

Part 5 Annual Financial Statement

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ACCOUNTING OFFICER'S REPORT FOR THE YEAR ENDED 31 MARCH 2009

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

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

1.1 INTRODUCTION

The Department of International Relations and Cooperation(department) is responsible for the formulation, application and execution of all aspects of South Africa's foreign policy as entrusted to the Minister of International Relations and Cooperation(minister). Liaison with foreign governments on matters of international relations is conducted through South Africa's accredited representatives abroad. The head of a South African mission abroad acts as the representative of the head of state. In pursuit of the achievement of South Africa's foreign policy, the department is currently represented in one hundred and twenty four (124) South African diplomatic missions located in 107 countries 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 2008/09 to 2010/11. The following strategic priorities which were previously identified were reconfirmed for implementation during the year under review:

- Consolidation of the African Agenda;
- South-South Co-operation;
- North-South Dialogue;
- Global Governance;
- Bilateral Relations;
- Organisational support; and
- Organisational Strengthening.

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

- 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 promote an understanding, both domestically and internationally, of South Africa's role and position in international relations, and provides State protocol services.
- International Transfers provide for the payment of membership fees and transfers to international organisations.

During 2008/09 the Auditor General conducted an audit of the financial affairs of the Department as reported in the Annual Financial Statements for the 2007/08. The Auditor General issued an unqualified audit opinion, without matters of emphasis, with regard to the Department's 2007/08 financial statements.

Economic Diplomacy

One of the key strategies of government during the year under review and a strategic focus for the future is Economic Diplomacy and the enhancement of economic diplomacy skills of our diplomats. The department, through the Diplomatic Training, Research and Development Branch has conducted extensive research into the area of economic diplomacy and the results of the research conducted will be given attention in the 2009/10 financial year.

This report seeks to assist readers in measuring the extent to which the Department's resources allocated for the 2008/09 financial year were utilised in terms of the PFMA.

Name Change

The department of Foreign Affairs changed its name during July 2009 to the department of International Relations and Cooperation. In the annual financial statement the department had been addressed in its new name as per the Government Gazette number 32367 of 1 July 2009.

1.2 REVENUE

During the year under review, the Department received total revenue of R 5,613 billion made up of voted funds and non-voted funds as explained below: -

(i) Annual Appropriation – R 5,569 billion

The Department received a budget allocation of R5, 569 billion for the 2008/09 financial year after

adjustment estimates. This translated into an increase of 35% as against the budget allocated for the 2007/08 financial year. The budget increase can be attributed to, inter alia, the additional funding for the Africa Agenda, African Diaspora (R80 million) and SADC Summit (R18 million); Recapitalisation of African Renaissance Fund (R300 million), Salary adjustments (R28 million), exchange rates adjustments (R235 million), Capital works (R129 million) as well as the roll over of funds for Head Office Project (R665 million).

(ii) Departmental Revenue – R 43, 6 million

This amount represents revenue received in respect of 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. During year under review an amount of R43, 6 million was collected as revenue, which consists of the following: - An amount R35,369 million in respect of sales of scrap, waste and other used current goods and a further amount of R8,246 million relates to proceeds from sale of assets and interest received. However an amount of R18, 6 million was paid to the National Revenue Fund during the year and thus an amount of R25 million is accrued to National Revenue Fund.

1.3 EXPENDITURE

(i) Spending trends

South Africa maintains diplomatic relations with countries and organisations through 124 missions located in 107 countries throughout the world. Therefore the bulk of its expenditure is incurred in foreign currencies. In addition, the department, because of 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 the Rand against major foreign currencies as well as local currencies (in foreign countries) against major currencies. Due to this unpredictable and uncontrollable 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 as 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. Foreign exchange gains realised after the adjustment estimate process are paid back to the National Revenue Fund.

During the allocation of budget the following rates for major currencies were used, and reflect the foreign exchange position subsequent to the adjustment estimate process.

Currencies	Budget Foreign Currency	Budget Rate for 2008/09	Budget Rand Amount	Average Spot Rate for 2008/09	Average Rand Value	Foreign Exchange Rate Loss
	Million		R' 000		R' 000	R' 000
US \$	113 231	7.77	879 804	8.77	993 035	(113 231)
EUROS	57 178	11.98	684 992	12.42	710 150	(25 158)
POUND	4 671	15.11	70 578	14.98	69 971	607
YEN	432 627	0.07	30 283	0.090	38 936	(8 653)
SFR	10 667	7.69	82 029	8.13	86 722	(4 693)
TOTAL			1 747 686		1 898 814	(151 128)

The department therefore incurred a loss of R151 128 million from foreign exchange transactions, subsequent to the adjustment estimate process. Overall, the department has recorded a net savings of R97 523 million for the 2008/9 financial year as reflected in the following table:

ANALYSIS OF UNDER/ (OVER) EXPENDITURE PER PROGRAMME				
Programme Description	Voted 2007/08	Actual Expenditure	Savings (excess)	Expenditure %
	R'000	R'000	R'000	VOTE
1: Administration	1 731 067	1 638 436	92 631	94.6%
2: Foreign Relations	2 653 271	2 652 843	428	100%
3: Public Diplomacy and Protocol	152 623	152 622	1	100%
4: International Transfers	1 032 826	1 028 363	4 463	99.6%
TOTAL	5 569 787	5 472 264	97 523	98.2%

During the year under review, the Department utilised 98,2% of the total budget allocated. Furthermore, funds were transferred within a programme to defray over-expenditure between economic classifications and a virement of R9 million was processed from programme 2 and a further R6.6 million was processed from programme 3 to programme 1. The under expenditure can be attributed to the following reasons:

Programme 1: Administration: R92 631 million

South Africa, through the Host Country Agreement, is required to provide permanent headquarters to the Pan African Parliament. During previous years, a continent-wide competition was held for a suitable design for the Pan African Parliament. Thereafter, land was identified in Midrand, South Africa for the construction of the Parliament. The amount allocated for the commencement of construction of the Pan African Parliament has been allocated to programme 1: Administration under which programme the capital works budget for the Department reside. During the year under review certain challenges were experienced with regard to progress of the Pan African Parliament including the re-tendering for services required because of certain irregularities in the original tender process. This resulted in the intended targets being delayed and it is envisaged that significant progress will be made in the 2009/10 financial year.

1.3 APPROPRIATION FOR UNAUTHORISED EXPENDITURE

For the 2003/04 financial year the department has reported unauthorised expenditure of R6 879 million. SCOPA has recommended that the expenditure be authorised. The Department will process the necessary transactions once formal authorisation has been received from the National Treasury.

1.4 LEASE PAYMENTS

As reported in the previous financial year, the department negotiated a contract whereby vehicles for Heads of Mission are provided on a financial lease basis. In line with the PFMA, approval was granted by National Treasury for the Department to enter into such financial lease. The Department had 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 on a bi-annual payment basis to the Bank. A total of 37 units were ordered during 2006 and a further 14 units were ordered during 2007. Thirty (30) units were ordered during 2008/09 and a further 40 units will be ordered during the 2009/10 financial year.

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.

The department has also awarded a Seat Management Services Tender (SITA) 285, whereby computer desktops, laptops and printers are provided through an operational lease for head office and all missions. This option was taken to replace all obsolete computers and printers and to provide equipment that is capable of handling the new technologies that are currently being deployed. Significant progress has been made in the deployment of the equipment.

During previous years it was reported that the department had entered into negotiations with a consortium for the construction, through a Public-Private Partnership (PPP) Agreement, of a single campus to house the headquarters of the Department in Pretoria. The PPP Agreement was finally concluded and signed on 13 March 2009 which binds the department to a 25 year relationship with the Private Party, whereby the department committed to a Unitary Payment and the Private Party will manage and maintain the building for 25 years. The building and the management thereof is thereafter transferred fully to the department.

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, and the Commonwealth.
- Contributions to peacekeeping operations of the UN.
- Meetings of state parties (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 (0.290%) of the total budget, while peacekeeping contributions are calculated at the rate of Level I contributors (member states with a per capita GNI less than the average for all Member states with a threshold of USD5,518). This translates to an assessed rate of 0.0610% (affectively a discounted rate of 80%) of the total cost of each 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. South Africa's current scale of contribution to the Commonwealth is 3.90%, making her the fourth largest contributor to the organisation. As a commitment to multilateralism South Africa honours its assessed contributions in full, on time and without any preconditions.

With regard to the AU, South Africa's scale of assessment is at 15% of the total budget, which was duly paid. 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). South Africa also contributes 20% to the budget of SADC, which was duly paid.

The Development Bank of Southern Africa (DBSA) has hosted the New Economic Partnership for Africa Development (NEPAD) since its inception in 2001. NEPAD is a socio-economic programme that was established by African leaders to eradicate poverty and to place Africa on a path of sustainable growth and development as well as to participate actively in the world economy. The South African contribution to the NEPAD secretariat is channelled through the Department of International Relations and Cooperation.

The Trilateral Dialogue Forum 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 for this purpose, in the interest of developing countries. The trust fund is administered by a Board of Trustees appointed by the IBSA countries and the Board is located in New York, USA. The UNDP is utilized as a mechanism to implement projects on behalf of the IBSA Trust Fund. These projects are launched to contribute to 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 to the trust fund, with effect from the 2006/7 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 made by the department is per note 10 and Annexure IJ of the Annual Financial Statements.

3. SERVICES RENDERED BY THE DEPARTMENT

(i) Consular services

Consular Services are mandated in terms of Article V of the Vienna Convention on Consular Relations, 1963. Consular Services are therefore those services rendered to South African

citizens that travel, work, study or reside abroad and who require assistance or protection under circumstances of distress or destitution.

The changing international environment affected South Africa's ability to continue to provide protection and assistance to its citizens abroad. New and emerging threats led to a more security-conscious world. In this new environment, some countries occasionally change their practices relating to consular protection conventions and the mobility and rights of travellers. Global tensions and threats of terrorist attacks worldwide have increased the importance of viable consular contingency plans to allow for a quick and coordinated response to situations that affect the safety and security of South Africans abroad.

Consular services rendered to South Africans abroad include, but are not restricted to the following areas: visitation of injured and hospitalised persons; assistance to detained and imprisoned persons; interventions in cases of child abduction and child stealing; assistance to destitute persons and victims of crime; assistance to South African companies abroad; assistance to families of deceased persons; consular notarial services and the transmitting legal processes between states. Certain of these services involve both Mission and Head Office personnel travelling to destinations where these services are to be rendered.

Numerous interventions were made internationally to protect the interests of distressed and destitute South Africans whose own access to recourse had become limited or non-existent.

Consular interventions of note were assistance to South Africans involved (deceased) in aircraft crashes with the concomitant support to their next-of-kin, including support to citizens caught up in the Mumbai bombings during the latter half of 2008. Together with the South African Police Service Disaster Victim Identification Unit assistance was rendered after the plane crash in Uganda.

The development of the 'Consular Management System' (CMS) that will standardise and simplify the rendering of consular services by the Department was completed.

Consular training interventions (in conjunction with the Diplomatic Academy) was standardised in line with SAQA standards and is being uniformly presented to the Diplomatic trainees (including Cadets) as well as Corporate Services Managers and Attachés.

(ii) Legalisation Services

A further service that is rendered is the legalising of South African public documents for utilisation abroad. During this process documents can be either affixed with an Apostille (if documents

are to be utilised in countries party to the Hague Convention Abolishing the Requirement for Legalisation of Foreign Public Documents of 05 October 1961) or a Certificate of Authentication (if countries are not party to the aforementioned Hague convention).

During the 2008/09 financial year a total of 27 596 documents were authenticated which represented an increase of 27.694% as compared to the 2007/08 financial year.

(iii) Agency Services

An agency service is rendered on behalf of the Department of Home Affairs where that department is not represented abroad.

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 of International Relations and Cooperation who, as the accounting officer, keeps records and account of all payments into and out of the Fund. An Advisory Committee was appointed to make recommendations to the Ministers of International Relations and Cooperation 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 of claiming it back from the Fund once a letter of concurrence has been received from the Minister of Finance. Such arrangement 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 stages, which rendered the tournament a non starter without South Africa's support.

Since South Africa was intending, at that stage, to bid for the hosting of the 2006 FIFA Soccer World Cup it was prudent that support to the AFCON initiative was given in order to gain the

confidence of the world that Africa was capable of hosting 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 have been in a position to host the tournament successfully at such a late stage. An increased contribution of R29 042 million was made, paid from the department.

The Department of Sports and Recreation was responsible for the management of the project through the Mali Trust Fund. However, due to the increased costs, the Minister of Finance requested the audit of the Trust Fund before he could consider issuing a letter of concurrence, which was duly completed by the Auditor General. The Audit report together with the request for concurrence letter has been submitted to the Minister of Finance for his consideration. The Mali Trust Fund received a qualified audit report and has resulted in the Minister of Finance not granting the required concurrence. This matter was pursued vigorously with the National Treasury during the 2008/09 financial year and it is envisaged that the matter will be resolved during the 2009/10 financial year.

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. HUMAN RESOURCE CAPACITY

The Branch HR has over the past year made strides in implementing the Human Resource strategy and achieving targets set for the first year. To this end, there have been significant processes that have been implemented to support and strengthen organisational capacity. In order to create awareness on HR services amongst employees, HR hosted an HR day to provide employees with an opportunity to learn more and interact with HR employees. Below are some of the HR deliverables during the past financial year.

a. Talent Management

Through its robust employee branding activities, the Department received a rating of the second best employer of choice amongst humanities students from 23 Universities in a Magnet Communication in the Sunday Times graduate survey. It was also rated the first best employer amongst Public Sector employees.

The Departmental Career website was developed and launched last year. This process aims to equip employees with tools to manage and develop their careers within the Department. The Career website is also accessible to prospective employees.

b. Foreign Service Dispensation (FSD)

The Department implemented the Foreign Service Dispensation following consultation with the DPSA and National Treasury.

c. Organisational Culture

The Department continues its effort of creating a desired organisational culture. In the past year, the Department identified and prioritised interventions aimed at enhancing the organisational culture. Some of the interventions have been implemented. A full spectrum of interventions will be rolled out in the next financial year.

d. Employee Wellness

The Department continues to promote and implement HIV and AIDS initiatives. In 2008, a community outreach initiative was conducted with the aim of partnering with a community based organisation that deals with children orphaned by HIV and AIDS. Donations and food parcels were presented to the organisation.

In its effort to promote health and wellness an electronic care system (e-Care) was implemented. The system allows employees and family members to access information on health and wellness issues and can also interact with experts on health issues.

e. Performance Management Development System

The Branch continues to entrench a performance culture within the Department. Of note, is the review of the PMDS policy as well as the alignment of levels 1-12 with the SMS level system. In addition, the Locally Recruited Personnel system was aligned to the broader departmental system.

6. CAPACITY BUILDING AND RESEARCH

South Africa's increasing role in international relations calls for a capable and committed cadre of diplomats. The expansion of our representation abroad, particularly in Africa, necessitates that we increase our capacity in terms of numbers, and deepen our skills in various areas of Diplomacy.

The merger between the Policy Research and Analysis unit and the Diplomatic Academy has

strengthened the capacity of these two sections to improve on the content of its programmes. As a result the high level conference which facilitates dialogue between practitioners, academics and researchers was successfully held in 2008.

The Diplomatic Academy has since introduced new programmes and improved existing ones as follows:

i) New programmes

Multilateral negotiations for missions abroad delivered through E-learning.

Masters Degree in Diplomacy in collaboration with a chosen University, introduced for senior managers to facilitate the translation of seasoned diplomats' experience into an academic qualification.

Programme on Multilateral negotiations and peacekeeping issues for the SADC region and AU diplomats.

A capacity building for women involved in diplomacy in government was successfully delivered.

The Cadet Programme: 43 young people were trained by the Department in collaboration with UNISA.

A comprehensive Diplomatic Training programme was delivered for Western Sahara officials to support South Africa's relations with this country.

ii) Existing programmes

58 officials were trained through the Mission Administration programme in order to qualify as corporate services managers and administrative attachés to enhance capacity building for our missions abroad. This is the largest number of candidates being trained in one group by the Diplomatic Academy thus far.

Two six-month diplomatic training courses are delivered within each year for young line function diplomats as a prerequisite for them to apply for posts in Missions abroad. 40 diplomats were trained in 2008.

