
Rajoo v Department of Foreign Affairs	-	-	-	-	-
Sobanzile v Minister of Foreign Affairs	-	-	-	-	-
Total	4,047	2,580	(65)		6,562
Environmental Liability					
Other					
Total	4,047	2,580		(65)	6,562

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

ANNEXURE 4
INTER-GOVERNMENT RECEIVABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Eastern Cape	163	-	2,416	1,470	2,579	1,470
Northern Cape	208	-	697	513	905	513
Free State	242	-	2,580	2,278	2,822	2,278
Limpopo	598	-	4,656	3,762	5,254	3,762
Mpumalanga	83	-	1,109	947	1,192	947
North West	152	-	1,374	1,757	1,526	1,757
Kwazulu Natal	123	-	2,650	2,630	2,773	2,630
Gauteng	384	-	3,029	3,744	3,413	3,744
Western Cape	45	-	1,934	1,010	1,979	1,010
Arts, Culture	-	-	-	(2,616)	-	-2,616
Science & Technology	913	1,323	2,688	3,450	3,601	4,773
Welfare	589	1,789	563	209	1,152	1,998
Agriculture	1,946	1,903	3,416	1,303	5,362	3,206
National Prosecution Authority	-	30	164	61	164	91
Justice	4	260	3,310	2,560	3,314	2,820
Public Service Administration	1,251	198	2,501	2,112	3,752	2,310
Housing	20	-	493	(307)	513	-307
Public Service Comm	-	4	13	-	13	4
Environmental Affairs	642	501	1,377	1,133	2,019	1,1634
Public Works	-	-	-	951	-	951
Health	513	-	2,529	(373)	3,042	-373
Office of the President	-	-	9,191	11,830	9,191	11,830
Transport	492	739	408	(226)	900	513
Minerals and Energy	919	300	1,026	1,101	1,945	1,401
Office of the Public Enterprise	-	1	44	14	44	15
Trade and Industry	291	16,583	19,661	4,383	19,952	20,966
Water Affairs and Forestry	-	30	1,322	1,106	1,322	1,136
Home Affairs	-	-	-	-	-	-
Labour	-	-	-	(4,503)	-	-4,503
Land Affairs	9	58	52	50	61	108
National Treasury	6	52	248	197	254	249
Finance	28	5	3,490	3,472	3,518	3,477
Finance Pension	1,911	1,630	437	530	2,348	2,160
Post & Telecommunication	-	721	905	1,019	905	1,740
Sports & Recreation	1,399	466	282	365	1,681	831
South African Comm Service	48	-	6	14	54	14
South African Revenue Service	123	488	1,157	1,877	1,280	2,365

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

ANNEXURE 4

INTER-GOVERNMENT RECEIVABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
Police	3,575	12,054	37,660	18,175	41,235	30,229
Education	235	-	23	(189)	258	-189
National Defence Force (Combined with Account "A")	8,779	13,796	9,122	(2,136)	17,901	11,660
Provincial and Local Affairs	87	156	242	109	329	265
Government Printer	-	-	101	101	101	101
Central Statistical Services	-	-	3	3	3	3
Correctional Services	38	-	45	90	83	90
Unsettled Claims	-	-	6,887	10,910	6,887	10,910
Departmental interface	-	-	155	-	155	-
Other	-	1	-	157	-	158
National Intelligence	156	-	1,434	1,291	1,590	1,291
	-	-	-	-	-	-
	25,972	53,088	131,400	76,334	157,372	129,422
Other Government Entities						
African Renaissance and International Co-operation Fund		48,227				48,227
					-	-
					-	-
					-	-
		48,227	-	-	-	48,227
TOTAL	25,972	101,315	131,400	76,334	157,372	177,649

The balance at year end includes all amounts owing by National and Provincial Departments as well as all Public Entities, Constitutional Institutions and Trading Entities.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2007 R'000	31/03/2006 R'000	31/03/2007 R'000	31/03/2006 R'000	31/03/2007 R'000	31/03/2006 R'000
DEPARTMENTS						
Current						
Home Affairs	155,959	112,565			155,959	112,565
					-	-
					-	-
					-	-
Subtotal	155,959	112,565	-	-	155,959	112,565
Non-current						
					-	-
					-	-
Subtotal	-	-	-	-	-	-
Total	155,959	112,565	-	-	155,959	112,565
OTHER GOVERNMENT ENTITY						
Current						
					-	-
					-	-
					-	-
Subtotal	-	-	-	-	-	-
Non-current						
					-	-
					-	-
Subtotal	-	-	-	-	-	-
Total	-	-	-	-	-	-

