

**THE NORTHERN CAPE PROVINCIAL LEGISLATURE
ANNUAL PERFORMANCE REPORT (APR)**

**REFLECTING PERFORMANCE AGAINST
PREDETERMINED OBJECTIVES**

FOR THE FINANCIAL YEAR

01 APRIL 2020 TO 31 MARCH 2021



**Northern Cape
Provincial Legislature**

“VIGILANT ALWAYS FOR OUR PEOPLE”

**NORTHERN CAPE PROVINCIAL
LEGISLATURE: VOTE 2**



Northern Cape
Provincial Legislature

ANNUAL REPORT 2020/2021

SUBMISSION OF THE ANNUAL REPORT TO THE SPEAKER:

Hon. N. Klaaste

SPEAKER TO THE NORTHERN CAPE PROVINCIAL LEGISLATURE

I have the honour of submitting the Annual Report of the Northern Cape Provincial Legislature for the period 1 April 2020 to 31 March 2021.

MR. PB MOOPELWA
SECRETARY TO THE LEGISLATURE
29 OCTOBER 2021

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Northern Cape
Provincial Legislature

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Speaker



Hon M Matika, MPL (ANC)
Deputy Speaker



MPL G van Staden
(Chair of chairs ANC)



MPL L Koloj
(Deputy Chair of Chairs ANC)



MPL N Maneng
(Chief Whip ANC)



MPL L Senye
(Whip ANC)



MPL W Dichaba
(ANC)



MPL S Tities
(ANC)



MPL A Louw
(Leader of Opposition DA)



MPL H Mcgluwa
(Whip DA)



MPL GE Steenkamp
(DA)



MPL Dr ICC Fritz
(DA)



MPL F Rhoda (DA)



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(DA)



MPL O Mokae
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MPL R Liebenberg
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MPL S Tlhaole
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MPL G Lepolesa
(EFF)



MPL N Baartman
(EFF)



MPL J Coetzee
(Leader VF Plus)

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Information Services, Public
Education and Communication



Mr GR Botha
Chief Financial Officer



Mr T Sekoto
Manager: Finance
(Acting Chief Financial
Officer)



Ms FP Ntsiko
Manager: Human Capital
(Acting Executive Manager:
Corporate Services)



Mr. J Franks
Manager: Deputy
Speaker



Mr. TV Cogang
Manager: Risk, Monitoring
and Evaluations



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Manager: Committees



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and Information Services



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Manager: Hansard
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LIST OF ABBREVIATIONS

APP	Annual Performance Plan
AGSA	Auditor General South Africa
HC	Human Capital
HR	Human Resources
ITC	Information Technology and Communication
MEC	Member of the Executive Council
M&E	Monitoring and Evaluation
MTEF	Medium Term Expenditure Framework
MPL	Member of the Provincial Legislature
NCOP	National Council of Provinces
NCPL	Northern Cape Provincial Legislature
NCPL-OM	Northern Cape Provincial Legislature Oversight Model
PC	Portfolio Committee
PPF	Political Party Fund
SC	Standing Committee
SOM	Sector Oversight Model
FMPPLA	Financial Management of Parliament and Provincial Legislatures Act, 2009
PMDS	Performance Management and Development System
ERP	Electronic Resource Planning
PC	Public Communication
PP	Public Participation
PGDP	Provincial Growth and Development Plan
PSC	Public Service Commission
SDG	Sustainable Development Goals
SAHRC	South African Human Right Commissions
SALGA	South African Local Government Association
SALSA	Secretaries Association of Legislatures of South Africa
SALS	South African Legislative Sector
SOM	Sector Oversight Model
SMART	Specific, Measurable, Attainable, Realistic and Time-bound
SWOT	Strengths, Weaknesses, Opportunities and Threats
TID	Technical Indicator Descriptions
TOR	Terms of Reference
MANCOM	Management Committee

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PART A:
GENERAL INFORMATION

FOREWORD BY THE SPEAKER

Hon. N Klaaste- SPEAKER

It gives me great pleasure to present the Annual Report of the Northern Cape Provincial Legislature for the 2020/2021 financial year, on behalf of the NCPL and its Presiding Officers.



The 2020/2021 Annual Report is presented at a period where our country, and the world at large is grappling with the devastating effects of the COVID-19 pandemic, and thus human, and financial resources are the most affected in many institutions, with our Legislature being no different. We are all prompted to do more with much less as financial resources are directed where needed most, as we all attempt to mitigate the effects of this pandemic.

This annual report, which is guided by the five-year strategic plan (2020/21–2024/25), gives a full account of the successes and failures for the year under review.

In keeping to our policy priorities as set out in the strategic plan which includes enhancing public involvement in order to deepen and entrench a people-centred democracy; the Legislature for this period, has demonstrated a need to develop improved ways of engagement with our communities while adhering to the set COVID-19 regulations, particularly on areas such as public hearings, where public opinion is crucial on fulfilling our policy priority on law-making, where the 6th Legislature envisages to enhance the impact of laws passed in order to improve the achievement of state policy outcomes.

The oversight function centred in our committee's work is indeed commendable during this period of budget reprioritisation and adjustments as our country grappled the effects of the COVID-19 pandemic, which brought with it adjustment to new technologies, virtual engagements and exerted pressure on our members. However, our members remained committed to fulfilling one of our Constitutional mandate and top policy imperative, that of strengthening the oversight role of the Legislature over the executive; while navigating through the key priority of modernizing the effectiveness and efficiency of frameworks, systems, mechanisms, policies, processes, and services to ensure the optimal functioning of our institution.

Amidst the challenges faced by our Legislature which are outlined in the Secretary's report, we are optimistic that the audit action plan to be developed by management, will aid towards an improved audit opinion, to the current unqualified audit opinion, expressed by the Auditor General for the year under review.

Our Legislature remains steadfast on realising the vision of the 6th administration, that of a "modern, inspirational, responsive, proactive and activist Legislature that advances the aspirations of the people of the Northern Cape".



HON. N KLAASTE
SPEAKER- NORTHERN CAPE PROVINCIAL LEGISLATURE

STATEMENT BY THE DEPUTY SPEAKER

Hon. M. Matika- DEPUTY SPEAKER

The 2020/21 financial year will forever be remembered as a year where the global COVID-19 pandemic impacted and effected the lives and livelihoods of ALL. The Northern Cape Provincial Legislature (NCPL); as well as public and private institutions; were not spared from this global pandemic and as such “new” ways of conducting business and operating had to be developed and prioritised.



This pandemic impacted the budget of the State hardest as it needed to reprioritise already scarce resources to respond to the pandemic. The NCPL surrendered approximately 10% (R22 million) of its allocated budget – R211 million - for the financial year to the Provincial Treasury for reprioritisation and fighting the CoVID-19 pandemic.

However, the NCPL had to ensure it continue its path towards our vision of “a modern, inspirational, responsive, proactive and activist Legislature that advances the aspirations of the people of the Northern Cape”. This we did by adapting to the “new normal” as brought by this pandemic. To this end, the NCPL adapted its Standing Rules and adopted Rules which provide for virtual and/or hybrid activities and House Sittings. This provided a significant platform from which to continue operations and modernising our approach to servicing our people.

We had to adapt in order not to compromise on our mandate as envisaged in the Constitution of the Republic of South Africa. The business of the NCPL and Legislatures in South Africa involve three mandates: Law-making, Oversight over the Executive, and public institutions and ensuring public involvement in the law-making process.