30 new Heads of Missions were trained through the Heads of Missions Orientation Programme

before they were posted and 20 more went through a refresher Orientation Programme before they could start their tour of duty in their second or later postings.

Our institution continues to provide training to broader employees in other Departments of the Government in the areas of State Protocol and Official Etiquette.

Generic Training was conducted in-house in accordance with the DIRCO workplace skills plan. The capacity of the management and leadership pipeline has been prioritised and regular programmes have been designed for this purpose.

Learnerships: As part of the broader Government initiative to address the challenge of unemployed youth, DIRCO continues to take on Learners, with the focus on preparing them for future employment.

Provision of foreign languages has been improved considerably through training of officials and the availability of translation and interpretation services. Arabic, Spanish, French, Portuguese and English have been prioritised within the department. The provision of such language training has also been extended to other government departments

The capacity building programme with the DRC has been consolidated and English language and computer programmes have been added to the annual programme. The renovation of the DRC Diplomatic Academy has been completed and preliminary analysis of progress to date is in progress.

iii) Policy analysis and Research

The Policy, Research and Analysis Unit (PRAU) provide research and analysis of issues pertaining to South Africa's Foreign Policy. Strategic research papers are undertaken and the PRAU also seeks to build and enhance relations with national and international foreign policy research institutions. This is achieved through direct engagement but also through the hosting of workshops, seminars and conferences inside South Africa, such as the Intergovernmental Forum on International Relations and participating in global forums, such as the Global Forum on Corruption. Speaking notes are provided for principals and PRAU itself also engages civil society and the private sector on South Africa's foreign policy, in order to promote an informed understanding of foreign policy both in its development and application.

A Knowledge Management Strategy has been developed and retired ambassadors have been employed to write case studies about their specific areas of focus while they were still serving as

Heads of Missions. This information is used to institutionalise memory and also for educational purposes.

7. MANAGEMENT OF THE DEPARTMENT'S PROPERTY PORTFOLIO

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

With regard to the international portfolio, the Department is responsible for all properties owned by the South African government in countries outside 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, 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.

The local portfolio focuses on the procurement, construction and ultimate management of a single campus for the department's headquarters in Pretoria. The local portfolio furthermore included the management of the leases of the various buildings currently being occupied by the Head Office component. 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.

During the 2008/09 financial year, the Department acquired office accommodation in Brussels, bought land in New Delhi for the development of a Chancery and Official Residence and entered into a long lease for land in Dakar, all in line with its property acquisition strategy. Renovations of state owned properties in Windhoek, Lilongwe, Brussels and Canberra were completed and a major renovation and upgrade of the Chancery and Official Residence in Washington was initiated. The construction of a new Chancery and staff housing in Addis Ababa was completed and our mission commenced operations from the new premises. Construction projects in Abuja and Maseru progressed well and the Department engaged professionals to prepare design proposals for new Chanceries / Official Residences in Lilongwe, Kigali, Dar es Salaam and Gaborone.

The Department concluded a 25 year concession agreement with the private sector for the financing, design, construction, maintenance and management of a consolidated head office for the DIRCO. Construction of the facilities is well underway and it is expected that the Department will relocate to its new facilities during 2009.

8. INFORMATION COMMUNICATIONS TECHNOLOGY

The department continued with its rollout of the 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 prioritised projects namely: UKUSA (Voice-Over Internet Protocol {VOIP} and Windows 2003), Business Process Management and Business Intelligence.

In the ICT Plan for 2008/9, the implementation of the prioritised projects continued.

(a) UKUSA (Voice Over Internet Protocol (VOIP) & Windows 2003)

This project is designed to provide an integrated, effective and efficient communication infrastructure connecting all missions and the Head Office. The system will furthermore ensure collaboration and improved service delivery within the entire department, integrating the telephone, e-mail and other applications which will take advantage of the benefits of unified messaging and related reduced costs. During the year under review 114 missions were connected to the system which enabled these missions to improve communication with Head Office and other Missions, to access the central information repository that allows the Missions to respond to political and other matters in their country of accreditation.

Furthermore, Missions that have been cut over in terms of the IP Telephony are able to communicate with the minimum of difficulty and delay with Head Office and vice versa at a fraction of the costs that were previously borne.

The UKUSA Project has also created a standardised environment in respect of all our offices globally, which has resulted in a seamless working environment when employees are required to work at departmental offices other than their headquarters.

The VOiP System has therefore contributed significantly to improved, more efficient and more effective operations.

The project is being implemented in partnership with the Department of Home Affairs.

As at the close of the financial year the project was complete with all telecommunications links and equipment being installed at all missions that are in scope. The project will be closed during the first half of the next financial year and focus will be on the stabilisation of the infrastructure.

(b) Data Warehousing / Business Intelligence (BI)

The aim of the 1st iteration of this project is to provide Human Resources and Finance with an executive business analysis and reporting tool.

During the year under review, the 1st iteration of the project has been completed and is now stable. The Locally Recruited Personnel unit within HR has been fully utilising the system and has already defined the required enhancements on the system. The Finance unit has also started utilising the system

The BI System has thus far, enabled the department to centralise the personal records of transferred and Locally Recruited Personnel (LRP) resulting in an ability to perform trend analyses of movements of employees, the management of the various different labour regimes relevant to the numerous foreign countries in which South Africa has diplomatic representation, and also the ability to obtain management information through executive reporting mechanisms for management decision making.

The centralisation of such information has alleviated the need for various components within the HR Branch to keep and maintain numerous hardcopy and electronic files.

(c) Business Process Management

The aim of the project is the automation of the business processes, providing optimised workflow with built-in business rules for Consular Services and Diplomatic Immunities and Privileges (DIAP).

For Consular Services, all process have been completed and tested. The Consular Management System (CMS) has been piloted in Washington and London, and included all the missions in those regions. Training on CMS for all relevant officials at the missions was successfully conducted.

The CMS System enables members of the public to register their details with the department whenever they plan to travel abroad. The department is then in a position to trace and contact such individuals and their families in the event of any natural or man-made disasters or emergencies occurring in the countries of their travel. Linked to automated incident management, the system has enabled the department to respond accurately to the status of foreign incidents occurring. Furthermore, the turnaround time with respect to legalising documentation for utilisation abroad has improved significantly as a result of the functionalities of the CMS. In this way, the department has implemented a service that has inestimable advantages to South Africans who travel abroad.

The DIAP system is in progress with 12 of the 18 processes in production.

9. CORPORATE GOVERNANCE ARRANGEMENTS

During the financial year 2008/09 the Department has made concerted effort in subscribing to the relevant provisions of the good corporate governance and the provisions of government protocol on corporate governance. Policies, practices and processes were further evaluated and developed and are in compliance with the principles enshrined in the Constitution, Public Finance Management Act, Treasury Regulations and other relevant prescripts. Furthermore departmental policies, processes and practices are benchmarked against international best practices and comply with the principles of economy, efficiency and effectiveness. The Department has prepared plans with interventions to be implemented during the next financial year (2009/10) on enhancing administrative processes at Head Office and strengthening of Missions management processes.

(i) Policies, Processes and Procedures

The Public Finance Management Act (PFMA), Treasury Regulations, Public Service Regulations and other related prescripts require 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 of policies, processes and procedures where these were either inadequate or non-existent. The Department enhanced this process by introducing a policy register which continue to provide reasonable assurance that all existing policies are being promptly updated, and in this regard, numerous policies were updated and adopted by the Department during 2008/09 financial year. Furthermore, the comprehensive review and re-designing of the Administrative Code of the Department has continued, and during the year under review the Department made efforts to align the Foreign Administration Code that governs the management of Missions with all policies and the delegations of authority. During the new financial year (2009/10) the following policies and frameworks will be developed in order to strengthen Departmental management of capital projects and management of contracts:

- Contract management policy and framework
- Opening of Missions' framework
- Framework and policy on managing refurbishment projects
- Building projects and relationship with other main role players
- Financial management reporting framework

(ii) Enterprise Wide Risk Management Approach

The Department of International Relations and Cooperation has adopted Enterprise –Wide risk management as one of the management tools for the effective, efficient management of operations. The Department furthermore follows the risk-based approach to the systems of internal controls. During 2008/09 financial year, the Department continued to implement Enterprise-Wide Risk Management processes and a comprehensive Risk Management plan was approved and implemented, which led to the development and approval of the Risk Management policy. The Risk Management Strategy was updated and aligned to the Risk Management Policy. Furthermore a detailed risk assessment process for the Department was adopted. Risk Assessments were conducted and the results of the risk assessments were used as a platform and foundation for identifying and responding to the business risks of the Department. Furthermore a detailed Strategic Risk Profile and Operational Risk Profiles were developed for each unit in the department to assist managers in managing business risks and to utilise risk management as an effective management tool. These risk profiles were accepted by both the Management and the Audit Committee of the Department. During the 2009/10 financial year, considerable effort will be devoted to the further enhancement of the risk management processes within the Department. The Enterprise-Wide Risk Management plan will be fully implemented, and will be closely monitored by the Departmental Risk Management Committee.

(iii) Fraud Prevention

The Department's Fraud Prevention Policy and Strategy has been in existence for a number of years and was re-confirmed at the beginning of 2007/08 financial year, however, during the year under review the Department reviewed this policy. Certain changes and interventions were incorporated in the current Fraud Policy and the proposed approach in dealing with corruption and fraud will be presented to Departmental management during 2009/10 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 and presented to all new employees of the Department. Furthermore, the Fraud Awareness presentation was work-shopped to all officials stationed at the Head Office and in Missions. The Fraud Hotline implemented by the Office of the Public Service Commission was also communicated to all officials. The presentation on fraud awareness was included in the training programmes of the department.

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 fraud and corruption free environment.

(iv) Audit Committee and Internal Audit

The Audit Committee and the Internal Audit Unit have been functional since 2002 and continue to play an important and critical role in the corporate governance mechanism of the Department. The Unit was strengthened during the year with the appointment of the new Chief Audit Executive and other appointments were made to strengthen the performance audit component. It is expected that further appointments will be made in the 2009/10 financial year that will further strengthen the Internal Audit Unit.

During the beginning of the 2008/09 financial year, Internal Audit developed its Three Year Rolling Strategic Rolling Plan for the period 2008 - 2011 and the Operational Plan for 2008/09 financial year, which was adopted by Departmental Management and approved by the Audit Committee. The Unit has conducted a number of internal audits, including the review of identified capital projects during the year and has offered the Department comprehensive recommendations for improvement, where relevant and necessary. The Unit also presented possible internal control weaknesses with recommendations in the management of Missions by Head Office to the Departmental Management Committee, and these recommendations were adopted and incorporated into the business plans of various components for implementation during the 2009/10 financial year.

Furthermore, during the year under review, the Internal Audit Unit facilitated the development and the approval of the Departmental Risk Management Policy, and continued to facilitate the risk assessment sessions and workshops. The results of these sessions and workshops have been accepted by both the Audit Committee and Departmental Management. The Departmental risk profile developed was used by different Branches and Business Units in developing their Business Plans for 2009/10 financial year.

The Audit Committee received quarterly reports from Internal Audit Unit reporting their performance against the Operational Plan for the 2008/09 financial year, which enabled the Audit Committee to continually monitor the performance of the Internal Audit Unit.

(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 staff 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 on corporate governance.

The Department furthermore complies with the requirement that all senior managers disclose their financial interests to the Office of the Public Service Commission on an annual basis and has implemented 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

The 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 that cases are finalised within timeframes, as well as to ensure that proper attention is accorded to all disciplinary cases.

However, during the year under review, the Investigations Management and Monitoring Committee's mandate was reviewed and a Task Team including all main role players will be mapping a way forward in terms of the roles that will have to be played by this Committee and also devise mechanisms to prevent any possible conflict of roles and responsibilities.

(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.

This Committee made considerable effort to continually monitor closely the ICT projects being planned and implemented by the Department. 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.

(viii) Performance Information Quality Assurance Committee

The Department reports Performance Information in its annual report in accordance with the guidelines on performance information issued by the National Treasury. During the financial year 2007/08, a Performance Information Quality Assurance Committee was established to monitor and review the performance information that is produced, to ensure the quality of the information reported and also to ensure that performance information reported complies with the National Treasury Performance Information Framework. During the year under review the Committee monitored the consolidation of the Departmental Performance Information by each Business Unit and ensured that every component reported quarterly on their performance.

10. PERFORMANCE MANAGEMENT AND INFORMATION

The Department 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). As stated above, the department reports performance information in accordance with the Guidelines for Reporting of Performance Information issued by National Treasury.

(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 Business unit level and down to the individual's performance agreement.

During the year under review, the department ensured that Business Units developed business plans and all employees signed performance agreements and that 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 to September 2008 individual branch reviews were conducted

and for the period October 2008 to March 2009 a departmental review was conducted. Branches and Units also conducted reviews of their performance on a quarterly basis. To ensure that Branches report against predetermined objectives as stated in the departmental Strategic plan, a template was designed for the submission of these reports. The designed template is in accordance with the requirements of National Treasury Performance Information Reporting Framework and was utilised for the submission of quarterly reports. To strengthen the implementation of PMDS, Business Units and Missions only allowed to utilise their budget after the submission of Business Plans and Performance Agreements.

The Department has gone to some lengths 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 heads of missions at South African diplomatic missions abroad and by senior officials of the Department. Branches of the Department and the programme managers at chief director 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. This level monitors implementation of performance through a system of quarterly reports to head office on progress, supported by regular information reports. 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 have engaged in midterm as well as quarterly reviews to determine the extent to which goals were achieved and, mid-term budget reviews were also conducted with missions.

11. 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 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 Diplomatic Academy;
- 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) construction of a new guest house on the selected site.

During the year under review, construction of the Department's new Head Office building continued under the Early Works Agreement. Parallel to this process, the Department concluded the draft PPP Agreement. The Department made a presentation to the Guarantee Certification Committee (GCC) of National Treasury on 13 August 2008 on Government's contingent fiscal obligations arising from the project, which is a prerequisite for TAIII approval. A complete and final TAIII application was submitted to National Treasury on 3 September 2008 and TA 111 approval was granted by National Treasury on 18 December 2008.

Following extensive negotiations between the Department and the Private Party, the signing of the Public Private Partnership Agreement took place on Friday, 13 March 2009. The signing of the PPP Agreement effectively binds the Private Party to provide appropriate office accommodation for the sole utilisation of the department for 25 years. During the 25 year period the building will be managed and maintained by the Private Party, after which period the building, together with the maintenance and management thereof transfers to government. During the 25 years period the department is obliged to pay to the Private Party the Unitary Fee as provided for in the PPP Agreement. The financial obligations in this regard are disclosed in note 32.2 to Annual Financial Statements. In terms of the Public Private Partnership Agreement, the Scheduled Service Commencement Date is 26 June 2009 for the Soutpansberg site and 27 July 2009 for the Waterkloof site, respectively.

The Department has commenced with its planning for relocation to the new head Office building which will take place during 2009.

12. MISSION FINANCIAL SYSTEM

The department continued with the development of a financial system for missions that would enable the department to meet its reporting obligations as required by the PFMA. The department implemented the Mission Cash Book system (electronic cash book) in 22 missions. This system uses the spot foreign exchange rates to determine the Rand value of the expenditure incurred at missions abroad. The system will be deployed to the remaining missions during the 2009/10 financial year. The 22 missions are listed below:

Africa

1. Bamako
2. Libreville
3. Brazzaville
4. Sao Tome

Asia

1. Colombo
2. Muscat

Europe

1. Berne
2. Brussels
3. Dublin
4. Geneva
5. Lisbon
6. London
7. Paris
8. Madrid
9. The Hague

Americas

1. Brasilia
2. Buenos Aires
3. Caracas
4. Lima
5. Mexico City
6. Montevideo
7. Santiago
8. Sao Paolo

13.RECEIVABLES

The bulk of the amounts owing by other departments relate to foreign allowances and accommodation expenses in respect of employees of partner departments stationed at SA diplomatic missions abroad. In this regard, the Department incurs the expenditure on a recoverable basis. However, due to the lack of on-line financial systems, there is always a time lag with regard to receiving accounts from our mission abroad and forwarding accounts to partner departments, and for departments to process these accounts. This situation severely impacts on the cash-flow management of the Department. To alleviate this problem the department engaged other departments who have residency in the South African missions abroad to sign a memorandum of understanding (MoU). The MoUs will be implemented in the new financial year and provides for advance payments to be made on a quarterly basis for all the obligatory expenditures such as the rentals for officials' accommodation, foreign services allowances, payments for locally recruited labour and education related expenses.