Abbreviation of Government Departments

DA	Department of Agriculture
DACST	Department of Arts and Culture
DEAT	Department of Environmental Affairs and Tourism
DOC	Department of Communications
DCS	Department of Correctional Services
DOE	Department of Education
DFA	Department of Foreign Affairs
DOH	Department of Health
DHA	Department of Home Affairs
DJCD	Department of Justice and Constitutional Development
DOL	Department of Labour
DLA	Department of Land Affairs
DME	Department of Minerals and Energy
DPE	Department of Public Enterprises
DPSA	Department of Public Service and Administration
DPW	Department of Public Works
DPLG	Department of Provincial and Local Government
DSS	Department of Safety and Security
DST	Department of Science and Technology
DSD	Department of Social Development
DSR	Department of Sports and Recreation
DTI	Department of Trade and Industry
DOT	Department of Transport
DWAF	Department of Water Affairs and Forestry
GCIS	Government Communication and Information System
NIA	National Intelligence Agency
NT	National Treasury
ORC	Office on the Rights of the Child
OSDP	Office on the Status of Disabled Persons
OSW	Office on the Status of Women
SAAF	South African Air Force
SANDF	South African National Defence Force
SAPS	South African Police Service
SARB	South African Reserve Bank
SASS	South African Secret Service
SASSA	South African Social Security Agency
SARS	South African Revenue Service



Acronyms

AARSOC	Asia-Africa Sub-regional Organisations Conference
ACHPR	African Commission on Human and Peoples' Rights
ACP	African, Caribbean and Pacific States (see CPA)
AFREC	African Energy Commission
AGOA	African Growth Opportunity Act
AICC	African Institute of Corporate Citizenship
ASEAN	Association of South East Asian Nations
ATCM	The Antarctic Treaty Consultative Meeting
ATS	Antarctic Treaty System
AU	African Union (formerly OAU)
BEE	Black Economic Empowerment
BIPPA	Bilateral Agreement on Promotion and Protection of Investments
BLSN	Botswana, Lesotho, Swaziland, Namibia)
BNC	Binational Commission
CARICOM	Caribbean Community
CCA	Comprehensive Ceasefire Agreement
CCAMLR	The Commission for the Conservation of Antarctic Marine Living Resources
CCW	Convention on Certain Conventional Weapons
CD	Conference on Disarmament
CDM	Clean Development Mechanism
CERD	United Nations Committee on the Elimination of Racial Discrimination
CHOGM	Commonwealth Heads of State and Government Meeting
CIC	Credit Insurance Committee
COP	Conference Of the Parties
CPA	Cotonou Partnership Agreement (EU and ACP)
CSD	Commission on Sustainable Development
CSRT	Centre for the Study and Research on Terrorism
CSTP	Committee for Scientific and Technological Policy
CSW	United Nations Commission on the Status of Women
CTBT	Comprehensive Nuclear-Test-Ban Treaty
CWC	Chemical Weapons Convention
DDPA	Durban Declaration and Programme of Action
DNA	Designated National Authority
DOI	Declaration of Intent
DPRK	Democratic People's Republic of Korea
DRC	Democratic Republic of the Congo
DTI	Department of Trade and Industry
ECIC	Export Credit Insurance Corporation of South Africa
ECOSOC	Economic and Social Council (UN)
EEZ	Exclusive Economic Zone
EIF	Entry Into Force
EPA	Economic Partnership Agreement
ERW	Explosive Remnants of War
EU	European Union
FDI	Foreign Direct Investment



Acronyms

FNN	Forces for National Liberation
FOCAC	Forum on China-Africa Co-operation
FSI	Foreign Service Institute
G8	Group of eight (USA, UK, Germany, Italy, France, Russia, Japan, Canada)
G20	Group of Twenty
G77	Group of 77 (and China)
GA	General Assembly (United Nations)
GCC	Gulf Co-operation Council
GCIM	The Global Commission on International Migration
GDP	Growth Domestic Product
GEF	Global Environmental Facility
GEO	Group on Earth Observation
GFII	Global Forum on International Investment
GOSS	Government of Southern Sudan
HCOC	The Hague Code of Conduct against Ballistic Missiles
HRD	Human Resource Development
HSGIC	Heads of State and Government Implementation Committee (Nepad)
IAEA	International Atomic Energy Agency
IBRD	International Bank for Reconstruction and Development (World Bank)
IBSA	India, Brazil, South Africa Dialogue Forum
ICAO	The Council of the International Civil Aviation Organisation
ICC	International Criminal Court
ICJ	International Court of Justice
ICNRD	International Conference for New or Restored Democracies
ICRC	Interim Chemicals Review Committee
ICT	Information and Communications Technology
ICTR	International Criminal Tribunal for Rwanda
ICTY	International Criminal Tribunal for Yugoslavia
ILC	International Law Commission
ILO	International Labour Organisation
IMC	International Marketing Council
IMF	International Monetary Fund
IMO	International Maritime Organisation
INC	Inter-Governmental Negotiating Committee
IOC	The International Oceanographic Commission
IOR-ARC	Indian Ocean Rim Association for Regional Co-operation
IPCC	Industrial Participation Control Committee
IRPS	International Relations-Peace and Security
ISA	The International Seabed Authority
ISPS	International Ship and Port Security Code
ITEC	Intergovernmental Trade and Economic Committee (with Russia)
ITU	International Telecommunication Union
IUU	Illegal Unreported and Unregulated (Fishing)
IWC	International Whaling Commission
JBC	Joint Bilateral Commission