The Committees of the NCPL adapted to the new ways of work and conducted its business mostly through virtual platforms. It was especially pleasing to see how quickly the committees were able to operate as this was evident its ability to consider Annual Performance Plans (APP’s) as well as revised APP’s within less than two months. These revised APPs was brought on by the reprioritization necessitated by the fight against the pandemic.

On the Law-making front, creative and innovative ways was implemented to ensure public involvement. The NCPL formed partnerships with community radio and print media to ensure the public is aware of legislation to be passed. The NCPL’s regional offices facilitated the process of

public involvement in both provincial and national law-making. Furthermore, virtual public hearings were conducted, and written submissions requested in order to give effect to the mandate of public involvement.

The NCPL delivered most of its planned activities in its APP which is testimony to our commitment and endeavour to fulfil our mandate. This was also further confirmed by the Auditor-General of South Africa who expressed an unqualified audit opinion – with some matters of emphasis – on the NCPL's financial and performance information. This provides us with an ideal foundation for future improvement(s) as we demonstrated our resolve to work smartly and efficiently.

These achievement(s) of the NCPL would not be possible without the combined commitment of the Political Leadership; led by the Speaker, Hon Newrene Klaaste, as well as the administration; led by the Secretary to the Legislature, Mr Patrick Moopelwa. We implore on all stakeholders to double our efforts in the coming financial year to ensure an improved audit outcome and continue building and Activist Legislature “serving the people of the Northern Cape by building a modern, developmental institution for effective law making, accountability, public participation, and oversight over the executive, municipalities and public entities, whilst partaking in international engagement and co-operative government”.



HON. M. MATIKA
DEPUTY SPEAKER- NORTHERN CAPE PROVINCIAL LEGISLATURE

REPORT OF THE ACCOUNTING OFFICER

Mr PB Moopelwa- SECRETARY TO THE LEGISLATURE

The Northern Cape Provincial Legislature (NCPL) closed its books on a positive note having navigated one of the most difficult period in our history post democratic dispensation in the country. South Africa and the entire world, suffered a tremendous shake up as a result of COVID 19 pandemic. The pandemic essentially altered the normal lives at all fronts, professionally and at personal levels. The business operations both in public and private sectors had to adjust to the new normal as imposed by different government measures proportionate to the associated risks of COVID 19.



All in one, the Legislature has been implored to manage the severity of the virus and its spread at the workplace as well as to safeguard institutional operations amid the hype of the virus spread during the national lockdown. The national lockdown was the nationwide initiative by the national government wherein the state of the National Disaster was declared and has now exceeded more than five hundred (500) days to date. Key to the national state of disaster has been the risk adjusted alert levels throughout the period informed by various factors such as the citizens' behavioural patterns, the country's infection rate and vaccination turnout at the later stage. Equally, these were the important elements influencing our operations plans and programmes throughout the financial year.

Similar to all government and non-governmental institutions, the Legislature had to design risk adjusted operational plans and put down strict measures in place to specifically assist the nation in responding to the pandemic whereby its spread is curbed and the exposure of our employees becomes reasonably limited. Part of the risk adjusted measures that the Legislature had to introduce and manage consistently throughout the financial year included a decision to designate categories of employees to work remotely or work from home. In these categories includes employees who are living with comorbidities or underlying conditions and those who are above the age of sixty (60) years. This was mostly as informed by experts advises that these categories of employees are at a high risk of contracting the COVID 19 virus. In addition to that, the necessary tools of trade to enable most of these employees to do their work were provided.

The 2020/2021 financial year began with harsher measures that were obligatory given the state of disaster that the entire country reduced to. At the centre of this hostility measures as imposed by the national government were the budget cuts which were crucial bearing in mind the strained fiscas that the government found itself with even afore the COVID 19 pandemic. As at the start

of the financial year and during the adjustment period, the Northern Cape Provincial Legislature suffered a budget cut of more just above R22 million from its original budget of about R211 million for the 2020/2021 financial year. Areas which were impacted severely by these budget cuts and the state of the national disaster were mainly under the oversight function of the Legislature. Ordinarily, as anticipated at the beginning of the sixth term of the Legislature, the Members had undertaken to become a more activist legislature that is not only confined to the boardroom discussions but take the oversight work of the Legislature to the ground level where the touch and feel of service delivery is tangible and visible.

As the Accounting Officer of the Northern Cape Provincial Legislature, I am pleased to report that our financial status is a healthy one having managed to do more with much lesser resources at our disposal and also having had to harvest on the positive bank balances of the 2019/2020 financial year where the Legislature had declared savings of about R5 million. Amid all challenges imposed by severe budget cut for the year under review, the institution spent a total of R196 million against the final budget appropriation of R194 million. In essence this means that we have registered an over expenditure of R1.8 million which constitute about 1% of the total budget. It is important to note that, the budget overruns could have been worse considering the severity of the budget cuts imposed by the Provincial Treasury. In order to ensure that this budget overrun does not have negative effect on our books in the immediate-term and or the long-run, the institutional reserves were resorted to in order to offset these overruns and by all means the institution averted bank deficit at the end of the financial year. In the subsequent financial year, we are left with no choice but to double our efforts and re-introduce much strict measures emanating from sound administrative and financial plans with an aim of ensuring that the budget overruns are avoided at all costs.

Against these budgetary constraints, there are notable strides that as the administration we have registered. In 2020/2021 financial year, we have managed to keep the Compensation of Employees (COE) expenditure below 55% which is normally a challenge for most of the government departments as a whole. This creates a true sense of balance in our expenditure pattern between COE expenditure and that of the goods and services. We have significantly reduced the reliance and utilization of consultants including the preparation of this year's Annual Financial Statements. Through tougher measures put in place to curb fictitious procurement of goods and services, the total spending on goods and services has generated a saving of about R2.7 million or 11 per cent from the final appropriation particularly on traveling and subsistence.

Even though disrupted by the COVID 19 pandemic, the institution achieved more than 65% of its performance targets which are line with the new Strategic Plan of the 6th term of the Legislature. In this financial year we managed to complete the NCPL Precinct renovation project which had

stretched for a period far exceeding the original times frames. It is important to advise, however that the maintenance of the building in smaller components will be done on regular basis to avoid massive deterioration of the precinct which at a later stage will result in huge financial setbacks again.

As alluded to, this year was the most challenging one wherein the institution had to traverse the uncharted path administratively. Part of what remains a huge challenge is the stability at the management level. We have a serious backlog of filling all critical positions which have been vacant for almost five (5) years now. This being the case it become unfortunate that the Chief Financial Officer was placed on precautionary suspension following allegations of misconduct, this is something that added to the instability at the management level but more so at the financial management department for the greater part of the fincial year. In the next financial year, the Human Capital unit will develop and submit a time-bound plan on most of key activities in areas such as the recruitment and selection processes as well as the strategy to expedite disciplinary cases at the institution.

As the Administration in support of Members of Provincial Legislature, we remain committed to building an effective Legislature that is strongly correlated with the existence of a viable democracy and an open society. The Northern Cape Provincial Legislature on account of its members and legislative functions can empower ordinary citizens to participate in the development of policies that shape their lives. Due to its oversight role, the NCPL is fundamental in establishing the rule of law, protecting human rights, overseeing transparent governance processes and ensuring compliance with national and provincial legislation in the Northern Cape. It is for these reasons that even during this difficult times that the institution contended with, Annual Performance Plans and Budget as well of all thirteen (13) votes and their entities were tabled, scrutinised by Committees of the Legislature and were eventually adopted by the House wherein House resolutions were made for implementation by relevant departments. The oversight work of committees did not end there but in fact doubled as there were adjusted APPs and Budget that were re-tabled owing to the budget cuts and other factors affecting performance of government. More to this, the House Business and Law Making activities were undertaken without compromise through hybrid formats and at time virtual platforms where necessary.