During the year under review, the department continued its efforts in managing the partner departments' accounts. The partner departments closed with the balance of R222 million in the 2007/8 financial year of which R31 million has been written off with the concurrence of National Treasury, as was previously reported, and R151 million has been recovered, representing a 79% recovery on the opening balance for 2008/09.

The department will continue with the efforts of collecting the outstanding balance. Included in the outstanding debt is an amount of R12 million owed by one Department. Discussions are currently underway with the Department concerned to recover the amounts owed.

An analysis of the partner departments and institutions debts for 2008/09 are as follows:

Debt category	Claims	Recoveries	% Recoveries	Balance owed
Partner departments	410m	-314m	77%	96m
Institutions & other	206m	-138m	70%	68m
Total	616m	-452m	73%	164m

The department has processed claims to the value of R616 million and collected an amount of R452 million, which represents 73 % recovery of the claims issued. However, it is important to report that claims to the value of R113 million (March 2009) were not submitted to the departments; therefore these claims should be treated as claims in transit.

14.OTHER DEBTORS

Included in other debtors are staff debts to the value of R18 million, that originate from the provisions of the Foreign Services dispensation (FSD). The FSD provides for an advance on purchasing a vehicle for the officials serving abroad that is payable over three years, whilst the official is still serving abroad. The repayments for the car advance are deducted monthly from the employee's foreign allowance.

15.PAYABLES

The department renders agency services on behalf of the Department of Home Affairs (DHA) at all the South African missions abroad. This includes the collection of revenue on behalf DHA for immigration and civic services. According to the current procedure, both departments must reconcile the revenue collected and the vouchers supporting the revenue must be submitted by the department to DHA. Once there is agreement on the reconciliation, the reconciled amount is paid over by the department to the department of Home Affairs.

Revenue collected abroad is normally in the foreign currency of the specific country, as per the financial regulatory framework of the various countries. For accounting purposes the revenue must be converted into the rand using the average spot rate applicable in that month. Whilst every attempt is made by our missions to convert local currencies to one of the major currencies for the purpose of bringing these monies back to South Africa, this is not always possible because of the exchange rate controls, the relative non-changeable nature of certain currencies as well as the prohibitive regulatory framework of other countries. The tables below indicates the amount owed to DHA as at 31 March 2009 and an analysis of amounts that cannot be repatriated into South Africa:

Amount owed to DHA as at 1 April 2008

Opening balance as at 1 April 2008	R 199,351,731.78
Less: unusable currencies as at 1 April 2008	(R 152,513,748.93)
Amount reasonably due to DHA as at 1 April 2008	R 46,837,982.85

Amount owed by/to DHA as at 31 March 2009

Payables (amount owed to DHA)	R 1,019,098,382.56
Less: Receivables (amount owed by DHA)	(R 708,867,532.91)
Net amount due to DHA 31 March 2009	R 310,230,849.65

The total amount reflected above is disclosed separately in the financial statements of the department under receivables (R 708,867,532.91) and payables (R1, 019,098,382.56).

The department is in the process of engaging with both National Treasury and DHA in order to determine the most economic and effective way of accounting for and processing revenue collected at the missions abroad in the context of the challenges mentioned above.

16.RENTAL ADVANCES

The budget of the department includes amongst others the amount for rental payments made in advance especially for our missions in the Asia and Middle East regions where rentals are paid in advance for periods from one year to up to three years. The department therefore budgets for these amounts in the financial year in which they will be paid.

17.UNAUTHORISED EXPENDITURE

During the year under review the department has not incurred any unauthorised expenditure and has furthermore not recorded any irregular and, fruitless and wasteful expenditure.

For the past financial years, the department has been reporting unauthorised expenditure of R104 816 million, {R6, 879 million (2003/04) and R97, 936 million (2006/07)}. During the year under review, Parliament has authorised the expenditure of R6, 879 million 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. The funds will be requested in 2009/10 financial year to clear the unauthorised expenditure of R6, 879 million.

18.MANAGEMENT OF FIXED ASSETS

The Department identified amongst its strategic imperatives within the Corporate Services branch, the need to implement the Supply Chain Management Framework and the Asset Management Framework. This involves development of policies, procedures, structures and systems that will ensure implementation of the frameworks.

Substantial progress has been made in the development of policies and procedures. The Asset Management Policy was approved in the current financial year and a number of policies and procedures have been developed.

In fulfilling our commitment to the implementation of the Asset Management Framework, the

Department has developed an appropriate organisational structure and has filled 80% of the positions at year end. Also, in an endeavour to ensure that the Department has an accurate and complete asset register, with assets being valued at cost or fair value, the Department has engaged in a project for the valuation of all assets.

To date all departmental assets that did not have a historic value has been “fair-valued” by an independent valuator and the values included in the Fixed Asset Register.

i) Inventories

The Department keeps inventories at various Missions abroad and at its main store in Pretoria. Whilst Head Office has an electronic inventory management system (LOGIS), Missions do not have such a system and rely on manual records which pose a challenge in consolidating the information. As such, the inventory figures do not include inventories on hand at various Missions.

The Head office conducted a stock count of inventories at year end. Where necessary, adjustments were made on the inventory management system. The stock on hand as at year end amounted to R1 987 202.00.

19.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) Effective management of debtors

During 2008/09, a 73% recovery rate was achieved on current debts despite the time lag experienced with regard to receiving vouchers and accounts from our diplomatic missions abroad. This high recovery rate was realised because of several interventions that have been introduced to improve the management of departmental debts. These are:

- Reviewing of the process of making payments on behalf of partner departments and institutions for delegations visiting abroad;
- Performing monthly reconciliations, monitoring of the accounts and analysing debts in order to determine the risk of bad debts occurring;
- Regularly despatching monthly statements to all debtors;
- Vigorous collection of debts; and
- Finalisation of Memoranda of Understanding (MOU's) with identified partner departments.

(ii) 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 reviewed.

(iii) Resource Management

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

20. 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 in full against his/her pension benefits. 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 Departments of International Relations and Cooperation 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.

21. SCOPA RESOLUTIONS

The table below summarises the Standing Committee on Public Accounts (SCOPA) resolutions under implementation:

Reference to previous audit report and SCOPA resolutions	Subject	Findings in progress
(3) Resolution – audit report 2003/04 The Committee recommends that: Parliament approves the over-expenditure of R6 879 000.00 relating to the 2002/03 financial year Control measures are put into place to prevent unauthorised expenditure from re-occurring.	Unauthorised expenditure for travelling and related protocol services	This resolution reached the department during February 2008 and is under implementation.

Apart from the above-mentioned, there have been no other SCOPA resolutions.

22. EVENTS AFTER REPORTING DATE

(i) Long outstanding debts – R31m

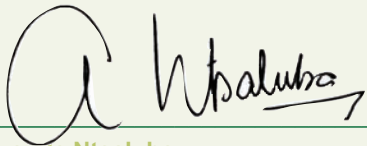
In previous years, it was reported that very old debts to the amount of R31 million has been existing in the department's books of accounts mainly related to the erstwhile TBVC States. The Department concentrated significant efforts with a view to recovering these debts. However, despite these efforts, it was not possible to recover these debts mainly because of a lack of proper documentation. National Treasury had previously agreed that these debts be written off and gave authorisation to utilise savings in the 2008/09 financial year to write off the debts. This was duly done.

(ii) Disposal of Assets – R25 million

The Department also reported that the construction of a single headquarters for the department is well under way and that the department was scheduled to relocate to the new premises during

2009, however, because of certain challenges experienced by the contractors the relocation will move to a later date. The construction of the new headquarters is by way of a Private Public Partnership Agreement and the agreement also provides for the complete furnishing requirements of the department. Consequently, the assets (furniture and equipment) that are currently being utilised by Head Office, currently estimated at R25 million, will need to be disposed off. Disposal will take place in the following manner:

- (a) Other Governmental Departments were requested to identify assets that they may require and these assets will be transferred to such departments following the requirements of the PFMA and Treasury Regulations.
- (b) Remaining assets will be auctioned off by a registered auctioneer



Dr Ayanda Ntsaluba

Director-General:

Department of International Relations and Cooperation

Date: 31 July 2009



A U D I T O R - G E N E R A L

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO. 3: DEPARTMENT OF FOREIGN AFFAIRS FOR THE YEAR ENDED 31 MARCH 2009

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Foreign Affairs which comprise the appropriation statement, the statement of financial position as at 31 March 2009, and the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes as set out on pages 21 to 91.

The accounting officer's responsibility 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 accounting policy note 1.2.1 and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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) (PAA), 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 read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. 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 2009 and its financial performance and its 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 note 1.2.1 and in the manner required by the PFMA

Basis of accounting

8. Without qualifying my opinion, I draw attention to accounting policy note 1.2.1 to the financial statements, which describes the basis of accounting. The department's policy is to prepare financial statements on the modified cash basis of accounting, as determined by the National Treasury.

Other matters

Without qualifying my opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Governance framework

9. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and

executive management and are reflected in the key governance responsibilities addressed below

Key governance responsibilities

10. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	✓	
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.		✓
Timeliness of financial statements and management information			
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	✓	
4.	The annual financial statements were submitted for auditing as per the legislated deadlines section 40 of the PFMA.	✓	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	✓	
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	The department had an audit committee in operation throughout the financial year.	✓	
	The audit committee operates in accordance with approved, written terms of reference.	✓	
	The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.	✓	

No.	Matter	Y	N
7.	Internal audit		
	The department had an internal audit function in operation throughout the financial year.	✓	
	The internal audit function operates in terms of an approved internal audit plan.	✓	
	The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2.	✓	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	✓	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	✓	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	✓	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 3.2.		✓
12.	Powers and duties have been assigned, as set out in section 44/56 of the PFMA.	✓	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.	✓	
14.	SCOPA/Oversight resolutions have been substantially implemented.	N/A	
Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	✓	
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	✓	

No.	Matter	Y	N
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the Department of Foreign Affairs against its mandate, predetermined objectives, outputs, indicators and targets Treasury Regulations 5.1, 5.2 and 6.1.	✓	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	✓	

11. The financial statements were subject to material amendments resulting from the audit process, due to a lack of monitoring of controls mainly relating to items which are disclosed for year-end purposes. Management has indicated that they will address the aforementioned throughout the financial year in future.
12. Although risk management procedures were performed, it was not done in a timely manner due to inadequacy of the department's risk identification process. Management has implemented a risk management process after 31 March 2009.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

13. I have reviewed the performance information as set out on pages 71 to 107.

The accounting officer's responsibility for the performance information

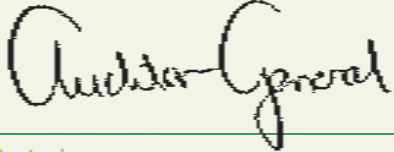
14. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

The Auditor-General's responsibility

15. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*.
16. 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 judgement.
17. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

APPRECIATION

18. The assistance rendered by the staff of the Department of Foreign Affairs during the audit is sincerely appreciated.



Pretoria
31 July 2009



A U D I T O R - G E N E R A L

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

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 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/Provincial Revenue Fund. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Statutory Appropriation

Statutory appropriations are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the statutory appropriations made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total statutory appropriations are presented in the statement of financial performance.

Unexpended statutory appropriations are surrendered to the National/Provincial Revenue Fund. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.3 Departmental revenue

All departmental revenue is paid into the National/Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the National/Provincial 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 annual financial statements.

- 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.

- 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.
- 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.
- 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.
- 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.
- 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.
- Transfers received (including gifts, donations and sponsorships)
All cash gifts, donations and sponsorships are paid into the National/Provincial 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 an annexure to the financial statements.

2.4 Direct Exchequer receipts

All direct exchequer fund receipts are recognised in the Statement of Financial Performance when the cash is received.

2.5 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 recognized 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 payables in the statement of financial position.

2.6 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.

Any 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

3.2.1 Short-term employee benefits

Salaries and wages comprise payments to employees (including leave entitlements, thirteenth cheques and performance bonuses). Salaries and wages are recognised as an expense in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the Statement of Financial Performance¹. All other payments are classified as current expense. Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or Position.

3.2.2 Post 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 (i.e. social contributions) to the fund are expensed when the final authorisation for 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/Provincial 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 final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

3.2.3 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 final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.2.4 Other long-term employee benefits

Other long-term employee benefits (such as capped leave) are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or Position.

3.3 Goods and services

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

3.4 Interest and rent on land

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

3.5 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 under spending 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.

3.6 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.

3.7 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.

3.8 Irregular expenditure

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

3.9 Transfers and subsidies

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

3.10 Expenditure for capital assets

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

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 Other financial assets

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

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year)", and

Amount prepaid must be disclosed in the disclosure notes to the annual financial statements.

4.4 Receivables

Receivables included in the Statement of Financial Position arise from cash payments made that are recoverable from another party. Receivables outstanding at year-end are carried in the Statement of Financial Position at cost plus any accrued interest.

4.5 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 loss is included in the disclosure notes.

4.6 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 the disclosure notes.

Loans that are outstanding at year-end are carried in the statement of financial position at cost.

4.7 Inventory

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

4.8 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 should 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 Voted funds to be surrendered to the Revenue Fund

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position

5.2 Departmental revenue to be surrendered to the Revenue Fund

Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position at cost.

5.3 Bank overdraft

The bank overdraft is carried in the statement of position at cost.

5.4 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.

5.5 Contingent liabilities

Contingent liabilities are included in the disclosure notes.

5.6 Commitments

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

5.7 Accruals

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

5.8 Employee benefits

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

5.9 Lease commitments

Finance leases

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and the interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

Operating leases

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statements.”

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. Net Assets

7.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the National/Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year.

8. Related party transactions

Specific information with regards to related party transactions is included in the disclosure notes.

9. Key management personnel

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

10. Public private partnerships

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

11. Expenditure incurred abroad in foreign currency

For expenditure incurred in 102 missions abroad, the rand value of cost is determined by the average exchange rates from the foreign currency system upon receipt of the cash books from the missions; and any Forex losses/Gains are recognised in the Statement of Financial Performance, as a result of the average rate being used.

The rest of 22 missions, the Rand value of cost is calculated at spot rate.