Acronyms

JPCDS	Joint Permanent Commission on Defence and Security
JPOI	Johannesburg Plan of Implementation
JSE	Johannesburg Stock Exchange
KPCS	Kimberley Process Certification Scheme
LDC	Least Developed Countries
MBT	Mine Ban Treaty
MDG	Millennium Development Goals
MEA	Multilateral Environmental Agreements
MERCOSUR	Southern Common Market (Argentina, Brazil, Paraguay, Uruguay)
MISS	Minimum Information Security Standards
MOP	Montreal Protocol on Substances that Deplete the Ozone Layer
MSP	Master Systems Plan (ICT)
MTCR	Missile Technology Control Regime
NAASP	New Asian African Strategic Partnership
NAM	Non-Aligned Movement
NCACC	National Conventional Arms Control Committee
NCCC	The National Committee for Climate Change
NEPAD	New Partnership for Africa's Development
NFAR	National Forum Against Racism
NGO	Non-Governmental Organisation
NIPP	The National Industrial Participation Programme
NPT	Nuclear Non-Proliferation Treaty
NSG	Nuclear Suppliers Group
NSI	Nuclear System of Innovation
NSTF	National Science and Technology Forum
ODA	Official Development Assistance
ODIN	Ocean Data and the Information Network
OIC	Organisation of Islamic Conference
PAP	Pan African Parliament
PAYU	Pan African Youth Union
PIC	Prior Informed Consent
PMO	Policy-Making Organ
PMS	Performance Management System
POP	Persistent Organic Pollutants
PSC	Peace and Security Council (AU)
PUSET	Public Understanding of Science and Technology
RECs	Regional Economic Communities
RISDP	Regional Indicative Strategic Development Plan
S&T	Science and Technology
SAA	South African Airways
SACU	Southern African Customs Union (SA, BLSN)
SADC	Southern African Development Community
SADR	Saharawi Arab Democratic Republic
SAIAIF	South African International Affairs ICT Forum



Acronyms

SAMSA	South African Maritime Safety Authority
SANGOCO	South African Non-Governmental Organisation Coalition
SAPO	South African Post Office
SAT	South African Tourism
SAWID	South African Women in Dialogue
SC	Security Council (United Nations)
SME	Small and Medium-sized Enterprises
SOLAS	Safety of Life at Sea Convention
SSR	Security Sector Reform
TDCA	Trade and Development Co-operation Agreement (with EU)
TICAD	Tokyo International Conference on African Development
TISA	Trade and Investment South Africa
TRIPS	Trade Related aspects of Intellectual Property Rights
TWG	Technical Working Groups
UK	United Kingdom
UN	United Nations
UN PoA	United Nations Programme of Action
UNCED	United Nations Conference on Environment and Development
UNCHR	United Nations Commission on Human Rights
UNCITRAL	United Nations Commission on International Trade Law
UNCLOS	United Nations Convention on the Law of Sea
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNFCCC	United Nations Framework Convention on Climate Change
UNGA	United Nations General Assembly
UN-Habitat	United Nations Human Settlements Programme
UNHCR	United Nations High Commissioner for Refugees
UNICPOLOS	The United Nations Informal Consultative Process on Oceans and the Law of the Sea
UNIDO	United Nations Industrial Development Organisation
UNISA	University of South Africa
UNSC	United Nations Security Council
UPU	Congress of the Universal Postal Union
USA	United States of America
VLCC	Very Large Crude-oil Carriers
WCAR	World Conference Against Racism
WEF	World Economic Forum
WEHAB	Water, Energy, Health, Agriculture, Biodiversity
WMDs	Weapons of Mass Destruction
WMO	World Meteorological Organisation
WSIS	World Summit on the Information Society
WSSD	World Summit on Sustainable Development
WTO	World Tourism Organisation
WTO	World Trade Organisation