In conclusion, the Northern Cape Provincial Legislature has received unqualified audit opinion with findings on compliance from the Auditor General South Africa. This audit opinion creates hope and believe that, notwithstanding matters raised, we are on a right path to once again register clean audit outcome. Compared to the previous financial year, matters raised are much fewer. There has been an improvement in areas such as turnaround period to pay our creditors within thirty (30) as provided for by the legislation. Areas of concern that we will aggressively attend to include

contract management and the review institutional policies as most of them are outdated. Also, the asset disposal for all those institutional assets that have reached their lifespan or are absolute. Management will develop the audit action plan in due course and as the Accounting Officer, I will be monitoring implementation of the audit action plan very closely to ensure that all matters as raised by the AGSA are actioned and we improve institution's audit opinion in the next audit cycle.



MR PB MOPELWA
SECRETARY TO THE LEGISLATURE

1. OVERVIEW OF THE FINANCIAL RESULTS OF THE LEGISLATURE

1.1. DEPARTMENTAL RECEIPTS

Departmental receipts	2020/2021			2019/2020		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	242	-	242	229	-	229
Interest, dividends and rent on land	3 233	445	2 788	3 064	1 004	2 060
Sale of capital assets	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-
Total	3 475	445	3 030	3 293	1 004	2 289

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

The NCPL projects to collect an amount of R3.293 million for the 2019/20 financial year, growing to R3.475 million in the 2020/21 financial year. The major sources of revenue for the NCPL relates to interest on positive bank balances, commission on insurance and transactions in financial assets which relates to debt arising from previous financial years.

1.2. PROGRAMME EXPENDITURE

Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	71 968	74 656	(2 688)	78 912	82 437	(3 525)
Facilities for members and Political parties	51 570	52 854	(1 284)	59 747	56 947	2 800
Parliamentary Services	44 570	42 036	2 534	53 219	48 588	4 631
Statutory Amounts	26 655	27 028	(373)	34 051	32 076	1 975
Total	194 763	196 574	(1 811)	225 929	220 048	5 881

NCPL spent 101 per cent against total budget, which is 1 per cent more than the final appropriation. This is due to budget cut of R22.148 million implemented in 2020-21 budget year

Compensation of employees, which is the largest component of the budget, reflects overspending of R0.953 million or 1 per cent of the budget as a results of budget cut equivalent to R9.174 million for budget year 2020-21.

Goods and Services, reflects a underspending of R2.709 million or 11 per cent from the final appropriation particularly on traveling and subsistence as a result COVID 19 traveling restrictions.

Transfers and subsidies, reflects an overspending of R1.297 million or 3 per cent from the final appropriation as a results of advance to political parties and expenditure incurred on loss of office gratuity.

APPROVAL AND SIGN OFF



PB MOOPELWA
SECRETARY TO THE LEGISLATURE
DATE: 30 SEPTEMBER 2021

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

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

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

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

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

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Northern Cape Provincial Legislature for the financial year ended 31 March 2021.

Yours faithfully



PB MOOPELWA
SECRETARY TO THE LEGISLATURE
DATE: 30 SEPTEMBER 2021

STRATEGIC OVERVIEW

VISION

“A modern, inspirational, responsive, proactive and activist Legislature advancing the aspirations of the people of the Northern Cape”.

MISSION

“To serve the people of the Northern Cape by building a modern, developmental institution for effective law making, accountability, public participation, and oversight over the executive and municipalities, whilst partaking in international engagement and co-operative government”.

MOTTO

“Vigilant always for our people”

VALUES

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

2. LEGISLATIVE AND OTHER MANDATES

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

- 2.1.1. The Constitution of the Republic of South Africa;
- 2.1.2. Northern Cape Provincial Legislature Service Act, No.2 of 2011;
- 2.1.3. Powers, Privileges and Immunities of Parliaments and Provincial Legislatures Act, No.4 of 2004;
- 2.1.4. Northern Cape Petitions Act, No. 8 of 2009;
- 2.1.5. Northern Cape Party Political Fund Act, No 7 of 2009;
- 2.1.6. Northern Cape Legislature Witness Act, No 3 of 2013.
- 2.1.7. Financial Management of Parliament Act, No. 10 of 2009 as amended by Act 34 of 2014.
- 2.1.8. Labour Relations Act, No. 66 of 1995 and other related labour legislation;
- 2.1.9. Remuneration of Public Office Bearers Act, No. 92 of 1997;

2.2. Legislature's Mandate in terms of the Supreme Law of the Country: Constitution of the Republic of South Africa

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

In exercising its legislative power, a Provincial Legislature may-

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

A Provincial Legislature must provide for mechanisms-

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

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

2.3. Rules, Codes and Manuals of the Northern Cape Provincial Legislature:

The Legislature also abides by the following:

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

2.4. New policy mandates during the 6th term:

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

2.5. Relevant court rulings in the 6th term:

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

2.6. Planned policy initiatives:

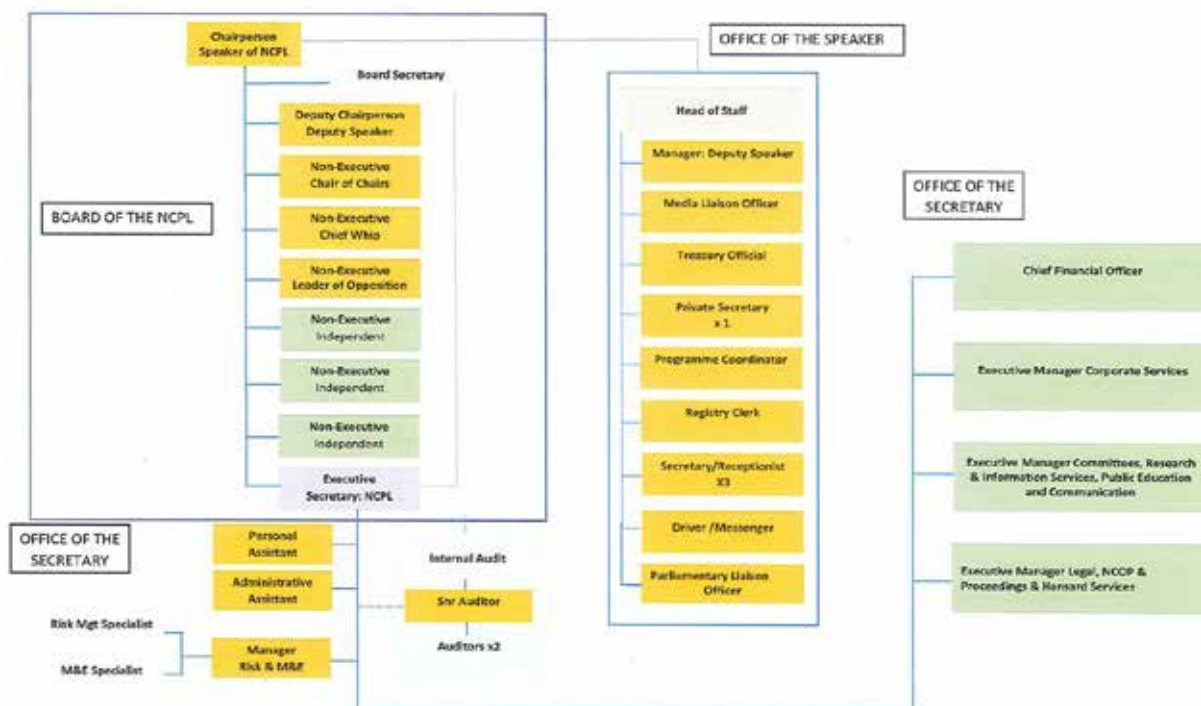
At the start of the 6th Legislature term, the executive leadership and management resolved that there is an urgent need to embark on a more rigorous policy reviews for the majority of policies at the institution. There is an acceptance that most the institutional policies are outdated and need to be reviewed as soon as possible in order to align with new legislations and developments. Some of these policies date of approval date as far back 2005 and under normal circumstance and in line with best practices, policies are reviewed after every three (3) years. The following policies are amongst those that will be prioritised for development and review:

- 2.6.1. Leave Policy and Procedure
- 2.6.2. Asset Disposal Policy
- 2.6.3. Sexual Harassment Policy
- 2.6.4. Code of Conduct
- 2.6.5. Work from Home Policy
- 2.6.6. Handsard Policy
- 2.6.7. Telecommunication Policy
- 2.6.8. Performance Information Policy
- 2.6.9. Declaration Interest Policy
- 2.6.10. Acting and Relief Policy

Noting the challenges that have been there, the administration has been directed to improve the institutions policy development and review procedures in order to fast tract this process.

3. ORGANISATIONAL STRUCTURE

The last work-study and institutional skills audit for the institution was conducted in 2015/16 financial year. The work-study then resulted in an organisational structure that was implemented with effect from 01 February 2016. At the start of the new term in 2019, the process to review this organogram was undertaken and expected to be concluded in 2021. Below is the approved organizational structure at macro level.



4. ENTITIES REPORTING TO THE SPEAKER

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

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

PART B:

PERFORMANCE INFORMATION

1. OVERVIEW OF LEGISLATURE PERFORMANCE

Service Delivery Environment

1.1 Situational analysis

The 2020/2021 financial year and the whole of the first quarter was most certainly one of the toughest and unprecedented one compared to all other past periods. The period evidently was a gruelling one for many entities, government and non-government institutions as a result of the COVID 19 outbreak globally. This affected the set performance plans and the institutions' performances suffered a serious blow across the board. In the first quarter of the financial year, stiffer restrictions of the COVID 19 were imposed by the national government given the state of disaster as officially declared towards the end of March 2020. At the very start of the quarter, a whole period of no less than 30 days went to waste when the whole country was placed under level 5 lockdown. As the situation developed, legislative sector was also declared part of the essential service permitting some essential services offered by the institution to continue.

It is worth noting that, as institutions found means and ways to navigate through this most difficult period, the Northern Cape Provincial Legislature equally jagged itself to the level necessary in order to deliver on our constitutionally vested mandate. The institution formidably adjusted to carrying on the business of the legislative sector in a smart yet effective and efficient manner. This was mainly driven by a quest to strive a much necessary balance between the administrative efficacy and the safeguarding of the legislature's workforce against the spread of the virus. In essence, the work of the Legislature had to continue from what was used to as the normal operations to the extra-ordinary type of operations propelled by the abnormalities of the period we now find ourselves in as a country.

The national and provincial Treasury had to impose significant budget cuts in this financial year. As it well understood, the legislative sector throughout the country had to embrace themselves for marathon of committee meetings to consider revised Annual Performance Plans and Budgets of the entire Executive. This translated into a whole additional work when it comes to Committees work and the rest of the parliamentary services. Responsive to the declared national disaster and much demonstrative to the Legislature's responsiveness to the unusual responsibilities of the day, the Northern Cape Provincial Legislature successfully convened twenty-four (24) committee meetings held between a specific portfolio and or standing committee of the legislature and a relevant department in the first quarter of the financial year alone. These are important committee meetings where budget votes are tabled for adoption by the House in the end in terms of the planned performance of a department as well as its aligned budget for the financial year. The significance of these meetings cannot be underestimated when the constitutional mandate of the Legislature to ensure accountability of the executive is well considered.

In line with and informed by the COVID-19 Regulations, the institution had to procure all the necessary Personal Protection Equipment (PPE) to ensure that the workplace is a safe environment for all its stakeholders. It worth noting that this PPE procurement had to cover the entire legislature head office and all four regional offices in the province. This include surgical gloves, surgical masks, hand sanitizer, chair covers, shoe covers, HAZMAT overalls, goggles, face shields, sanitizer stations, digital thermometers, fogging machine and chemicals. These items ensured minimum requirements to render the Legislature COVID-19 compliant, and were therefore all regarded as essential. Given the fact that the fight against COVID 19 continues, the procurement of additional PPE in future cannot be avoided.

1.2 Performance environment

The 2020/2021 financial year was the most crucial year in terms of kick-starting the institutional performance trajectory set out in the new Strategic Plan of the 6th term and Annual Performance Plan. Both of these plan creates a platform to pave a way for much improved, efficient and effect administration. The programme performance indicators as carefully crafted for this financial year, are a direct reflect of what the institution anticipates to the level of performance outcomes over a set period. In this instance, all these programme performance indicators are direct derivatives of the institutional goals and objectives. The set performance targets are a tool with which the institution from time to time make use of in measuring the institutional performance. Most importantly, through the regular monitoring and evaluation exercise, where there are challenges identified, interventions will be made.

There are adequate measures that are put in place which allows the institutional performance and budget expenditure to be well monitored and reported on regularly. The Financial Management of Parliament and Provincial Legislature Act (Act 10 of 2009), which is central in the institution's planning reporting frameworks, makes it mandatory to report on the performance and expenditure patterns at corresponding reporting periods throughout the financial year. In this regard, adhering to what is provided for in terms of the Performance Information policy, the legislature is able to account on its performance and budget expenditure.

In this financial year, much focus has been dedicated to the institution's Standard Operating Procedures (SOPs). Across the institution, there was either development or review of divisions' respective Standard Operating Procedures (SOPs) in line with Annual Performance Plan as approved. In this regard Managers were tasked to ensure that for each and every function, there are clear procedures on how activities and functions are carried out. The aim of the development and review of this SOPs is ultimately to drive the vision of creating a modernised administrative

that is system based and technologically enhanced. In preparation of the next financial year, these SOPs will be presented to management structures for scrutiny and further improvement so to enable their seamless implementation.

Due to the COVID 19 pandemic that completely changed our performance environment, the institution revised its plans accordingly. The bulk of what was initially contained in the strategic plan did not change as this is a five-year plan with an opportunity to revise at the mid-term. On the Annual Performance Plan, the targets and some of the performance indicators had to either scale down or the target be significantly reduced. This was done given the fact that, activities such as public hearings and external house sittings were not feasible given the restrictions on travelling and gatherings that were imposed. It is important however, to indicate that, the constitutional mandate of the legislature was not compromised in a sense that where necessary, the alternative means and methods were sort.

To ensure that the Covid-19 Safe Workplace Principles are adhered to, the Legislature developed the key COVID-19 Preparedness and Implementation Plan in response to the COVID-19 pandemic and the continuous spread of the coronavirus. Our ultimate goal has always been to mitigate the potential risk, exposure and transmission of COVID-19 in the workplace and broader communities while ensuring business continuity and further ensuring that our business operations are not substantially interrupted. The COVID 19 safety protocols as put in place were intended to provide clearer guidelines for the institutions main activities of the legislature such as committee meetings, hybrid house sittings, and all other important meetings of the institution.