Appropriation Statement for the year ended 31 March 2009
Appropriation per programme

	2008/09							2007/08	
	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	476,810	(1,152)	8,958	484,616	637,102	(152,486)	131.5%	517,635	522,674
Transfers and subsidies	6,300	1,152	6,677	14,129	14,130	(1)	100.0%	8,701	8,345
Payment for capital assets	1,232,322	-	-	1,232,322	987,204	245,118	80.1%	676,333	650,291
2. Foreign Relations									
Current payment	2,582,935	7,551	(9,000)	2,581,486	2,581,218	268	100.0%	2,129,516	2,122,820
Transfers and subsidies	5,674	13,281	-	18,955	18,955	-	100.0%	-	-
Payment for capital assets	73,662	(20,832)	-	52,830	52,670	160	99.7%	-	-
3. Public Diplomacy and Protocol									
Current payment	135,414	(722)	(52)	134,640	134,639	1	100.0%	103,507	103,507
Transfers and subsidies	22,743	-	(6,583)	16,160	16,160	-	100.0%	17,410	17,375
Payment for capital assets	1,101	722	-	1,823	1,823	-	100.0%	20,704	20,665
4. International Transfers									
Current payment	-	-	-	-	-	-	0.0%	-	-
Transfers and subsidies	1,032,826	-	-	1,032,826	1,028,363	4,463	99.6%	645,257	624,056
Payment for capital assets	-	-	-	-	-	-	0.0%	-	-
Subtotal	5,569,787	-	-	5,569,787	5,472,264	97,523	98.2%	4,119,063	4,069,733
Statutory Appropriation									
Current payment									
Transfers and subsidies									
Payment for capital assets									
TOTAL	5,569,787	-	-	5,569,787	5,472,264	97,523	98.2%	4,119,063	4,069,733

Appropriation Statement for the year ended 31 March 2009
Appropriation per programme

	2008/09			2007/08	
	Final Appropriation	Actual Expenditure		Final Appropriation	Actual Expenditure
TOTAL (brought forward)					
Reconciliation with statement of financial performance					
ADD					
Departmental receipts	43,607			65,056	
Direct Exchequer receipts					
Aid assistance					
Actual amounts per statement of financial performance (total revenue)	5,613,394			4,184,119	
ADD					
Aid assistance					
Direct Exchequer payments					
Prior year unauthorised expenditure approved without funding					
Actual amounts per statement of financial performance (total expenditure)		5,472,264			4,069,733

Appropriation Statement for the year ended 31 March 2009
Appropriation per economic classification

	2008/09						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	1,458,415	225,038	(52)	1,683,401	1,683,400	1	100.0%	1,293,159	1,293,159
Goods and services	1,785,948	(251,618)	(42)	1,534,288	1,634,108	(99,820)	106.5%	1,377,814	1,381,029
Interest and rent on land	-	-	-	-	807	(807)	-	-	274
Financial transactions in assets and liabilities	-	32,140	-	32,140	33,141	(1,001)	103.1%	490	261
Transfers and subsidies									
Provinces and municipalities	22,743	143	(6,583)	16,303	16,303	-	100.0%	23,257	23,257
Departmental agencies and accounts	698,925	-	-	698,925	698,925	-	100.0%	300,000	300,000
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	333,901	-	-	333,901	329,438	4,463	98.7%	345,259	324,056
Public corporations and private enterprises	12,035	2,459	2,081	16,575	16,576	(1)	100.0%	13,754	13,398
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	11,770	4,596	16,366	16,366	-	100.0%	6,247	6,154
Gifts and donations	-	-	-	-	-	-	-	-	-
Payments for capital assets									
Buildings and other fixed structures	1,117,219	32	-	1,117,251	926,728	190,523	82.9%	670,769	649,878
Machinery and equipment	105,620	(19,964)	-	85,656	81,491	4,165	95.1%	70,989	61,149
Biological assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	1,054	847
Land and subsoil assets	34,981	-	-	34,981	34,981	-	100.0%	16,271	16,271
Total	5,569,787	-	-	5,569,787	5,472,264	97,523	98.2%	4,119,063	4,069,733

Appropriation Statement for the year ended 31 March 2009
Statutory Appropriation

2008/09								2007/08	
Direct charges against the National/ Provincial Revenue Fund	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
List all direct charges against the National/ Provincial Revenue Fund									
President and Deputy President salaries									
Member of executive committee / parliamentary officers									
Judges and magistrates salaries									
Sector education and training authorities (SETA)									
National Skills Fund									
Total									

Appropriation Statement for the year ended 31 March 2009
Statutory Appropriation per economic classification

	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees									
Goods and services									
Interest and rent on land									
Financial transactions in assets and liabilities									
Transfers and subsidies									
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households									
Gifts and donations									
Payments for capital assets									
Buildings and other fixed structures									
Machinery and equipment									
Biological assets									
Software and other intangible assets									
Land and subsoil assets									
Total									

Detail per programme 1
Administration for the year ended 31 March 2009

Detail per sub-programme	2008/09							2007/08	
	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
Minister									
Current payment	1,612	-	-	1,612	1,612	-	100.0%	908	908
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Deputy Ministers									
Current payment	2,656	-	-	2,656	2,656	-	100.0%	1,476	1,476
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Management									
Current payment	81,849	(9,648)	-	72,201	67,938	4,263	94.1%	61,877	61,877
Transfers and subsidies	-	772	-	772	772	-	100.0%	10	10
Payment for capital assets	-	104	-	104	104	-	100.0%	1,539	211
Corporate Services									
Current payment	390,693	8,496	8,958	408,147	564,896	(156,749)	138.4%	453,374	458,413
Transfers and subsidies	6,300	380	6,677	13,357	13,358	(1)	100.0%	8,691	8,335
Payment for capital assets	49,322	(104)	-	49,218	13,914	35,304	28.3%	674,794	650,080
Government Motor Transport									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Foreign And Domestic Properties Management									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	1,183,000	-	-	1,183,000	973,186	209,814	82.3%	-	-
Total	1,715,432	-	15,635	1,731,067	1,638,436	92,631	94.6%	1,202,669	1,181,310

Detail per programme 1
Administration for the year ended 31 March 2009

Economic classification	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	209,465	(11,543)	-	197,922	197,921	1	100.0%	168,481	168,481
Goods and services	316,613	10,426	8,958	335,997	435,819	(99,822)	129.7%	349,153	354,147
Interest and rent on land	-	-	-	-	807	(807)	-	-	274
Financial transactions in assets and liabilities	-	-	-	-	1,050	(1,050)	-	1	(228)
Transfers & subsidies									
Provinces & municipalities	-	-	-	-	-	-	-	50	50
Departmental agencies & accounts	-	-	-	-	-	-	-	-	-
Universities & technikons	-	-	-	-	-	-	-	-	-
Foreign governments & international organisations	-	-	-	-	-	-	-	-	-
Public corporations & private enterprises	6,335	1,117	2,081	9,533	9,534	(1)	100.0%	7,600	7,245
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	4,596	4,596	4,596	-	100.0%	1,051	1,050
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings & other fixed structures	1,117,219	-	-	1,117,219	926,728	190,491	82.9%	650,489	629,598
Machinery & equipment	30,819	-	-	30,819	27,000	3,819	87.6%	8,875	3,725
Biological assets	-	-	-	-	-	-	-	-	-
Software & other intangible assets	-	-	-	-	-	-	-	698	697
Land & subsoil assets	34,981	-	-	34,981	34,981	-	100.0%	16,271	16,271
Total	1,715,432	-	15,635	1,731,067	1,638,436	92,631	94.6%	1,202,669	1,181,310

Detail per programme 2
Foreign Relations for the year ended 31 March 2009

Detail per sub-programme	2008/09							2007/08	
	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
Bilateral Relations Management									
Current payment	433,860	(28,108)	(9,000)	396,752	396,484	268	99.9%	348,091	348,091
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	4,100	-	-	4,100	3,940	160	96.1%	-	-
Diplomatic Representation									
Current payment	2,149,075	35,659	-	2,184,734	2,184,734	-	100.0%	1,781,425	1,774,729
Transfers and subsidies	5,674	13,281	-	18,955	18,955	-	100.0%	-	-
Payment for capital assets	69,562	(20,832)	-	48,730	48,730	-	100.0%	-	-
Total	2,662,271	-	(9,000)	2,653,271	2,652,843	428	100%	2,129,516	2,122,820

Detail per programme 2
Foreign Relations for the year ended 31 March 2009

Economic classification	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	1,183,700	240,519	-	1,424,219	1,424,219	-	100.0%	1,073,248	1,073,248
Goods and services	1,399,171	(265,260)	(9,000)	1,124,911	1,124,910	1	100.0%	976,584	974,805
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	32,140	-	32,140	32,091	49	99.8%	489	489
Transfers & subsidies									
Provinces & municipalities	-	1,224	-	1,224	1,224	-	100.0%	6,771	6,771
Departmental agencies & accounts	-	-	-	-	-	-	-	-	-
Universities & technikons	-	-	-	-	-	-	-	-	-
Foreign governments & international organisations	-	-	-	-	-	-	-	2	-
Public corporations & private enterprises	5,700	1,342	-	7,042	7,042	-	100.0%	6,154	6,153
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	10,689	-	10,689	10,689	-	100.0%	4,222	4,165
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings & other fixed structures	-	32	-	32	-	32	-	32	32
Machinery & equipment	73,700	(20,686)	-	53,014	52,668	346	99.3%	61,658	57,007
Biological assets	-	-	-	-	-	-	-	-	-
Software & other intangible assets	-	-	-	-	-	-	-	356	150
Land & subsoil assets	-	-	-	-	-	-	-	-	-
Total	2,662,271	-	(9,000)	2,653,271	2,652,843	428	100.0%	2,129,516	2,122,820

Detail per programme 3
Public Diplomacy and Protocol for the year ended 31 March 2009

Detail per sub-programme	2008/09							2007/08	
	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
Public Diplomacy									
Current payment	45,604	(9,067)	-	36,537	36,536	1	100.0%	23,433	23,433
Transfers and subsidies	-	-	-	-	-	-	-	5	-
Payment for capital assets	-	222	-	222	222	-	100.0%	121	82
Protocol									
Current payment	89,810	8,345	(52)	98,103	98,103	-	100.0%	80,074	80,074
Transfers and subsidies	22,743	-	(6,583)	16,160	16,160	-	100.0%	17,405	17,375
Payment for capital assets	1,101	500	-	1,601	1,601	-	100.0%	20,583	20,583
Total	159,258	-	(6,635)	152,623	152,622	1	100.0%	141,621	141,547

Detail per programme 3
Public Diplomacy and Protocol for the year ended 31 March 2009

Economic classification	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	65,250	(3,938)	(52)	61,260	61,260	-	100.0%	51,430	51,430
Goods and services	70,164	3,216	-	73,380	73,379	1	100.0%	52,077	52,077
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Transfers & subsidies									
Provinces & municipalities	22,743	(1,081)	(6,583)	15,079	15,079	-	100.0%	16,436	16,436
Departmental agencies & accounts	-	-	-	-	-	-	-	-	-
Universities & technikons	-	-	-	-	-	-	-	-	-
Foreign governments & international organisations	-	-	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	1,081	-	1,081	1,081	-	100.0%	974	939
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings & other fixed structures	-	-	-	-	-	-	-	20,248	20,248
Machinery & equipment	1,101	722	-	1,823	1,823	-	100.0%	456	417
Biological assets	-	-	-	-	-	-	-	-	-
Software & other intangible assets	-	-	-	-	-	-	-	-	-
Land & subsoil assets	-	-	-	-	-	-	-	-	-
Total	159,258	-	(6,635)	152,623	152,622	1	100.0%	141,621	141,547

Detail per programme 4
International Transfers for the year ended 31 March 2009

2008/09								2007/08	
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
International Organisations									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1,032,826	-	-	1,032,826	1,028,363	4,463	99.6%	645,257	624,056
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	1,032,826	-	-	1,032,826	1,028,363	4,463	99.6%	645,257	624,056

Detail per programme 4
International Transfers for the year ended 31 March 2009

Economic classification	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions	-	-	-	-	-	-	-	-	-
Transfers & subsidies									
Provinces & municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies & accounts	698,925	-	-	698,925	698,925	-	100.0%	300,000	300,000
Universities & technikons	-	-	-	-	-	-	-	-	-
Foreign governments & international organisations	333,901	-	-	333,901	329,438	4,463	98,7%	345,257	324,056
Public corporations & private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings & other fixed structures	-	-	-	-	-	-	-	-	-
Machinery & equipment	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Software & other intangible assets	-	-	-	-	-	-	-	-	-
Land & subsoil assets	-	-	-	-	-	-	-	-	-
Total	1,032,826	-	-	1,032,826	1,028,363	4,463	99.6%	645,257	624,056

Notes to Appropriation Statement for the year ended 31 March 2009

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

Detail of these transactions can be viewed in note 10 (Transfers and subsidies) and Annexure 1 (A-L) to the Annual Financial Statements.

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

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

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 9 (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 R'000	Variance as a % of Final Appropriation
Administration	1,731,067	1,638,436	92,631	5
The savings in Programme 1 relates to funds not spent for Pan African Parliament.				
Foreign Relations	2,653,271	2,652,843	428	-
Public Diplomacy and Protocol	152,623	152,622	1	-
International Transfers	1,032,826	1,028,363	4,463	-

Notes to Appropriation Statement for the year ended 31 March 2009

4.2 Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current expenditure				
Compensation of employees	1,683,401	1,683,400	1	-
Goods and services	1,534,288	1,634,108	(99,820)	(7)
Interest and rent on land	-	807	(807)	-
Financial transactions in assets and liabilities	32,140	33,141	(1,001)	(3)
Unauthorised expenditure approved	-	-	-	-
Transfers and subsidies				
Provinces and municipalities	16,303	16,303	-	-
Departmental agencies and accounts	698,925	698,925	-	-
Universities and technikons	-	-	-	-
Public corporations and private enterprises	333,901	329,438	4,463	1
Foreign governments and international organisations	16,575	16,576	(1)	-
Non-profit institutions	-	-	-	-
Households	16,366	16,366	-	-
Payments for capital assets				
Buildings and other fixed structures	1,117,251	926,728	190,523	17
Machinery and equipment	85,656	81,491	4,165	5
Heritage assets	-	-	-	-
Biological assets	-	-	-	-
Software and other intangible assets	-	-	-	-
Land and sub soil assets	34,981	34,981	-	-

**Statement of Financial Performance
for the year ended 31 March 2009**

PERFORMANCE	Note	2008/09 R'000	2007/08 R'000
REVENUE			
Annual appropriation	1	5,569,787	4,119,063
Statutory appropriation	2	-	-
Departmental revenue	3	43,607	65,056
Direct Exchequer Receipts	4	-	-
Aid assistance	5	-	-
TOTAL REVENUE		5,613,394	4,184,119
EXPENDITURE			
Current expenditure			
Compensation of employees	6	1,683,400	1,293,159
Goods and services	7	1,634,108	1,381,029
Interest and rent on land	8	807	274
Financial transactions in assets and liabilities	9	33,141	261
Aid assistance	5	-	-
Unauthorised expenditure approved without funding	12	-	-
Total current expenditure		3,351,456	2,674,723
Transfers and subsidies			
Transfers and subsidies	10	1,077,608	666,865
Aid assistance	5	-	-
Unauthorised expenditure approved without funding	12	-	-

**Statement of Financial Performance
for the year ended 31 March 2009**

	Note	2008/09 R'000	2007/08 R'000
Expenditure for capital assets			
Tangible capital assets	11	1,043,200	727,298
Software and other intangible assets	11	-	847
Unauthorised expenditure approved without funding	12	-	-
Total expenditure for capital assets		1,043,200	728,145
Direct Exchequer Payments	4	-	-
TOTAL EXPENDITURE		5,472,264	4,069,733
		-	-
SURPLUS FOR THE YEAR		141,130	114,386
Reconciliation of Net Surplus for the year			
Voted funds		97,523	49,330
Departmental revenue	21	43,607	65,056
Direct Exchequer receipts/payments	22	-	-
Aid assistance	5	-	-
SURPLUS FOR THE YEAR		141,130	114,386

**Statement of Financial Position
as at 31 March 2009**

	<i>Note</i>	2008/09 R'000	2007/08 R'000
ASSETS			
Current assets		1,338,015	559,131
Unauthorised expenditure	12	104,816	104,816
Fruitless and wasteful expenditure	13	-	-
Cash and cash equivalents	14	205,450	146,455
Other financial assets	15	-	-
Prepayments and advances	16	3,299	3,280
Receivables	17	1,024,450	304,580
Loans	19	-	-
Aid assistance receivable	5	-	-
Non-current assets		50,517	45,604
Investments	18	-	-
Loans	19	50,517	45,604
Other financial assets	15	-	-
TOTAL ASSETS		1,388,532	604,735
LIABILITIES			
Current liabilities		1,338,015	559,131
Voted funds to be surrendered to the Revenue Fund	20	97,523	232,480
Departmental revenue to be surrendered to the Revenue Fund	21	25,001	54,386
Direct Exchequer Receipts to be surrendered to the Revenue Fund	22	-	-
Bank overdraft	23	-	-
Payables	24	1,215,491	272,265
Aid assistance repayable	5	-	-
Aid assistance unutilised	5	-	-

**Statement of Financial Position
as at 31 March 2009**

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Non-current liabilities			
Payables	25	-	-
TOTAL LIABILITIES		1,338,015	559,131
NET ASSETS		50,517	45,604
Represented by:			
Capitalisation reserve		50,517	45,604
Recoverable revenue		-	-
Retained funds		-	-
Revaluation reserves		-	-
TOTAL		50,517	45,604

**Statement of Changes in Net Assets
for the year ended 31 March 2009**

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Capitalisation Reserves			
Opening balance		45,604	47,251
Transfers:			
Movement in Equity			
Movement in Operational Funds		4,913	(1,647)
Other movements			
Closing balance		50,517	45,604
Recoverable revenue			
Opening balance			
Transfers:			
Irrecoverable amounts written off	33.1		
Debts revised			
Debts recovered (included in departmental receipts)			
Debts raised			
Closing balance			
Retained funds			
Opening balance			
Transfer from Statement of Financial Performance			
Utilised during the year			
Other			
Closing balance			

**Statement of Changes in Net Assets
for the year ended 31 March 2009**

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Revaluation Reserve			
Opening balance			
Revaluation adjustment (Housing departments)			
Transfers			
Other			
Closing balance			
TOTAL		50,517	45,604

**Cash Flow Statement
for the year ended 31 March 2009**

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES		5,611,152	4,179,161
Receipts			
Annual appropriated funds received	1.1	5,569,787	4,119,063
Statutory appropriated funds received	2	-	-
Departmental revenue received	3	41,365	60,098
Direct Exchequer Receipts	4	-	-
Aid assistance received	5	-	-
		<hr/>	<hr/>
Net (increase)/decrease in working capital		223,337	(10,300)
Surrendered to Revenue Fund		(305,472)	(44,954)
Current payments		(3,351,456)	(2,674,723)
Transfers and subsidies paid		(1,077,608)	(666,865)
Net cash flow available from operating activities	26	1,099,953	782,319
		<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	11	(1,043,200)	(728,145)
Proceeds from sale of capital assets	3	2,242	4,958
(Increase)/decrease in loans		(4,913)	1,647
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
Net cash flows from investing activities		(1,045,871)	(721,540)
		<hr/>	<hr/>

**Cash Flow Statement
for the year ended 31 March 2009**

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		-	-
Increase/(decrease) in net assets		4,913	(1,647)
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		4,913	(1,647)
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		58,995	59,132
Cash and cash equivalents at the beginning of the period		146,455	87,323
Cash and cash equivalents at end of period	27	205,450	146,455
		<hr/>	<hr/>

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

1 Annual Appropriation

1.1 Annual Appropriation

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

	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received 2007/08
	R'000	R'000	R'000	R'000
Administration	1,731,067	1,731,067	-	1,202,669
Foreign relations	2,653,271	2,653,271	-	2,129,516
Public diplomacy and protocol	152,623	152,623	-	141,621
International transfers	1,032,826	1,032,826	-	645,257
			-	
Total	5,569,787	5,569,787	-	4,119,063

1.2 Conditional grants

	Note	2008/09	2007/08
		R'000	R'000
Total grants received	<i>Annex 1A</i>		
Provincial grants included in Total Grants received			

1.3 Unconditional grants

Total grants received	<i>Annex 1B</i>		
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**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

2 Statutory Appropriation

	2008/09	2007/08
	R'000	R'000
President and Deputy President's salaries		
Member of executive committee/parliamentary officers		
Judges and magistrates salaries		
Sector education and training authorities (SETA)		
National Skills Fund		
Total		
Actual Statutory Appropriation received		

3 Departmental revenue

	Note	2008/09	2007/08
		R'000	R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	3.1	35,101	2,871
Fines, penalties and forfeits	3.2	-	-
Interest, dividends and rent on land	3.3	5,565	2,116
Sales of capital assets	3.4	2,242	4,958
Financial transactions in assets and liabilities	3.5	699	55,111
+Transfer received	3.6	-	-
Total revenue collected		43,607	65,056
Less: Own revenue included in appropriation	21	-	-
Departmental revenue collected		43,607	65,056

Notes to the Annual Financial Statements for the year ended 31 March 2009

3.1 Sales of goods and services other than capital assets

	Note	2008/09	2007/08
	3	R'000	R'000
Sales of goods and services produced by the department		521	2,332
Sales by market establishment		521	2,332
Administrative fees		-	-
Other sales		-	-
Sales of scrap, waste and other used current goods		34,580	539
Total		35,101	2,871

3.2 Fines, penalties and forfeits

	Note	2008/09	2007/08
	3	R'000	R'000
Fines			
Penalties			
Forfeits			
Total			

3.3 Interest, dividends and rent on land

	Note	2008/09	2007/08
	3	R'000	R'000
Interest		5,565	2,116
Dividends		-	-
Rent on land		-	-
Total		5,565	2,116

Notes to the Annual Financial Statements for the year ended 31 March 2009

3.4 Sale of capital assets

	Note	2008/09	2007/08
	3	R'000	R'000
Tangible capital assets		2,242	4,958
Buildings and other fixed structures	43.3	-	-
Machinery and equipment	41.2	2,242	4,958
Land and subsoil assets	43.2	-	-
Investment property	43.2	-	-
Biological assets	41.2	-	-
Software and other intangible assets		-	-
Capitalised development costs	42.2	-	-
Computer software	42.2	-	-
Mastheads and publishing titles	42.2	-	-
Patents, licences, copyright, brand names, trademarks	42.2	-	-
Recipes, formulae, prototypes, designs, models	42.2	-	-
Services and operating rights	42.2	-	-
Other intangibles	42.2	-	-
Total		2,242	4,958

3.5 Financial transactions in assets and liabilities

	Note	2008/09	2007/08
	3	R'000	R'000
Loans and advances		-	-
Repayment of Public Contributions		-	-
Receivables		-	-
Proceeds from investment		-	-
Forex gain		408	69
Stale cheques written back		291	-
Other Receipts including Recoverable Revenue		-	55,042
Total		699	55,111

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

3.6 Transfers received

	<i>Note</i>	2008/09	2007/08
	3	R'000	R'000
Other governmental units			
Universities and technikons			
Foreign governments			
International organisations			
Public corporations and private enterprises			
Total			

4. Direct Exchequer receipts

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Transfers received			
Fines, penalties and forfeits			
Interest and dividends			
Restructuring of State assets			
Debt portfolio receipts			
Total			

Direct Exchequer payments

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Debt portfolio			
Debt takeovers			
Total			

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

5. Aid assistance

5.1 Aid assistance received in cash from RDP

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Local			
Opening Balance			
Revenue			
Expenditure			
Current			
Capital			
Transfers			
Closing Balance			
Foreign			
Opening Balance			
Revenue			
Expenditure			
Current			
Capital			
Transfers			
Closing Balance			

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

5.2 Aid assistance received in cash from other sources

	2008/09 R'000	2007/08 R'000
Local		
Opening Balance		
Revenue		
Expenditure		
Current		
Capital		
Transfers		
Closing Balance		
Foreign		
Opening Balance		
Revenue		
Expenditure		
Current		
Capital		
Transfers		
Closing Balance		

5.3 Aid assistance received in cash from CARA Fund

	2008/09 R'000	2007/08 R'000
Opening Balance		
Revenue		
Expenditure		
Current		
Capital		
Transfers		
Closing Balance		

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

5.4 Total assistance

	2008/09 R'000	2007/08 R'000
Opening Balance		
Revenue		
Expenditure		
Current		
Capital		
Transfers		
Closing Balance		
Analysis of balance		
Aid assistance receivable		
RDP		
Other sources		
CARA Fund		
Aid assistance unutilised		
RDP		
Other sources		
CARA Fund		
Aid assistance repayable		
RDP		
Other sources		
CARA Fund		
Closing balance		

Note

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

6. Compensation of employees

6.1 Salaries and Wages

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Basic salary		854,944	700,127
Performance award		13,344	10,844
Service Based		1,438	10
Compensative/circumstantial		43,160	35,868
Periodic payments		392	945
Other non-pensionable allowances		612,526	416,759
Total		1,525,804	1,164,553

6.2 Social contributions

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Employer contributions			
Pension		105,922	86,597
Medical		51,609	41,944
UIF		-	-
Bargaining council		65	64
Official unions and associations		-	-
Insurance		-	1
Total		157,596	128,606
Total compensation of employees		1,683,400	1,293,159
Average number of employees		4,650	4,290

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

7. Goods and services

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Administrative fees		72,433	75,431
Advertising		8,406	14,497
Assets less than R5,000	7.1	8,564	3,620
Bursaries (employees)		701	568
Catering		27,711	21,766
Communication		59,541	65,322
Computer services	7.2	97,296	61,738
Consultants, contractors and agency/outourced services	7.3	41,833	22,751
Entertainment		28,991	24,354
Audit cost – external	7.4	6,654	5,597
Government motor transport		-	-
Inventory	7.5	49,905	44,382
Housing		-	-
Maintenance, repairs and running costs		-	-
Operating leases		619,736	537,393
Owned and leasehold property expenditure	7.6	151,070	137,122
Transport provided as part of the departmental activities		-	-
Travel and subsistence	7.7	350,128	279,904
Venues and facilities		58,783	52,591
Training and staff development		19,940	17,669
Other operating expenditure	7.8	32,416	16,324
Total		1,634,108	1,381,029

Notes to the Annual Financial Statements for the year ended 31 March 2009

7.1 Assets less than R5,000

	Note	2008/09	2007/08
	7	R'000	R'000
Tangible assets		8,564	3,620
Biological assets		-	-
Machinery and equipment		8,564	3,620
Specialised military assets		-	-
Intangible assets		-	-
Total		8,564	3,620

7.2 Computer services

	Note	2008/09	2007/08
	7	R'000	R'000
SITA computer services		28,479	13,072
External computer service providers		68,817	48,666
Total		97,296	61,738

7.3 Consultants, contractors and agency/outsourced services

	Note	2008/09	2007/08
	7	R'000	R'000
Business and advisory services		6,534	6,125
Infrastructure and planning		-	-
Laboratory services		-	-
Legal costs		6,247	10,005
Contractors		26,018	4,844
Agency and support/outsourced services		3,034	1,777
Total		41,833	22,751

- Contractors – The expenditure relates to consultancy and professional services for capital projects.

Notes to the Annual Financial Statements for the year ended 31 March 2009

7.4 Audit cost – External

	Note	2008/09	2007/08
	7	R'000	R'000
Regularity audits		6,654	5,597
Performance audits		-	-
Forensic audits		-	-
Environmental audits		-	-
Other audits		-	-
Total		6,654	5,597

- Included in the regularity audits fees is an amount of R4.6 paid for 2007/08 audit; and also included in 2007/08 regularity fees is an amount of R1.1 million paid for 2006/07 audit.

7.5 Inventory

	Note	2008/09	2007/08
	7	R'000	R'000
Medsas inventory interface		-	-
Learning and teaching support material		-	-
Food and food supplies		1,227	1,572
Fuel, oil and gas		12,131	9,357
Other consumable materials		8,713	10,198
Maintenance material		568	60
Stationery and printing		27,004	21,718
Medical supplies		262	1,477
Military stores		-	-
Total		49,905	44,382

- In the previous financial year the medical aid administration was classified under medical supplies.

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

7.6 Owned and leasehold property expenditure

	Note	2008/09	2007/08
	7	R'000	R'000
Municipal services		-	-
Property management fees		151,070	136,055
Other		-	1,067
Total		151,070	137,122

7.7 Travel and subsistence

	Note	2008/09	2007/08
	7	R'000	R'000
Local		71,175	41,017
Foreign		278,953	238,887
Total		350,128	279,904

7.8 Other operating expenditure

	Note	2008/09	2007/08
	7	R'000	R'000
Learnerships		-	-
Professional bodies, membership and subscription fees		1,178	1,865
Resettlement costs		5,200	4,437
Other		26,038	10,022
Total		32,416	16,324

- Included in the expenditure relating to storage of household items, courier services, and resettlement.

8. Interest and rent on land

	Note	2008/09	2007/08
		R'000	R'000
Interest paid		807	274
Rent on land		-	-
Total		807	274

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

9. Financial transactions in assets and liabilities

	Note	2008/09	2007/08
		R'000	R'000
Material losses through criminal conduct		-	-
Theft	9.4	-	-
Other material losses	9.1	-	-
Other material losses written off	9.2	-	-
Debts written off	9.3	31,582	1,604
Forex losses	9.5	1,559	(1,343)
Total		33,141	261

9.1 Other material losses

	Note	2008/09	2007/08
	9	R'000	R'000

Nature of other material losses

(Group major categories, but list material items)

Incident	Disciplinary Steps taken/ Criminal proceedings		
Total			

9.2 Other material losses written off

	Note	2008/09	2007/08
	9	R'000	R'000

Nature of losses

Interdepartmental balances		-	-
Total		-	-

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

9.3 Debts written off

	<i>Note</i>	2008/09	2007/08
	9	R'000	R'000
Transfer to debts written off			
A Smith		-	1,515
Other debtors		-	89
Intergovernmental balances		31,573	-
Several		9	-
Total		31,582	1,604

9.4 Detail of theft

	<i>Note</i>	2008/09	2007/08
	9	R'000	R'000
Nature of theft		-	-
(Group major categories, but list material items)			
Total		-	-

9.5 Forex losses

	<i>Note</i>	2008/09	2007/08
	9	R'000	R'000
Nature of losses			
Forex loss		1,559	(1,343)
Total		1,559	(1,343)

9.6 Recoverable revenue written off

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Nature of losses			
(Group major categories, but list material items)			
Total			

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

9.7 Receivables for department revenue written off

	<i>Note</i>	2008/09	2007/08
	33.1	R'000	R'000
Nature of losses			
(Group major categories, but list material items)			
Total			

9.8 Assets written off

	<i>Note</i>	2008/09	2007/08
	41	R'000	R'000
Nature of write off			
(Group major categories, but list material items)			
Total			

10. Transfers and subsidies

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Provinces and municipalities	<i>Annex 1C, 1D, 1E & 1F</i>	16,303	23,257
Departmental agencies and accounts	<i>Annex 1G</i>	698,925	300,000
Universities and technikons	<i>Annex 1H</i>	-	-
Foreign governments and international organisations	<i>Annex 1J</i>	329,438	324,056
Public corporations and private enterprises	<i>Annex 1I</i>	16,575	13,398
Non-profit institutions	<i>Annex 1K</i>	-	-
Households	<i>Annex 1L</i>	16,367	6,154
Total		1,077,608	666,865

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

11. Expenditure for capital assets

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Tangible assets		1,043,200	727,298
Buildings and other fixed structures	43.1	927,012	649,878
Heritage assets	41.1	-	-
Machinery and equipment	41.1	81,297	61,149
Land and subsoil assets	43.1	34,891	16,271
Investment property	43.1	-	-
Biological assets	41.1	-	-
Software and other intangible assets		-	847
Capitalised development costs	42.1	-	-
Computer software	42.1	-	847
Mastheads and publishing titles	42.1	-	-
Patents, licences, copyright, brand names, trademarks	42.1	-	-
Recipes, formulae, prototypes, designs, models	42.1	-	-
Services and operating rights	42.1	-	-
Other intangibles	42.1	-	-
Total		1,043,200	728,145
The following amounts have been included as project costs in Expenditure for capital assets			
Compensation of employees		-	728,145
Goods and services		117,355	-
Total		117,355	728,145

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

11.1 Analysis of funds utilised to acquire capital assets – 2008/09

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	1,043,200	-	1,043,200
Buildings and other fixed structures	927,012	-	927,012
Heritage assets	-	-	-
Machinery and equipment	81,297	-	81,297
Land and subsoil assets	34,891	-	34891
Investment property	-	-	-
Biological assets	-	-	-
Software and other intangible assets			
Capitalised development costs	-	-	-
Computer software	-	-	-
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Other intangibles	-	-	-
Total	1,043,200	-	1,043,200

11.2 Analysis of funds utilised to acquire capital assets – 2007/08

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Total assets acquired	728,145	-	728,145

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

12.Unauthorised expenditure

12.1 Reconciliation of unauthorised expenditure

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Opening balance		104,816	104,816
Unauthorised expenditure – discovered in current year	20		
Less: Amounts approved by Parliament/Legislature (with funding)			
Less: Amounts approved by Parliament/Legislature (without funding)		-	-
Capital		□	□
Current		□	□
Transfers and subsidies		□	□
Less: Transfer to receivables for recovery			
Unauthorised expenditure awaiting authorisation		104,816	104,816
Analysis of awaiting authorisation per economic classification			
Current		104,816	104,816
Capital			
Transfers and subsidies			
Total		104,816	104,816

12.2 Details of unauthorised expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2008/09 R'000
		□
Total		□

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

13.Fruitless and wasteful expenditure

13.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Opening balance			
Less: Amounts condoned			
Current		□	□
Capital		□	□
Transfers and subsidies		□	□
Less: Amounts transferred to receivables for recovery			
Fruitless and wasteful expenditure awaiting condonement		□	□
Analysis of awaiting condonement per economic classification			
Current			
Capital			
Transfers and subsidies			
Total		□	□

14.Cash and cash equivalents

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Consolidated Paymaster General Account		63,856	(6,943)
Cash receipts		31	-
Disbursements		1	16
Cash on hand		184	175
Cash with commercial banks (Local)		87,217	-
Cash with commercial banks (Foreign)		54,161	153,207
Total		205,450	146,455

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

17.1 Claims recoverable

	Note	2008/09	2007/08
	17	R'000	R'000
National departments		808,637	139,301
Provincial departments		15,791	23,018
Foreign governments		-	-
Public entities		98,885	87,807
Private enterprises		-	-
Universities and technikons		1,709	1,583
Households and non-profit institutions		-	-
Local governments		-	-
Total		925,022	251,709

17.2 Trade receivables

	Note	2008/09	2007/08
	17	R'000	R'000
(Group major categories, but list material items)			
Total			

17.3 Recoverable expenditure (disallowance accounts)

	Note	2008/09	2007/08
	17	R'000	R'000
(Group major categories, but list material items)			
Total			

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

17.4 Staff debt

	Note	2008/09	2007/08
	17	R'000	R'000
Departmental Debt Account		27,168	14,433
Staff Debts		30,806	22,334
Persal Account		34	418
Total		58,008	37,185

17.5 Other debtors

	Note	2008/09	2007/08
	17	R'000	R'000
Detainees		144	183
Sundry Debtors		4,049	2,517
Donor Fund – Burundi		22,989	10,428
Advance to State Department		2,558	2,558
African Renaissance Fund		11,680	-
Total		41,420	15,686

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

18. Investments

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Non-Current			
Shares and other equity			
(List investments at cost)			
Total			
Securities other than shares	Annex 2A		
(List investments at cost)			
Total			
Total non-current			
Analysis of non current investments			
Opening balance			
Additions in cash			
Disposals for cash			
Non-cash movements			
Closing balance			

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

19. Loans

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Public corporations		-	-
Universities and technikons		-	-
Foreign governments		-	-
Private enterprises		-	-
Staff loans		50,517	45,604
Total		50,517	45,604

Included in the staff loans if the rental deposits paid for the chanceries and accommodations for the South African missions abroad.