The legislature continues to strive for a much better performance trajectory against the all challenges presented by the new norm as a result of COVID 19. Having suffered severe budget cuts during the budget adjustment period in the financial year under review, the limited resources at our disposal were channelled towards the attainment of set objectives and targets of the institution. Considering a possibility of reduction on budget baselines across the board, as cautioned by the National and Provincial Treasury, Legislature will in short to medium term, have to reconsider all other plans and realign its strategies to be consistent with all these developing trends in terms of the declining resources and constrained budgets.

1.3 Organizational environment

Between the Fifth and Sixth Legislature, the organizational environment of the Northern Cape Provincial Legislature has fairly remained the same. The institution's headquarters is located in the province's capital city, Kimberley. In the context of enhancing our accessibility, the Legislature further established five (5) regional offices throughout the Northern Cape Province and one NCOP Office in Cape Town. In each regional office, the Legislature appointed one (1) Regional Liaising Officer and with the organizational structure being fully implemented, there will be an additional human resources to the regions so as to boast efficiencies in interface between the people of the province and the institution. Also, Cape Town office supports the Northern Cape's permanent and special delegates in their official business in and around Cape Town as well as in the country as determined by the NCOP's programme from time to time.

Section 105 of the South African constitution put it that throughout the country, Provincial Legislatures will have a minimum of 30 seats and a maximum of 80 seats of the Members of Legislature. These seats are allocated in accordance with population ratio of the province. Given that the Northern Cape is the smallest in terms of its population, the seat allocation to the Northern Cape Provincial Legislature is thirty (30). Therefore, there are thirty (30) Members of Provincial Legislature (MPLs). In this total number of the MPLs, the Premier, Speaker, Deputy Speaker and nine (9) MECs were elected. The remainder of the MPLs are also assigned different roles across the committees of the Legislature.

1.2.1. The tables below demonstrate the allocation of functions of different roles of MPLs in the 6th Legislature:

PORTFOLIO COMMITTEES	
COMMITTEE	CHAIRPERSON AND MEMBERS
1. AGRICULTURE, LAND REFORM, RURAL DEVELOPMENT (VOTE 12), ENVIRONMENT AND CONSERVATION (VOTE 13)	Hon G van Staden (ANC) (Chairperson) Hon D Dichaba (ANC) Hon S Tities (ANC) Hon L Senye (ANC) Hon R Liebenburg (DA) Hon S Tlhaole (EFF) Hon D Coetzee (FF+)
2. EDUCATION (VOTE 4), SPORT, ARTS AND CULTURE (VOTE 7)	Hon D Dichaba (ANC) (Chairperson) Hon L Koloji (ANC) Hon N Maneng (ANC) Hon G van Staden(ANC) Hon G Grootboom (DA) – Vote 4 / Hon R Liebenburg (DA)

PORTFOLIO COMMITTEES	
COMMITTEE	CHAIRPERSON AND MEMBERS
	Hon G Lepolesa (EFF) Hon D Coetzee (FF+)
3. FINANCE (VOTE 8), ECONOMIC DEVELOPMENT AND TOURISM (VOTE 6)	Hon N Maneng (ANC) (Chairperson) Hon G van Staden (ANC) Hon L Senye (ANC) Hon L Koloji (ANC) Hon B Babuseng (DA) Hon A Baartman (EFF) Hon D Coetzee (FF+)
4. HEALTH (VOTE 10) AND SOCIAL DEVELOPMENT (VOTE 11)	Hon S Tities (ANC) (Chairperson) Hon M Matika ANC Hon N Maneng (ANC) Hon L Senye (ANC) Hon A Louw (DA) – Vote 10 / Hon I Fritz (DA) – Vote 11 Hon S Tlhaole (EFF) Hon D Coetzee (FF+)
5. COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS (VOTE 9)	Hon L Koloji (ANC) (Chairperson) Hon M Matika (ANC) Hon S Tities (ANC) Hon G van Staden (ANC) Hon F Rhoda (DA) Hon S Tlhaole (EFF) Hon D Coetzee (FF+)
6. TRANSPORT, SAFETY AND LIASON (VOTE 3), ROADS AND PUBLIC WORKS (VOTE 5)	Hon L Senye (ANC) (Chairperson) Hon S Tities (ANC) Hon L Koloji (ANC) Hon D Dichaba (ANC) Hon P Isaacs (DA) – Vote 3 / Hon H McGluwa – Vote 5 Hon G Lepolesa (EFF) Hon D Coetzee (FF+)

STANDING COMMITTEES	
COMMITTEE	CHAIRPERSON AND MEMBERS
1. RULES	Hon N Klaaste (ANC) (Chairperson) Hon OM Matika (ANC) Hon N Maneng (ANC) Hon van Staden (ANC) Hon L Koloji (ANC) Hon A Louw (DA) Hon A Baartman (EFF) Hon D Coetzee (FF+)
2. PUBLIC ACCOUNTS	Hon G van Staden (ANC) (Chairperson) Hon L Senye (ANC) Hon M Matika (ANC) Hon L Koloji (ANC) Hon B Babuseng (DA) Hon A Baartman (EFF) Hon D Coetzee (FF+)
3. GENDER, WOMEN , CHILDREN AND PERSONS WITH DISABILITIES	Hon S Tities (ANC) (Chairperson) Hon D Dichaba (ANC) Hon L Koloji (ANC) Hon N Maneng(ANC) Hon P Isaacs (DA) Hon G Lepolesa (EFF) Hon D Coetzee (FF+)
4. PREMIER & LEGISLATURE	Hon N Maneng (ANC) (Chairperson) Hon D Dichaba (ANC) Hon G van Staden (ANC) Hon L Koloji (ANC) Hon A Louw (DA) Hon S Tlhaole (EFF) Hon D Coetzee (FF+)
5. CONSTITUTIONAL PETITIONS & PARTICIPATION AFFAIRS, PUBLIC	Hon D Dichaba (ANC) (Chairperson) Hon N Maneng (ANC) Hon L Senye (ANC) Hon S Tities (ANC) Hon R Liebenburg (DA) Hon A Baartman (EFF) Hon D Coetzee (FF+)

1.2.2. As part of the organizational arrangement in the institution, the Northern Cape Provincial Legislature adopted the below three programme performance and budget structure. The budget and programme structure for the 6th term which also reflect key personnel in the institution:

Programme (Appropriation Level)	Sub-programme (Appropriation Level) and Key Employees	Sub-Sub-Programme (Administrative Level) and Key Employees
Programme 1: Administration	Office of the Speaker <ul style="list-style-type: none"> Head Of Staff 	Office of the Speaker <ul style="list-style-type: none"> Manager: Office Support and Cooperative Governance
		Office of the Deputy Speaker
		Office of the Chair of Chairs
	Office of the Secretary <ul style="list-style-type: none"> Secretary to the Legislature 	Secretary Office of the Secretary <ul style="list-style-type: none"> Manager: Risk, M & E
		Strategic Planning & Risk Management
		Internal Audit
	Corporate Services <ul style="list-style-type: none"> Executive Manager: CS 	Executive Manager Support
		Human Capital <ul style="list-style-type: none"> Manager: HC
		Security and Records Management <ul style="list-style-type: none"> Manager: SRF
	Financial Management & ITC <ul style="list-style-type: none"> Chief Financial Officer 	CFO support
		Financial Management <ul style="list-style-type: none"> Manager: Finance
		Supply Chain Management <ul style="list-style-type: none"> Manager: SCM
		Information Technology <ul style="list-style-type: none"> Manager: IT
Programme 2: Political Party Support and Members Affairs	Members Affairs and Political Parties Support	Members Affairs <ul style="list-style-type: none"> Manager: Members Affairs
Programme 3: Parliamentary Business	Law making & House Business <ul style="list-style-type: none"> Executive Manager: L-M & HB 	Executive Manager Support
		Legal Services <ul style="list-style-type: none"> Manager: LS
		House Proceedings & NCOP <ul style="list-style-type: none"> Manager: NCOP & Proceedings
		Hansard Services <ul style="list-style-type: none"> Manager: HS
	Public Participation & Oversight <ul style="list-style-type: none"> Executive Manager: PP and Oversight 	Executive Manager Support
		Committee Support Services <ul style="list-style-type: none"> Manager: Committees
		Public Participation & Communication <ul style="list-style-type: none"> Manager: PP & Comm.
		Research and Information Services <ul style="list-style-type: none"> Manager: Research & IS

2. POLICY PRIORITIES OF THE 6TH LEGISLATURE

2.1. Enhance public involvement to deepen and entrench people centred democracy;

Informed by the necessity to not just involve ‘the public’ but to ensure participants can make maximum use of the opportunities provided (including through empowerment) and that Committees take views on board in their deliberations, with proof thereof reflected in the oversight and allied reports. (Process informed by the public participation spectrum of the www.iap2.org).

2.2. Enhance the impact of laws passed to improve the achievement of state policy outcomes;

This policy priority ensures that the outcomes and impact of laws, in the service of policy priorities, is determined and adjustments made, going forward. This shifts the focus from output (e.g. number of laws) to their driving societal change.

2.3. Strengthen the oversight role of the Legislature over the executive to ensure implementation of the NDP, radical economic transformation and improved service delivery;

This policy priority is premised on the SOM and internal efficacy indicators (see Technical Indicator Description – TID in the APP), in order to strengthen oversight deliberations and report recommendations in a manner that will secure accountability for NDP aligned service delivery outcomes and impacts.

2.4. Modernize and enhance the effectiveness and efficiency of frameworks, systems, mechanisms, policies, processes and services for optimal functional of the Legislature;

Policy priority informed by the 4th industrial revolution (digitization across the entire value change) so as to improve the effectiveness and efficiency of systems in pursuit of the Legislature’s business and societal changes.

2.5. Deepen international engagement (national);

Policy priority serves to ensure facilitation by the NCPL of national initiatives in pursuit of international engagement.

2.6. Strengthen co-operative government (national).

The sector’s effectiveness depends on its interrelationships (sector specific and with the various spheres of govt. – executive).

NPD impact indicators for 2030:

☞ **Eliminate income poverty** – reduce the proportion of households with a monthly income below R419 per person from 39 percent to zero, (2009 prices) and

Reduce inequality – the Gini coefficient should fall from 0.69 to 0.6.

3. PROGRAMME PERFORMANCE

3.1. Programme 1: Administration

3.1.1. Purpose: To establish effective Legislature governance structure that will ensure the institution operates optimally. The programme aims to provide effective leadership, financial, human resources, administrative and technological support services and systems to the entire Legislature as well as leading in terms of the strategic management of the administration.

3.1.2. Strategic Objectives:

OUTCOME ORIENTATED GOAL 1.1: A modernized administration, which provides professional, ethical, economical, efficient and effective support services to MPLs underpinned by good governance, compliance with laws, regulations and being exemplary to the other arms of state.	
STRATEGIC OUTCOMES GOAL STATEMENT 1.1: Governance (Leadership) and Administration, To ensure that the administration of the Legislature is capacitated in order to provide support services to MPLs to optimally execute the institution’s constitutional mandate in a modernized, economical, efficient and effective manner. This will be achieved through the advancement of professionalism, ethical conduct across the institution and compliance with relevant laws and regulations governing the sector. The Legislature’s systems of operation must be digitally enhanced through the development of knowledge management systems and core business workflow system for better planning and execution, commencing in April 2020. To this end, automated institutional operating procedures must be developed and maintained.	
STRATEGIC OBJECTIVE STATEMENT 1.1.1	To achieve a high level of professionalism in the workforce of the Legislature and ensuring that the support services offered to MPLs by the administration are efficient, effective and economical. This will be achieved through an employer-driven targeted skills development approach towards capacity building to fill the skills gaps identified and boost employee morale in order to achieve the strategic goals of the Legislature.
STRATEGIC OBJECTIVE 1.1.2	To provide effective, progressive, innovative support services and systems enhanced through modern advanced technology to both MPLs and the administration of the Legislature.
STRATEGIC OBJECTIVE 1.1.3	To create effective management systems (SCM, PMS) and governance structures that will ensure that the Legislature is

	accountable through effective leadership, financial and administrative policies. Efficiency in spending and promoting financial responsibility across the legislature are resultant outcomes.
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OUTCOME ORIENTATED GOAL TITLE 1.2	Building strong links of co-operative governance to contribute to parliamentary development at local, continental and global level.
STRATEGIC OUTCOMES GOAL STATEMENT 1.2:	To ensure that the Legislature executes its constitutional mandate in collaboration with Chapter 9 and 10 institutions as well as other institutions supporting democracy at the local, continental and global level. The Legislature will work closely with other spheres of government to promote democracy and the rule of law. It will furthermore seek representation and meaningful participation in international engagements in support of parliamentary efforts against measurable outcomes and impacts that strengthens the attainment of the sector agenda.
STRATEGIC OBJECTIVE 1.2.1 STATEMENT	<i>International/continental:</i> Representation and meaningful participation in international engagements in support of Parliamentary efforts against measurable outcomes and impacts that strengthens the attainment of the sector agenda.
STRATEGIC OBJECTIVE 1.2.2 STATEMENT (SMART) (WRITTEN AS OUTPUT)	<i>Local:</i> To promote co-operative relations between government in all spheres and traditional authorities and its leadership, including in relation to economic development and land use management, against measurable outcomes and impacts.

Annual Performance Targets: Programme 1

PROGRAMME 1: GOVERNANCE (LEADERSHIP) AND ADMINISTRATION						
Indicat or No.	Performance Indicator	Actual Performance 2019/2020	Actual Performance against planned target		Variance	Reasons for deviation
			Planned Target 2020/2021	Actual Achievement 2020/2021		
SUB-PROGRAMME: OFFICE OF THE SPEAKER						
P1.1	Quarterly Expenditure reports considered by the Rules Committee.	4 quarterly expenditure reports considered by the Rules Committee	4 quarterly expenditure reports considered by the Rules Committee	1 quarterly expenditure reports considered by the Rules Committee	Under performed with 3 quarterly expenditure reports.	
P1.2	An annual committee schedule developed	1 Annual committee schedule developed	1 Annual committee schedule developed	1 Annual committee schedule developed	None	
P1.3	Quarterly meetings of the Chairperson Committee to plan and oversee the performance of the Committee.	4 Quarterly meetings of the Chairpersons Committee to plan and oversee the performance of the Committees were held.	4 Quarterly meetings of the Chairpersons Committee to plan and oversee the performance of the Committees	4 Quarterly meetings of the Chairpersons Committee to plan and oversee the performance of the Committees	None	
P1.4	Quarterly Programme Schedules developed.	4 quarterly programme schedules developed	4 quarterly programme schedules developed	4 quarterly programme schedules developed	None	