Analysis of Balance

Opening balance	45,604	47,251
New Issues	4,913	-
Repayments	-	(1,647)
Write-offs	-	-
Closing balance	50,517	45,604

20. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Opening balance		232,480	183,150
Transfer from statement of financial performance		97,523	49,330
Add: Unauthorised expenditure for current year	<i>12</i>	-	-
Voted funds not requested/not received	<i>1.1</i>	-	-
Transferred to retained revenue to defray excess expenditure (PARLIAMENT/LEGISLATURES ONLY)	<i>20.1</i>	-	-
Paid during the year		(232,480)	-
Closing balance		97,523	232,480

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

20.1. Voted funds / (Excess expenditure) transferred to the retained funds (For Parliament / Legislatures ONLY)

	Note	2008/09	2007/08
		R'000	R'000
Opening balance	20		
Transfer from statement of financial performance			
Transfer from Departmental Revenue to defray excess expenditure	21		
Closing balance			

21. Departmental revenue to be surrendered to the Revenue Fund

	Note	2008/09	2007/08
		R'000	R'000
Opening balance		54,386	34,284
Transfer from Statement of Financial Performance		43,607	65,056
Own revenue included in appropriation		-	-
Transfer from aid assistance	5	-	-
Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)	20.1	-	-
Paid during the year		(72,992)	(44,954)
Closing balance		25,001	54,386

22. Direct Exchequer receipts to be surrendered to the Revenue Fund

	Note	2008/09	2007/08
		R'000	R'000
Opening balance			
Transfer from Statement of Financial Performance			
Paid during the year			
Closing balance			

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

23. Bank Overdraft

	Note	2008/09	2007/08
		R'000	R'000
Consolidated Paymaster General Account			
Fund requisition account			
Cash with commercial banks (Local)			
Cash with commercial banks (Foreign)			
Total			

24. Payables – current

Description	Note	2008/09	2007/08
		Total	Total
Amounts owing to other entities	Annex 5	1,019,098	199,352
Advances received	24.1	192,970	55,049
Clearing accounts	24.2	-	-
Other payables	24.3	3,423	17,864
Total		1,215,491	272,265

24.1 Advances received

	Note	2008/09	2007/08
		R'000	R'000
Description			
Advance from Institutions		5,923	31,271
Advance from National Departments		178,996	18,654
Advance from Provincial Departments		7,886	5,067
Advance from Universities		165	57
Total		192,970	55,049

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

24.2 Clearing accounts

	Note	2008/09	2007/08
	24	R'000	R'000
Description			
(Identify major categories, but list material amounts)			
Total			

24.3 Other payables

	Note	2008/09	2007/08
	24	R'000	R'000
Description			
Persal Account		378	233
Debt Receivable Income		2,625	1,975
Debts Receivable Interest		85	55
African Renaissance Fund		-	15,601
Foreign Detainee		-	-
Transport – Parking fees		335	-
Total		3,423	17,864

25. Payables – non-current

	Note	2008/09			2007/08	
		R'000	R'000	R'000	R'000	R'000
		One to	Two to	More than	Total	Total
		two years	three	three		
			years	years		
Amounts owing to other entities		-	-	-	-	-
Advances received	25.1	-	-	-	-	-
Other payables	25.2	-	-	-	-	-
Total		-	-	-	-	-

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

25.1 Advances received

	Note	2008/09	2007/08
	25	R'000	R'000
Description		-	-
(Identify major categories, but list material amounts)		-	-
Total		-	-

25.2 Other payables

	Note	2008/09	2007/08
	25	R'000	R'000
Description			
(Identify major categories, but list material amounts)			
Total			

26. Net cash flow available from operating activities

	Note	2008/09	2007/08
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		141,130	114,386
Add back non cash/cash movements not deemed operating activities		958,823	667,933
(Increase)/decrease in receivables – current		(719,870)	(2,535)
(Increase)/decrease in prepayments and advances		(19)	1,386
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		943,226	(9,151)
Proceeds from sale of capital assets		(2,242)	(4,958)
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		1,043,200	728,145
Surrenders to Revenue Fund		(305,472)	(44,954)
Voted funds not requested/not received		-	-
Own revenue included in appropriation		-	-
Other non-cash items		-	-
Net cash flow generated by operating activities		1,099,953	782,319

**Notes to the Annual Financial Statements
for the year ended 31 March 2009**

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

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Consolidated Paymaster General account		63,856	(6,943)
Fund requisition account		-	-
Cash receipts		31	-
Disbursements		1	16
Cash on hand		184	175
Cash with commercial banks (Local)		87,217	-
Cash with commercial banks (Foreign)		54,161	153,207
Total		205,450	146,455

**Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009**

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

28.Contingent liabilities

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Liable to			
	Nature		
Motor vehicle guarantees	Employees	31	242
Housing loan guarantees	Employees	1,952	2,162
Other guarantees	<i>Annex 3A</i>	58,012	91,420
Claims against the department	<i>Annex 3A</i>	10,304	10,280
Other departments (interdepartmental unconfirmed balances)	<i>Annex 3B</i>	1,019,098	-
Environmental rehabilitation liability	<i>Annex 5</i>	-	-
Other	<i>Annex 3B</i>	-	-
Total		1,089,397	104,104

29.Commitments

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Current expenditure			
Approved and contracted		17,109	
Approved but not yet contracted		-	
		17,109	
Capital expenditure			
Approved and contracted		-	
Approved but not yet contracted		-	
		-	
Total Commitments		17,109	

**Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009**

30. Accruals

	2008/09		2007/08	
	30 Days	30+ Days	Total	Total
Listed by economic classification				
Compensation of employees		13	13	-
Goods and services		15,121	15,121	21,159
Interest and rent on land		-	-	-
Transfers and subsidies		-	-	-
Buildings and other fixed structures		-	-	-
Machinery and equipment		-	-	252
Land and subsoil assets		-	-	-
Investment property		-	-	-
Biological assets		-	-	-
Software and other intangible assets		-	-	-
Other		-	-	-
Total		15,134	15,134	21,411
	Note	2008/09	2007/08	
		R'000	R'000	
Listed by programme level				
Administration		15,109	20,503	
Foreign Relations		25	860	
Public Diplomacy		-	48	
Total		15,134	21,411	
	Note	2008/09	2007/08	
		R'000	R'000	
Confirmed balances with other departments	<i>Annex 5</i>	-	199,352	
Confirmed balances with other government entities	<i>Annex 5</i>	-	-	
Total		-	199,352	

**Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009**

31. Employee benefits

	Note	2008/09	2007/08
		R'000	R'000
Leave entitlement		28,196	27,128
Thirteenth cheque		16,943	14,732
Performance awards		8,176	8,322
Capped leave commitments		61,188	59,197
Total		114,503	109,379

32. Lease commitments

32.1 Operating leases expenditure

2008/09	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	418,387	31,222	449,609
Later than 1 year and not later than 5 years	-	614,362	36,948	651,310
Later than five years	-	172,376	-	172,376
Total lease commitments	-	1,205,125	68,170	1,273,295

2007/08	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	374,137	-	374,137
Later than 1 year and not later than 5 years	-	473,595	-	473,595
Later than five years	-	121,923	-	121,923
Total lease commitments	-	969,655	-	969,655

	2008/09
	R'000
Rental earned on lease sub-leased assets	
Total	

**Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009**

32.2 Finance leases expenditure**

2008/09	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	19,148	19,148
Later than 1 year and not later than 5 years	-	-	24,869	24,869
Later than five years	-	-	-	-
Total lease commitments	-	-	44,017	44,017
LESS: finance costs	-	-	-	-
Total present value of lease liabilities	-	-	44,017	44,017

2007/08	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	31,740	31,740
Later than 1 year and not later than 5 years	-	-	29,189	29,189
Later than five years	-	-	4,830	4,830
Total lease commitments	-	-	65,759	65,759
LESS: finance costs	-	-	-	-
Total present value of lease liabilities	-	-	65,759	65,759

**This note excludes leases relating to public private partnership as they are separately disclosed to note no.38.

	2008/09
	R'000
Rental earned on lease sub-leased assets	
Total	

**Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009**

32.3 Operating lease revenue**

2008/09	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-
Later than five years	-	-	-	-
Total operating lease revenue receivable	-	-	-	-

33.Receivables for departmental revenue

Note	2008/09	2007/08
	R'000	R'000
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 (incl. conditional grants to be repaid by provincial departments)	-	-
Other	60,000	-
Total	60,000	532

33.1 Analysis of receivables for departmental revenue

Note	2008/09
	R'000
Opening balance	
Less: amounts received	
Add: amounts recognised	
Less: amounts written-off/reversed as irrecoverable	
Closing balance	

**Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009**

34. Irregular expenditure

34.1 Reconciliation of irregular expenditure

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Opening balance			
Add: Irregular expenditure – relating to prior year			
Add: Irregular expenditure – relating to current year			
Less: Amounts condoned			
Less: Amounts recoverable (not condoned)			
Less: Amounts not recoverable (not condoned)			
Irregular expenditure awaiting condonation			

Analysis of awaiting condonation per age classification

Current year		
Prior years		
Total		

34.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2008/09 R'000
Total		

34.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2008/09 R'000
Total		

**Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009**

34.4 Details of irregular expenditure recoverable (not condoned)

Incident	2008/09 R'000
Total	

34.5 Details of irregular expenditure not recoverable (not condoned)

Incident	2008/09 R'000
Total	

35. Fruitless and wasteful expenditure

35.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2008/09 R'000
Fruitless and wasteful expenditure – relating to prior year		
Add: fruitless and wasteful expenditure – relating to current year		
Less: Amounts condoned		
Less: Amounts transferred to receivables for recovery		
Fruitless and wasteful expenditure awaiting condonation		

Analysis of awaiting condonation per economic classification

Current	
Capital	
Transfers and subsidies	
Total	

**Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009**

35.2 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2008/09 R'000
Total		

36. Related party transactions

	Note	2008/09 R'000	2007/08 R'000
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			
Payments made	Note	2008/09 R'000	2007/08 R'000
Goods and services			
Interest and rent on land			
Purchases of capital assets			
Financial transactions in assets and liabilities			
Transfers			
Total			
	Note	2008/09 R'000	2007/08 R'000
Year end balances arising from revenue/payments			
Receivables from related parties		11,570	-
Payables to related parties		-	15,601
Total		11,570	15,601

**Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009**

	Note	2008/09 R'000	2007/08 R'000
Loans to /from related parties			
Non-interest bearing loans to/(from)			
Interest bearing loans to/(from)			
Total			
	Note	2008/09 R'000	2007/08 R'000
Other			
Guarantees issued/received			
List other contingent liabilities between department and related party			
Total			

37. Key management personnel

	No. of Individuals	2008/09 R'000	2007/08 R'000
Political office bearers (provide detail below)			
Officials:	3	4,267	2,389
Level 15 to 16	13	12,658	9,646
Level 14 (incl. CFO if at a lower level)	63	52,107	40,644
Family members of key management personnel		-	-
Total		69,032	52,679

Key management personnel (Parliament/Legislatures)

	No. of Individuals	2008/09 R'000	2007/08 R'000
Speaker to Parliament / the Legislature			
Secretary to Parliament / the Legislature			
Deputy Secretary			
Chief Financial Officer			
Legal Advisor			
Total			

Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009

38. Public Private Partnership

• Refer to paragraph 11 of Accounting Officers Report for detailed information

	Note	2008/09 R'000	2007/08 R'000
Contract fee received		862,500	
Government contribution		850,000	-
Unitary Fees		12,500	-
		-	-
Contract fee paid			
Fixed component		-	-
Indexed component		-	-
Current Expenditure		8,110	
Compensation of employees		-	-
Goods and services (excluding lease payments)		8,110	-
Operating leases		-	-
Interest		-	-

Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009

	Note	2008/09 R'000	2007/08 R'000
Capital/ (Liabilities)			
Tangible rights		-	-
Intangible rights		-	-
Property		-	-
Plant and equipment		-	-
Loans		-	-
Other			
Prepayments and advances		-	-
Pre-production obligations		-	-
Other obligations		-	-
Total		870,610	-

39. Provisions

	Note	2008/09 R'000	2007/08 R'000
Potential irrecoverable debts			
Households and non profit institutions			
Private enterprises			
Staff debtors			
Other debtors		500	
Claims recoverable		2,000	31,573
Total		2,500	31,573
Provisions			
Impairment of investments			
Provision for non-recoverable loans			
Other – Specify one per line			
Total		2,500	31,573

Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009

40. Non-adjusting events after reporting date

	2008/09 R'000
Disposal of Assets	25,000
Total	25,000

• Refer to Accounting officers report paragraph 22 (ii)

41. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening balance R'000	Curr Year Adjust-ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	422,584	54,485	81,108	1,656	556,521
Transport assets	49,998	13,769	9,934	-	73,701
Specialised military assets	-	-	-	-	-
Computer equipment	71,842	23,251	19,736	-	114,829
Furniture and office equipment	174,162	28,389	44,084	-	246,635
Other machinery and equipment	126,582	(10,924)	7,354	1,656	121,356
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	422,584	54,485	81,108	1,656	556,521

Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009

41.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
HERITAGE ASSETS					
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	81,108				81,108
Transport assets	9,934	-	-	-	9,934
Specialised military assets	-	-	-	-	-
Computer equipment	19,736	-	-	-	19,736
Furniture and office equipment	44,084	-	-	-	44,084
Other machinery and equipment	7,354	-	-	-	7,354
BIOLOGICAL ASSETS					
Biological assets	-	-	-	-	-
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	81,108	-	-	-	81,108

**Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009**

41.2 Disposals

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2009**

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash Received Actual R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	1,656	-	1,656	2,242
Transport assets	-	-	-	-
Specialised military assets	-	-	-	-
Computer equipment	-	-	-	-
Furniture and office equipment	-	-	-	-
Other machinery and equipment	1,656	-	1,656	2,242
BIOLOGICAL ASSETS	-	-	-	-
Biological assets	-	-	-	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	1,656	-	1,656	2,242

**Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009**

41.3 Movement for 2007/08

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2008**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	366,393	61,149	4,958	422,584
Transport assets	43,918	7,133	1,053	49,998
Specialised military assets	-	-	-	-
Computer equipment	70,366	1,476	-	71,842
Furniture and office equipment	154,801	23,266	3,905	174,162
Other machinery and equipment	97,308	29,274	-	126,582
BIOLOGICAL ASSETS	-	-	-	-
Biological assets	-	-	-	-
TOTAL MOVABLE TANGIBLE ASSETS	366,393	61,149	4,958	422,584

**Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009**

41.4 Minor assets

MINOR ASSETS OF THE DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2009

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Minor assets			8,564	-	8,564
TOTAL	-	-	8,564	-	8,564

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets					
TOTAL	-	-	-	-	-

**Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009**

42. Intangible Capital Assets

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2009**

	Opening balance R'000	Current Year Adjust-ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
CAPITALISED DEVELOPMENT COSTS	-	-	-	-	-
COMPUTER SOFTWARE	55,399	23	-	-	55,422
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
OTHER INTANGIBLES	-	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	55,399	23	-	-	55,422

**Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009**

42.1 Additions

**ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2009**

	Cash	Non-	(Develop-	Received	Total
		Cash	ment work	current year,	
			in progress	not paid	
			– current	(Paid current	
			costs)	year, received	
				prior year)	
	R'000	R'000	R'000	R'000	R'000
CAPITALISED DEVELOPMENT COSTS	-	-	-	-	-
COMPUTER SOFTWARE	-	-	-	-	-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
OTHER INTANGIBLES	-	-	-	-	-
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	-	-	-	-	-

**Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009**

42.2 Disposals

**DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2009**

	Sold for	Transfer out	Total	Cash
	cash	or destroyed	disposals	Received
		or scrapped		Actual
	R'000	R'000	R'000	R'000
CAPITALISED DEVELOPMENT COSTS	-	-	-	-
COMPUTER SOFTWARE	-	-	-	-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-
OTHER INTANGIBLES	-	-	-	-
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	-	-	-	-

Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009

42.3 Movement for 2007/08

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2008

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
CAPITALISED DEVELOPMENT COSTS	-	-	-	-
COMPUTER SOFTWARE	54,552	847	-	55,399
MASTHEADS AND PUBLISHING TITLES	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-
OTHER INTANGIBLES	-	-	-	-
TOTAL	54,552	847	-	55,399

Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009

43. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
YEAR ENDED 31 MARCH 2009

	Opening balance	Curr Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	956,602	3,403,040	927,012	-	5,286,654
Dwellings	460,447	1,643,364	927,012	-	3,030,823
Non-residential buildings	496,155	1,759,676	-	-	2,255,831
Other fixed structures	-	-	-	-	-
					-
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
					-
LAND AND SUBSOIL ASSETS	16,271	13,170	34,891	-	64,332
Land	16,271	13,170	34,891	-	64,332
Mineral and similar non- regenerative resources	-	-	-	-	-
					-
INVESTMENT PROPERTY	-	-	-	-	-
Investment property	-	-	-	-	-
					-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	972,873	3,416,210	961,903	-	5,350,986

**Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009**

43.1 Additions

**ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
YEAR ENDED 31 MARCH 2009**

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	927,012	-	-	-	927,012
Dwellings	927,012	-	-	-	927,012
Non-residential buildings	-	-	-	-	-
Other fixed structures	-	-	-	-	-
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	34,891	-	-	-	34,891
Land	34,891	-	-	-	34,891
Mineral and similar non- regenerative resources	-	-	-	-	-
INVESTMENT PROPERTY	-	-	-	-	-
Investment property	-	-	-	-	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	961,903	-	-	-	961,903

**Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009**

43.2 Disposals

**DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
YEAR ENDED 31 MARCH 2009**

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	-	-
Dwellings	-	-	-	-
Non-residential buildings	-	-	-	-
Other fixed structures	-	-	-	-
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-
Land	-	-	-	-
Mineral and similar non- regenerative resources	-	-	-	-
INVESTMENT PROPERTY	-	-	-	-
Investment property	-	-	-	-
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	-	-

**Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009**

43.3 Movement for 2007/08

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
YEAR ENDED 31 MARCH 2008**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	306,724	649,878	-	956,602
Dwellings	333,455	126,992	-	460,447
Non-residential buildings	(26,731)	522,886	-	496,155
Other fixed structures	-	-	-	-
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
LAND AND SUBSOIL ASSETS	-	16,271	-	16,271
Land	-	16,271	-	16,271
Mineral and similar non-regenerative resources	-	-	-	-
INVESTMENT PROPERTY	-	-	-	-
Investment property	-	-	-	-
TOTAL IMMOVABLE TANGIBLE ASSETS	306,724	666,149	-	972,873

**Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2009**

43.4 Immovable assets valued at R1

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER FOR 31 MARCH 2009

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Investment property R'000	Total R'000
R1 Immovable assets	-	-	-	-	-
TOTAL	-	-	-	-	-

**Annexures to the Annual Financial Statements
for the year ended 31 March 2009**

ANNEXURE 1F

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2007/08
	Amount	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Tshwane & PW Municipality				-						-
Municipal rates & Taxes: PW Municipality	16,303			16,303	16,303	100%				17,718
RSCL: Tshwane metropolitan municipality				-						5,539
				-						
TOTAL	16,303	-	-	16,303	16,303	100%	-	-		23,257

**Annexures to the Annual Financial Statements
for the year ended 31 March 2009**

ANNEXURE 1G

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2007/08
	Adjusted Appropriation Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
African Renaissance Fund	698,925			698,925	698,925	100%	300,000
TOTAL	698,925			698,925	698,925	100%	300,000

**Annexures to the Annual Financial Statements
for the year ended 31 March 2009**

ANNEXURE 11

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2007/08
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
Non life insurance premium	16,575			16,575	16,575	100%			13,398
Subsidies									
Sub-Total	16,575			16,575	16,575	100%			13,398
Private Enterprises									
Transfers									
Subsidies									
Sub-Total									
TOTAL	16,575			16,575	16,575	100%			13,398

**Annexures to the Annual Financial Statements
for the year ended 31 March 2009**

ANNEXURE 1J

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2007/08
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Common Wealth	21,447	-	-	21,447	21,446	100%	8,113
United Nations Development Programme: Local Office Costs	5,200	-	-	5,200	4,499	87%	5,500
African Union Membership fees	102,878	-	-	102,878	102,878	100%	110,434
South Centre	1,107	-	-	1,107	1,048	95%	1,045
United Nations Childrens Fund	-	-	-	-	-	-	370
United Nations Development Programme	1,052	-	-	1,052	1,052	100%	1,297
Indian Ocean Rim Research Centre	133	-	-	133	-	-	81
Perrez-Guerrero Trust Fund	59	-	-	59	58	98%	52
Comprehensive Test Ban Treaty	1,338	-	-	1,338	22	2%	2,909
Southern African Development Community: Membership Fees	38,178	-	-	38,178	38,177	100%	29,605
New Partnership for Africa's Development	31,620	-	-	31,620	30,000	95%	30,000
United Nations Membership fees	101,934	-	-	101,934	101,934	100%	86,127
India, Brazil, SA Dialogue Forum	9,909	-	-	9,909	9,909	100%	10,064
Group of 77 Countries	110	-	-	110	109	99%	99
Bacterial and Toxic Weapons Convention	458	-	-	458	144	31%	-
United Nations Convention on the Law of Sea	375	-	-	375	374	100%	-
Organisation for economic cooperation and development	-	-	-	-	-	-	295
Intern Tribunal Law of Sea	-	-	-	-	-	-	623
African Caribbean & Pacific	3,942	-	-	3,942	3,941	100%	3,192
United Nations Technical Co-operation	105	-	-	105	64	61%	-
Asia-African Legal Consultative Organisation (AALCO)	120	-	-	120	-	100%	97
Bureau of International Exposition: Membership Fees	27	-	-	27	-	-	11
Permarnent court of Arbitration	115	-	-	115	-	-	-

Annexures to the Annual Financial Statements
for the year ended 31 March 2009

ANNEXURE 1J

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2007/08
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Inter Seabed Authority	222	-	-	222	211	95%	0
Humanitarian Aid	13,572	-	-	13,572	13,572	100%	34,046
Sub-Total	333,901	-	-	333,901	329,438	-	324,056
<hr/>							
Subsidies							
<hr/>							
Total	333,901	-	-	333,901	329,438		324,056

**Annexures to the Annual Financial Statements
for the year ended 31 March 2009**

ANNEXURE 1L

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2007/08
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Household Empl social Benefit	4,745	-	-	4,745	4,745	100%	4,200
Household Empl social Benefit - Local recruited staff	11,621	-	-	11,621	11,622	100%	1,954
	16,366	-	-	16,366	16,367	100%	6,154
Subsidies							
Total	16,366	-	-	16,366	16,367	100%	6,154

**Annexures to the Annual Financial Statements
for the year ended 31 March 2009**

ANNEXURE 1M

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2008/09	2007/08
		R'000	R'000
Received in cash			
Subtotal			
Received in kind			
Several as disclosed in 2007/08			632
Vodacom	Paid for services rendered	100	
Burgers Park Hotel	Paid for the venue	60	
Aspen Pharmacare	Paid for services rendered	10	
BMW	Transportation for services provided	577	
Anglo American	Paid for catering	500	
Emirates Airlines-Mr Zahir	Men's wrist watch	2	
Ms Nancy Sam	Sweet Wine-8 bottles	1	
RIA IEC	Pens & desk watch	4	
Group5	Wine bottles-sa Freedom day	19	
Qatar Airways	Ticket to SA-SA Golf day	7	
Kawa and Salti	Wine bottles	2	
Amstel	Beer Cases	2	
Mr R. Deysel and Mrs M. Schoeman	Trophees	1	
N/A	Ticket to Taba Radison Sass-Egypt	3	
Thai Airways	2 x Air tickets for artists	20	
Conrad Hotel	Accommodation for artists	16	
Anura Wines	42x wine bottles	4	
Glencoe	Nelson Mandela Exhibition	280	
Richmont Finance SA	Nelson Mandela Exhibition	400	
Holcim Group Support LTD	Nelson Mandela Exhibition	100	
Holcim Group Support LTD	Nelson Mandela Exhibition	100	
Holcim Group Support LTD	Nelson Mandela Exhibition	50	
Glencoe Intl AG	Nelson Mandela Exhibition	10	
and Small Enterprises.		12	

**Annexures to the Annual Financial Statements
for the year ended 31 March 2009**

ANNEXURE 1M

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2008/09	2007/08
		R'000	R'000
SAB Miller Dreher breweries	12 cases beer-for National day function	2	
Int. Sales Straford Belden Hotel	Tickets N'Digo Foundation Gala	6	
Joseph Harrington CDPH	CCNBNA(Nursing Assoc anniversary ticket	1	
Aitken Spence	Facilities for team building exercise	2	
Anura wines	240x wine bottles	23	
SABMiller	480x bottles of beer	2	
Shoprite	Boerewors-National day reception	2	
SAA	5Xeconomy class tickets for performers	13	
SAA	2Xbusiness class tickets-raffle on Nat day	14	
Game	Items for raffle at Nat day celebs	2	
life,Game,MTN.		150	
Corporates-Stanbic,Blue,Multichoice,Engen	Payment of visa fees,S&Tand hotel expense	13	
ASEM	Miriam Makeba Concert-Sound and Stage	24	
Anglogold Ashanti Kilo	Miriam Makeba Concert-Dinner	142	
Vodacom SA	Miriam Makeba Concert-Appearance fee	120	
Vodacom DRC	Madiba Birthday Message-Print and TV.	1	
AEL(AECI DRC subsidiary)	Madiba Birthday Message-Print and TV.	1	
Group Five	Madiba Birthday Message-Print and TV.	1	
Group Four Securicor	Madiba Birthday Message-Print and TV.	1	
Ruashi Mining	Madiba Birthday Message-Print and TV.	1	
Stanbic DRC	Madiba Birthday Message-Print and TV.	1	
Ellico/Multichoice (DRC)	Madiba Birthday Message-Print and TV.	1	
SOCIR	Madiba Birthday Message-Print and TV.	1	
Mr Al-Noor-embassy lawyer	Wooden stand-National day	-	
KIF	Glass stand	85	
OMEGA	T-shirts for National day guests	19	
Interair	Airfreight of goods & return ticket for winemaker	6	
SAA	50% discount on return air tickets	15	
Gauteng Tourism	Pre Indaba Tour	5	

**Annexures to the Annual Financial Statements
for the year ended 31 March 2009**

ANNEXURE 1M

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2008/09	2007/08
		R'000	R'000
Tourism KZN	Post Indaba Tour	5	
Ophir	Nelson Mandela Twinning Project	250	
Uniglobe	Nelson Mandela Twinning Project	10	
Mozal	Services rendered	46	
SAA	Air Ticket	5	
Arts & Culture	Services rendered	200	
Illovo	Services rendered	123	
Vodacom	Services rendered	123	
Pamptos/Club del Gourmet	Six boxes-Cape Haven wine	5	
Gonzalez Byass- Mexico City	12 bottles of Amarula-trade promotion events	3	
State governor of Guanajuato	Book on history of the state of Guanajuato	-	
Fleuriel Mexico	Five bottles of Horse wine-Trade promo events	4	
SANEA	Round table cloths with SA design	2	
CP Vinos	Six boxes-Obenheim wine-trade promo events	2	
Mr Valentin Diez Morodo-Modelo Group	Two bottles of Tequila"Maestro Tequilero	1	
Dr Jose' Narro Robles-Rector UNAM	A book"Modern Art of Mexico"-a gift	1	
Renova Russia	Venue booking for SA film festival	202	
Anglo Gold Moscow	SA Golf tournament	103	
Standard Bank	Sibongile Mngoma-SA opera singer concert	79	
De Beers	Sibongile Mngoma-SA opera singer concert	45	
Roos Import	Donation of SA wine for official functions	4	
Business Forum	Donation of SA wine for official functions	2	
Old Mutual	Services rendered	300	
Sasol	Services rendered	160	
First Rand	Services rendered	100	
SunGroup	Services rendered	200	
TATA	Accommodation	160	
TATA	Transportation for Hotel transfers in Mumbai	6	
SAA	Flight tickets to SA for artists	84	

**Annexures to the Annual Financial Statements
for the year ended 31 March 2009**

ANNEXURE 1M

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2008/09	2007/08
		R'000	R'000
SA Tourism	Taxes on International flights	55	
Fly Kingfisher	Domestic flights for artists ,CG & R. Ebrahim	57	
Fly Kingfisher	Kingfisher beer	3	
Sun Intl	Holiday Package for 3 models & Mr T. Cronje	100	
MIH	Model Hunt ,invites and banners	-	
SAB	SAB Peroni	4	
Kelvinator	Model gifts	10	
Fosters/SAB Miller	Expat Golf Cup	30	
SA Tourism	Expat Golf Cup	7	
IBIBO	Expat Golf Cup	30	
Satyam Computers	Expat Golf Cup	40	
Thyssenkrupp Marine Systems	SA Naval Officers Dinner	13	
Apollo Tyres	SA Naval Officers Dinner	24	
Allana	DCWA Charity Bazaar-350kg of mince	7	
Ceres fruit juices	Fruit juices	9	
Peroni	Beer	7	
Ms Michelle Lin	Rooibos tea	13	
MTN(Iran)	Services rendered	322	
MTN(Iran)	Services rendered	57	
Wageningen Univ.	Coffee & tea for 90 people	9	
Wageningen Univ.	Venue for Youth day celebs	28	
Heineken International	Venue for Gala dinner	36	
Royal Zanten	Flowers for Heritage day	1	
Great Grapes Wine BV	8x boxes of red wine-heritage day	3	
Great Grapes Wine BV	8x boxes of white wine-heritage day	2	
Carre Theatre	100xtheatre tickets-heritage day	24	
SAB Miller-Poland	Beer and wine-Afrykamera Film festival	1	
SAB Miller-Poland	Beer and wine-National day	6	
SAB Miller-Poland	Beer and wine-Heritage day celebrations	2	

**Annexures to the Annual Financial Statements
for the year ended 31 March 2009**

ANNEXURE 1M

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2008/09	2007/08
		R'000	R'000
SAB Miller-Poland	Beer and wine-SA 2010 function.	1	
SAB Miller-Poland	Air tickets-National day performers.	52	
Mr Lance Ostendorf	International air ticket for Mr Tyrone Gunnie	13	
SAA	Two return tickets to South Africa	23	
MTN Cameroon	Crisp biltong	12	
Subtotal		6,160	632
TOTAL		6,160	632