PROGRAMME 1: GOVERNANCE (LEADERSHIP) AND ADMINISTRATION

Indicat or No.	Performance Indicator	Actual Performance 2019/2020	Actual Performance against planned target		Variance	Reasons for deviation
			Planned Target 2020/2021	Actual Achievement 2020/2021		
P1.5	Quarterly performance reports on committees developed by the Office of the Chair of Chairs	4 quarterly committee performance analysis reports developed	4 quarterly committee performance analysis reports developed	2 quarterly committee performance analysis reports developed	Under performed with 2 quarterly committee performance analyses reports	
P1.6	Quarterly reports on the implementation of House resolutions developed	4 reports on the implementation of House Resolutions developed	4 reports on the implementation of House Resolutions developed	0 reports on the implementation of House Resolutions developed	Total deviation	The office still in the process of developing mechanisms on documenting the house resolutions assisted by the various units that handles house resolutions directly.
P1.7	Number of Resolution Assessment Reports to evaluate responses from executive on aggregate of resolutions open vs closed against total resolutions	New indicator	2 Resolution Assessment Reports on aggregate of resolutions open vs closed against total resolutions by each committee, measure quality & quantity	0 Resolution Assessment Reports on aggregate of resolutions open vs closed against total resolutions by each committee, measure quality & quantity	Total deviation	The office still in the process of developing mechanisms on documenting the house resolutions assisted by the various units that handles house resolutions directly.
P1.8	Facilitate Treasury consultation meetings with the MEC for Finance	2 Bi-annually treasury consultation meetings facilitated	2 Bi-annually treasury consultation meetings facilitated	3 Treasury consultation meetings facilitated.	Over achieved with 1 meeting.	
P1.9	Number of Bi-annual reports on the coordination of protocol activities for institutional events and functions.	0	2 consolidated Reports on Protocol activities undertaken	1 consolidated Reports on Protocol activities undertaken	Under performed with 1 consolidated report on protocol activities	The intended protocol activities were cancelled due to COVID 19 pandemic.

PROGRAMME 1: GOVERNANCE (LEADERSHIP) AND ADMINISTRATION

Indicat or No.	Performance Indicator	Actual Performance 2019/2020	Actual Performance against planned target		Variance	Reasons for deviation
			Planned Target 2020/2021	Actual Achievement 2020/2021		
P1.10	Number of Reports on National and Provincial Speakers Forums Resolutions to Rules Committee	New indicator	2 Reports on National and Provincial Speakers Forums Resolutions to Rules Committee	1 Reports on National and Provincial Speakers Forums Resolutions to Rules Committee	Under performed with 1 report on National and Provincial Speakers Forums Resolutions to Rules Committee	
P1.11	Number of initiatives/ programmes coordinated on the Speaker's engagements with stakeholders (provincial/ national and international) towards fostering co-operative government.	New indicator	4 initiatives/ programmes coordinated on the Speaker's engagements with stakeholders (provincial/ national and international) towards fostering co-operative government.	0 Initiatives/ programmes coordinated on the Speaker's engagements with stakeholders (provincial/ national and international) towards fostering co-operative government.	Total deviation	
SUB-PROGRAMME: OFFICE OF THE SECRETARY						
P1.12	Number of Institutional policies reviewed and recommended for approval by the Executive Authority.	0	8 policies reviewed and recommended for approval to the Executive Authority	4 policies reviewed and recommended for approval to the Executive Authority	Under performed with 4 policies reviewed and recommended for approval by the Executive Authority.	The prolong policy consultation with the Union delayed the processing of policy review at the institution.

PROGRAMME 1: GOVERNANCE (LEADERSHIP) AND ADMINISTRATION

Indicator or No.	Performance Indicator	Actual Performance 2019/2020	Actual Performance against planned target 2020/2021		Variance	Reasons for deviation
			Planned Target 2020/2021	Actual Achievement 2020/2021		
P1.13	Number of Audit Committee meetings held.	4 Audit Committee meetings not held.	4 Audit Committee meetings held.	3 Audit Committee meetings held.	Under performed with 1 Audit Committee	There were instability in the appointment of the audit committee throughout the year with short term appointments and renewal of the term. The current committee term has come to an end and a new committee will be appointed in the new financial year.
P1.14	Number of Audits Completed by Internal Audit	2 Audits completed by Internal Audit	4 Audits Completed by Internal Audit	0 Audits Completed by Internal Audit	Total deviation	Limited budget for internal audit during the financial year under review.
P1.15	Compilation and submission of Annual Performance Plan and Annual Report in line with the legislation.	New Indicator	1 Annual Performance Plan and 1 Annual Report	1 Annual Performance Plan and 1 Annual Report	None	
P1.16	Number of risk management reports.	4 risk management reports.	4 risk management reports.	4 risk management reports.	None	
P1.17	Timeous submission of QPR to Speaker in line with the legislation	4 submissions of QPR to Speaker.	4 submissions of QPR to Speaker.	4 submissions of QPR to Speaker.	None	
P1.18	Number of Reviewed Standard Operating Procedure on key functions.	New Indicator	3 Reviewed Standard Operating Procedure on key functions (Planning & Reporting, Risk and Audit).	3 Reviewed Standard Operating Procedure on key functions (Planning & Reporting, Risk and Audit).	None	

PROGRAMME 1: GOVERNANCE (LEADERSHIP) AND ADMINISTRATION

Indicat or No.	Performance Indicator	Actual Performance 2019/2020	Actual Performance against planned target		Variance	Reasons for deviation
			Planned Target 2020/2021	Actual Achievement 2020/2021		
SUB-PROGRAMME: FINANCIAL MANAGEMENT & ITC						
P1.19	Number of Reviewed Standard Operating Procedures on key functions	New indicator	3 Reviewed Standard Operating Procedure on key functions (Finance, IT and SCM)	1 Reviewed Standard Operating Procedure on key functions (Finance, IT and SCM)	Under performance of 2 Reviewed Standard Operating Procedure on key functions (Finance, IT and SCM)	The function is led by the Executive Manager of the department. For the most of financial year the CFO was placed on suspension.
P1.20	Percentage implementation of the ICT Governance Framework.	100% of the ICT Governance Framework implemented.	100% of the ICT Governance Framework implemented	100% of the ICT Governance Framework implemented	None	
P1.21	Number of Reviewed ICT Framework by ICT Steering Committee	New Indicator	2 Reviews of ICT Framework by ICT Steering Committee	2 Reviews of ICT Framework by ICT Steering Committee	None	
P1.22	Number of Reports on the development and implementation of the Audit Action Plan.	3 Reports on the implementation of the Audit Action Plan.	4 Reports on the implementation of the Audit Action Plan.	2 Reports on the implementation of the Audit Action Plan.	Under performance of 2 Reports on the implementation of the Audit Action Plan.	The function is led by the Executive Manager of the department. For the most of financial year the CFO was placed on suspension.
P1.23	Number of Quarterly financial reports presented to the Executive Management.	2 Quarterly financial reports presented to the Executive Management.	4 Quarterly financial reports presented to the Executive Management.	3 Quarterly financial reports presented to the Executive Management.	Under Performance of 1 Quarterly financial report presented to the Executive Management.	There were challenges with the new SAGE system implementation whereby the system could not produce reliable financial expenditure report on time.