**Annexures to the Annual Financial Statements
for the year ended 31 March 2009**

ANNEXURE 10

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2008/09	2007/08
(Group major categories but list material items including name of organisation)	R'000	R'000
Paid in cash		
Subtotal		
Made in kind**		
Several as disclosed in 2007/08		533
Benin	3	
Burundi	1	
Cuba	1	
Chile/Uruguay	8	
China, Beijing	3	
Czech Republic	30	
Denmark	9	
DFA Head Office	3	
Egypt	21	
Flemish	1	
France	2	
Iceland	2	
Indonesia	4	
Iran	1	
Israel	1	
Italy,Rome	8	
Japan	27	
London	3	
Malaysia	1	
Mexico	7	

**Annexures to the Annual Financial Statements
for the year ended 31 March 2009**

ANNEXURE 10

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2008/09	2007/08
(Group major categories but list material items including name of organisation)	R'000	R'000
Mozambique	4	
Namibia	11	
New Zealand	1	
Nigeria	11	
Poland	1	
Qatar	13	
Singapore	2	
Slovakia	14	
Spain	1	
Sudan	5	
Swaziland	11	
Sweden	1	
Switzerland	13	
Tanzania	11	
Thailand	2	
Turkey	12	
Uganda & DRC	24	
United Kingdom	4	
USA	20	
Venezuela	7	
Vietnam	1	
Zambia	4	
Zambia & Congo Brazaville	20	
Subtotal	330	533
Remissions, refunds, and payments made as an act of grace		
Subtotal	-	-
TOTAL	330	533

**Annexures to the Annual Financial Statements
for the year ended 31 March 2009**

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2008 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2008	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2009	Guaranteed interest for year ended 31 March 2009	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	Motor vehicles	292	242	-	211	-	31	-	-
	Subtotal	292	242	-	211	-	31	-	-
	Housing								
Standard Bank	Housing loans	504	471	-	19	-	452	-	-
Nedbank Ltd.	Housing loans	378	298	-	64	-	234	-	-
Firststrand Bank: FNB	Housing loans	399	338	-	52	-	286	-	-
ABSA Bank	Housing loans	690	111	-	-	-	111	-	-
BOE Bank (NBS Division)	Housing loans	464	382	-	17	-	365	-	-
FNB/ Saambou Bank	Housing loans	898	329	-	18	-	311	-	-
Peoples/ Permanent Bank	Housing loans	259	29	-	-	-	29	-	-
Old Mutual	Housing loans	23	20	-	-	-	20	-	-
VBS Mutual Bank	Housing loans	-	23	-	23	-	-	-	-
Hlano Fin Services	Housing loans	4	4	-	-	-	4	-	-
Old Mutual	Housing loans	157	157	-	17	-	140	-	-
	Subtotal	3,776	2,162	-	210	-	1,952	-	-
	Other								
South African Development Bank	Lesotho Highlands Development Authority for the northern access road project IHT 02021	54,045	10,007	-	6,880	-	3,127	340	-
South African Development Bank	Lesotho Highlands Development Authority for the northern access road project IHT 02022	154,279	48,224	-	17,349	-	30,875	2,517	-

**Annexures to the Annual Financial Statements
for the year ended 31 March 2009**

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2008 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2008	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2009	Guaranteed interest for year ended 31 March 2009	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
South African Development Bank	Lesotho Highlands Development Authority for the northern access road project IHT 02023	2,385	159	-	159	-	-	-	-
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for northern access road project IHT 01 678	24,805	1,717	-	1,717	-	-	-	-
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for Lesotho infrastructure (construction northern access road project) IHT	41,600	13,844	-	5,105	-	8,739	848	-
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for Katze-town programme (project1) IHC	21,393	10,648	-	4,365	-	6,283	1,220	-
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for advanced infrastructure. Upgrading of boarder post facilities Maputo and Caledonspoort	7,530	2,968	-	1,100	-	1,868	206	-
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for advanced infrastructure. Upgrading of current roads IHT 02 214/2	29,059	3,853	-	2,093	-	1,760	229	-
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for communication	1,546	-	-	-	-	-	-	-
Subtotal		336,642	91,420	-	38,768	-	52,652	5,360	-
Total		340,710	93,824	-	39,189	-	54,635	5,360	-

**Annexures to the Annual Financial Statements
for the year ended 31 March 2009**

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2009

Nature of Liability	Opening Balance 01/04/2008	Liabilities incurred during the year	Liabilities paid/cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31/03/2009
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Catlin V Minister of Foreign affairs	280	-	-	-	280
Lesotho Steel Product v Republic of South Africa	10,000	-	-	-	10,000
Ngaki vs Minister of Foreign Affairs	-	32	8	-	24
Sub total	10,280	32	8	-	10,304
Environmental Liability					
Total	10,280	32	8	-	10,304

**Annexures to the Annual Financial Statements
for the year ended 31 March 2009**

**ANNEXURE 4
CLAIMES RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Eastern Cape			2,012	3,796	2,012	3,796
Northern Cape			424	900	424	900
Free State			2,787	2,223	2,787	2,223
Limpopo			3,774	5,090	3,774	5,090
Mpumalanga			69	554	69	554
North West			1,098	1,141	1,098	1,141
Kwazulu Natal			2,112	5,100	2,112	5,100
Gauteng			2,699	3,123	2,699	3,123
Western Cape			817	1,091	817	1,091
Arts, Culture			195	248	195	248
Science & Technology	1,168		1,721	2,002	2,889	2,002
Social development			4,185	3,198	4,185	3,198
Agriculture	1,545		1,661	4,232	3,206	4,232
National Prosecution Authority			43	154	43	154
Justice	1,866		882	2,557	2,748	2,557
Public Service Administration	2,783		799	2,067	3,582	2,067
Housing			-	59	-	59
Public Service Comm			-	5	-	5
Environmental Affairs			516	1,469	516	1,469
Public Works	149		1,703	2,462	1,852	2,462
Health			-	3,758	-	3,758
Office of the President			1,697	3,030	1,697	3,030
Transport			969	1,265	969	1,265
Minerals and Energy	39	-	111	445	150	445
Public Enterprises	265		-	(171)	265	(171)
Trade & Industry	10,955	-	-	32,348	10,955	32,348
Water Affairs and Forestry			75	245	75	245

**Annexures to the Annual Financial Statements
for the year ended 31 March 2009**

**ANNEXURE 4
CLAIMES RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	R'000	R'000	R'000	R'000	R'000	R'000
Labour	-	-	-	899	-	899
Land Affairs	-	-	38	63	38	63
Finance	-	-	2,009	1,846	2,009	1,846
Finance Pension	-	-	2,841	2,037	2,841	2,037
Post & Telecommunication	1,522	-	1,101	733	2,623	733
Sports & recreation	88	-	290	347	378	347
South African Comm. Service	-	-	-	-	-	-
South African Revenue service	-	-	1	291	1	291
Police	5,108	-	19,523	28,192	24,631	28,192
Education	-	-	-	34	-	34
National Defence Force	3,433	-	28,126	13,681	31,559	13,681
Provincial and Local Affairs	-	-	329	167	329	167
Correctional Services	-	-	17	11	17	11
Unrecoverable balances from departments	-	-	2,000	31,573	2,000	31,573
National intelligence	-	-	-	(33)	-	(33)
GCIS	-	-	125	87	125	87
Home Affairs	-	-	708,867	-	708,867	-
SUBTOTAL	28,921	-	795,616	162,319	824,537	162,319
Government Entities						
Donor funding - Burundi	22,929	-	-	-	22,929	-
Sub-Total	22,929	-	-	-	22,929	-
TOTAL	51,850	-	795,616	162,319	847,466	162,319

Annexures to the Annual Financial Statements
for the year ended 31 March 2009

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of Home Affairs		199,352	1,019,098	-	1,019,098	199,352
					-	-
Subtotal		199,352	1,019,098	-	1,019,098	199,352
Non-current						
					-	-
Subtotal	-	-	-	-	-	-
Total		199,352	1,019,098	-	1,019,098	199,352
OTHER GOVERNMENT ENTITY						
Current						
					-	-
Subtotal	-	-	-	-	-	-
Non-current						
					-	-
Subtotal	-	-	-	-	-	-
Total	-	199,352	1,019,098	-	1,019,098	199,352

Abbreviation of Government Departments

DAFF	Department of Agriculture, Forestry and Fisheries
DAC	Department of Arts and Culture
DOBE	Department of Basic Education
DOC	Department of Communications
DCGTA	Department of Cooperative Governance and Traditional Affairs
DCS	Department of Correctional Services
DE	Department of Energy
DEA	Department of Environmental Affairs
DEC	Department of Economic Development
DIRCO	Department of International Relations and Cooperation
DOH	Department of Health
DHT	Department of Higher Education and Training
DHA	Department of Home Affairs
DJCD	Department of Justice and Constitutional Development
DOL	Department of Labour
DM	Department of Mining
DPE	Department of Public Enterprises
DPSA	Department of Public Service and Administration
DPW	Department of Public Works
DLA	Department of Rural Development and Land Reform
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 Tourism
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 and Military Veterans

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

List of Acronyms

ACP	African, Caribbean and Pacific Group of States
AFIRAN	African Indian Ocean Region Meeting on Air Navigation
AMCEN	2008 African Ministerial Conference of the Environment
ARC	ARC: African Renaissance Committee
APRM	African Peer Review Mechanism
ARF	African Renaissance Fund
ASF	African Standby Force
ASGI-SA	Accelerated Shared Growth Initiative
AU	African Union (formerly OAU)
AUC	African Union Commission
AUPSC	African Union Peace and Security Council
BBBEE	Broad Based Black Economic Empowerment
BI	Business Intelligence
BNC	Binational Commission
BPM	Business Process Management
BRIC	Brazil, Russia, India and China
BUSA	Business Unity South Africa
BWIs	Bretton Woods Institutions
CAR	Central African Republic
CERF	Central Emergency Response Fund
CIO	Chief Information Officer
CMS	Consular Management System
CoB	Co-ordinating Bureau of the Non-Aligned Movement
COMESA	Common Market for Eastern and Southern Africa
COMINAC	Conference of Ministers of Information of the Non-Aligned Countries
CoP	Conference of Parties
CPD	Commission on Population and Development

CSD	Commission on Sustainable Development	HRC	Human Rights Council
CSTD	Commission on Science and Technology for Development	HRD	Human Resource Development
CTED	Counter Terrorism Executive Directorate	HSGIC	Heads of State and Government Implementation Committee
CTC	Counter Terrorism Committee	IAEA	International Atomic Energy Agency
DDR	Disarmament, demobilisation and reintegration	IADG	Internationally Agreed Development Goals
DEAT	Department of Environmental Affairs and Tourism	IBSA	India, Brazil, South Africa Dialogue Forum
DES	Deputy Executive Secretary	ICT	Information and Communications Technology
DFA	Department of Foreign Affairs	ICESCR	International Covenant on Economic, Social and Cultural Rights
DIAP	Diplomatic Immunities and Privileges	ICGEB	International Centre for Genetic Engineering and Biotechnology
DIPA	Diplomatic Immunities and Privileges Act	ICRC	International Committee of the Red Cross
DPSA	Department for Public Service and Administration	IDGs	International Development Goals
DRC	Democratic Republic of the Congo	IDP	Internally Displaced Persons
DST	Department of Science and Technology	IGAD	Intergovernmental Authority for Development
DTI	Department of Trade and Industry	IHL	International Humanitarian Law
EAC	East Africa Community	IL	International Law
ECOSOC	United Nations Economic and Social Council	IOR	Indian Ocean Rim Association
ECOWAS	Economic Community of West African States	IOR-ARC	Indian Ocean Rim Association for Regional Cooperation
EDF	European Development Fund	IORBF	Indian Ocean Rim Business Forum
EISA	Electoral Institute of Southern Africa	IORAG	Indian Ocean Rim Academic Group
EPA	Economic Partnership Agreement	IPT	Internet Protocol Telephony
EU	European Union	IRPS	International Relations-Peace and Security Cluster
FAO	Food and Agriculture Organisation	IWG	International Working Group
FATF	Financial Action Task Force	JBC	Joint Bilateral Commission
FDI	Foreign Direct Investment	JCC	Joint Commission for Economic, Technical, Scientific and Cultural Co-operation
FfD	Financing for Development	JPOI	Johannesburg Plan of Implementation (WSSD)
FOCAC	Forum for China-Africa Co-operation	JIPSA	Joint Initiative Priorities for Skills Acquisition
FSD	Foreign Service Dispensation	KPCS	Kimberley Process Certification Scheme
FSI	Foreign Service Institute	LDCs	Least Developed Countries
FTA	Free Trade Agreement	LOC	Local Organising Committee
G20	Group of Twenty	LRP	Locally Recruited Personnel
G77	Group of 77 (and China)	MDGs	Millennium Development Goals
G8	Group of eight (Canada, France, Germany, Italy, Japan, Russia, UK, USA)	MEA	Multilateral Environmental Agreements
GA	General Assembly (United Nations) – see also UNGA	MERCOSUR/L	Common Market of the South (contraction from Spanish)
GNU	Government of National Unity	MINURSO	United Nations Mission for the Referendum in Southern Sahara
GCIS	Government Communication and Information System	MISS	Minimum Information Security Standards
HDP	Heiligendamm Dialogue Process	MOU	Memorandum of Understanding
HoS/G	Heads of State or Government	NAASP	New Africa Asia Strategic Partnership
HR	Human Resources		

NAC	New Agenda Coalition	SADR	Saharawi Arab Democratic Republic
NAM	Non-Aligned Movement	SARPCCO	Southern Africa Regional Police Chiefs Cooperation Organisation
NEDLAC	National Economic Development and Labour Council	SAT	South African Tourism
NEPAD	New Partnership for Africa's Development	SAQA	South African Qualifications Authority
NGO	Non-Governmental Organisation	SC	Security Council (United Nations) – See also UNSC
NISSA	NEPAD Implementation Strategy for South Africa	SDIP	Service Delivery Improvement Plan
NPT	Nuclear Non-Proliferation Treaty	SG	Secretary General
NSG	Nuclear Suppliers Group	SIPO	Indicative Plan for the Organ
NQF	National Qualifications Framework	SKA	Square Kilometre Array Bid
OCSLA	Office of the Chief State Law Advisor (International Law)	SMS	Seat Management Service
ODA	Official Development Assistance	SPL	State Protocol Lounges
OECD	Organisation for Economic Co-operation and Development	SRSA	Sport and Recreation South Africa
OEWG	Open-ended Working Group	SSR	Security Sector Reform
PAP	Pan African Parliament	STC	Specialised Technical Committee
PAWO	Pan African Women's Organisation	TDCA	Trade and Development Co-operation Agreement (with EU)
PBC	Peace Building Commission	TICAD	Tokyo International Conference on Africa's Development
PCRD	Post Conflict Reconstruction and Development	UK	United Kingdom
PFC	Portable Facilities Cabinet	UN	United Nations
PFMA	Public Finance Management Act	UNCTAD	United Nations Conference on Trade and Development
PGD	Partnership for Growth and Development	UNDP	United Nations Development Programme
PMDS	Performance Management and Development System	UNEG	United Nations Evaluation Group
PRAU	Policy, Research and Analysis Unit	UNESCO	United Nations Educational, Scientific and Cultural Organisation
PRC	Permanent Representative Council	UNFCCC	United Nations Framework Convention on Climate Change
PrepCom	Preparatory Committee meeting	UNGA	United Nations General Assembly – See also GA
PSC	Peace and Security Council (AU)	UPR	Universal Peer Review
PSF	Peace and Security Forum	USA	United States of America
PTFA	Permanent Trade Forum Agreement	UNSC	United Nations Security Council – See also SC
R&D	Research and Development	WCAR	World Conference Against Racism
REC	Regional Economic Communities	WCRW	World Congress of Rural Woman
RISDP	Regional Indicative Strategic Development Plan	WEF	World Economic Forum
ROSA	Registration of South African Citizens Abroad	WGHM	Working Group of Heads of Missions
RRT	Rapid Response Team	WIPO	World Intellectual Property Organisation
RSC	Regional Services Centre (UNDP)	WSIS	World Summit on the Information Society
SAA	South African Airways	WSSD	World Summit on Sustainable Development
SACU	Southern African Customs Union (SA, BLSN)	WTO	World Trade Organisation
SADC	Southern African Development Community	WTSA	World Telecommunications Standardisation Assembly