PROGRAMME 1: GOVERNANCE (LEADERSHIP) AND ADMINISTRATION

Indicator or No.	Performance Indicator	Actual Performance 2019/2020	Actual Performance against planned target		Variance	Reasons for deviation
			Planned Target 2020/2021	Actual Achievement 2020/2021		
P1.24	Number of a GRAP compliant Asset register submitted.	1 updated GRAP compliant register submitted.	2 GRAP compliant Asset register submitted.	1 GRAP compliant Asset register submitted.	Under performance with 1 GRAP compliant Asset register submitted.	Limited internal capacity to produce two asset registers per year. The target will have to be reduced in the next planning cycle.
P1.25	Number of reports on advertisement of bids on official website of the Legislature.	0	2 reports on advertisement of bids on official website of the Legislature.	1 report on advertisement of bids on official website of the Legislature.	Under performance with 1 reports on advertisement of bids on official website of the Legislature.	There were limited bids to qualifying to be advertised. Most of the procurement were below the required threshold.
P1.26	Number of consolidated Demand Management Plans submitted to the Executive Management	0	2 consolidated Demand Management Plans submitted to the Executive Management.	0 consolidated Demand Management Plans submitted to the Executive Management.	Total deviation	The budget cuts imposed by the provincial treasury affected the submission of the Demand Management Plans on time.
P1.27	Number of reports on the maintenance and update of the NCPL Suppliers Database	0	2 reports on the maintenance and update of the NCPL Suppliers Database	1 reports on the maintenance and update of the NCPL Suppliers Database	Under performance with 1 reports on the maintenance and update of the NCPL Suppliers Database	
P1.28	Number of reports on the maintenance and update of the NCPL Contracts Register.	0	1 report on the maintenance and update of the NCPL Contracts Register.	0 report on the maintenance and update of the NCPL Contracts Register.	Total deviation	There were no new contracts entered into in this financial year.

PROGRAMME 1: GOVERNANCE (LEADERSHIP) AND ADMINISTRATION

Indicator or No.	Performance Indicator	Actual Performance 2019/2020	Actual Performance against planned target		Variance	Reasons for deviation
			Planned Target 2020/2021	Actual Achievement 2020/2021		
SUB-PROGRAMME: COOPERATE SERVICES						
P1.29	Number of Reviewed Standard Operating Procedure on key functions	New Indicator	3 Reviewed Standard Operating Procedure on key functions (leave & Claims, Facilities; Employee Development & Wellness Support Services).	3 Reviewed Standard Operating Procedure on key functions (leave & Claims, Facilities; Employee Development & Wellness Support Services).	None	
P1.30	Number of Accredited learning and Development Programmes implemented.	2 Accredited learning and Development Programmes.	4 Accredited learning and Development Programmes.	0 Accredited learning and Development Programmes.	Total deviation	Budget cuts affected the planned activities.
P1.31	Number of Progress Reports on NCPL Employee Bursaries Scheme.	New indicator	2 Progress Reports on NCPL Employee Bursaries Scheme.	2 Progress Reports on NCPL Employee Bursaries Scheme.	None	
P1.32	Number of Employee Wellness Programmes held.	New indicator	2 Employee Wellness Programmes held.	0 Employee Wellness Programmes held.	Total deviation	COVID 19 restrictions could not permit holding of wellness activities.
P1.33	Percentage implementation of the annual security audit.	60% implementation of the annual security audit recommendations.	60% implementation of the annual security audit recommendations.	0% implementation of the annual security audit recommendations.	Total deviation	A full security assessment will be done only once the Structural Defects Project is completed. JPC meeting was held on 03 March 2021.

PROGRAMME 1: GOVERNANCE (LEADERSHIP) AND ADMINISTRATION

Indicat or No.	Performance Indicator	Actual Performance 2019/2020	Actual Performance against planned target		Variance	Reasons for deviation
			Planned Target 2020/2021	Actual Achievement 2020/2021		
P1.34	Number of NCPL Precinct Maintenance Reports.	New indicator	2 NCPL Precinct Maintenance Reports.	2 NCPL Precinct Maintenance Reports.	None	
P1.35	Number of Labor Relations Database on Litigation Cases, Grievances and related matters dealt with.	New indicator	4 Labor Relations Database on Litigation Cases, Grievances and related matters dealt with.	4 Labor Relations Database on Litigation Cases, Grievances and related matters dealt with.	None	
P1.36	Number of Employee Empowerment Forums held on Labor Legislations, OHS, Finance, SCM and related matters	New indicator	4 Employee Empowerment Forums held on Labor Legislations, OHS, Finance, SCM and related matters held.	0 Employee Empowerment Forums held on Labor Legislations, OHS, Finance, SCM and related matters held.	Total deviation	Due to the National (Provincial) Adjustment Appropriation process which directly impacted on the Provincial Adjustment Appropriation Process as contemplated in sec 30 of the PFMA, the Legislature suffered severe budget cuts and could not provide for such employee empowerment forums, however a request was made the CCMA to assist with such a session. The CCMA did not have any available facilitators and can only assist in the 2021/22 financial year.

3.1.3. Strategy to overcome areas of under performance

- Most of the targets in programme one were achieved except those that were affected by the national lockdown. The different levels of the COVID 19 alert levels and changing regulations will provide space and opportunity to improve performance. In this regard, the full operations of the institution will be restored and allow for normal carrying out of various activities of the institution.
- In other instances such as conduct employee wellness, the alternative methods will be sort amid COVID 19 restrictions.
- The emphasis will be placed on building and strengthening inter-departmental relations in order to utilise services offered by the various departments within the province and sector pertaining to employee wellness, occupational health and safety, etc.
- Legislature will ensure that there is sufficient budget allocated for minimum security upgrades required in line with national key points.
- Office of Chair-of-chairs will be capacitated during the 2021/22 financial year to ensure that the required reports from this office are done, such as resolution tracking and resolution progress reports.
- The Office of the Secretary will ensure that there is quarterly MANCOM meetings where the presentation of quarterly financial statements will be presented.

3.1.4. Sub-programme expenditure

Programme 1. Administration	Exp Q1	Exp Q2	Exp Q3	Exp Q4	Exp YTD	Budget Full Year	Available Budget (Full)	% Exp on Full Budget
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	Budget
Office of the Speaker	3 157	4 908	3 598	4 077	15 740	13 274	-2 466	119
Office of the Secretary	1 186	1 103	1 264	1 493	5 046	6 893	1 847	73
Corporate Services	5 951	8 625	7 623	7 080	29 279	26 598	-2 681	110
Financial Management	4 131	6 210	6 103	8 147	24 591	25 203	612	98
TOTALS	14 425	20 846	18 588	20 797	74 656	71 968	-2 688	104

Programme One: Administration ECONOMIC CLASSIFICATION	Exp Q1	Exp Q2	Exp Q3	Exp Q4	Exp YTD	Budget Full Year	Available Budget (Full)	% Exp on Full Budget
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	Budget
Compensation of Employees	12 153	12 143	14 375	14 003	52 674	51 042	-1 632	103
Goods & Services	1 379	5 337	3 494	4 366	14 576	15 590	1 014	93
Transfers & Subsidies	19	26	78	412	535	504	-31	106
Payments for Capital Assets	874	3 340	641	2 016	6 871	4 832	-2 039	142
	14 425	20 846	18 588	20 797	74 656	71 968	-2 688	104

Link to the APP: Institutional Projects for 2020/2021 Financial Year

No.	Project	Project Description	Funding Method	Budget	Progress Report	Project Challenges	Comments
IP1	NCPL Chamber Renovations	To renovate and upgrade the NCPL Chamber	Internal funding	R400 000.00	Complete	None	The chamber is now fully utilised.
IP2	EU Action Plan	Implementation of EU Action Plan (Various Projects)	External funding	R2 572 944.00	On-going	-	-

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

3.2.1. **Purpose of the Programme:** To provide financial support to Members of the Provincial Legislature in order to perform their constitutional obligations/mandate.

3.2.2. **Strategic Objective:**

OUTCOME ORIENTATED GOAL TITLE 2	A Legislature that financially and administratively supports members and all political parties represented at the Northern Cape Provincial Legislature in line with the provisions of the Constitution of South Africa 1996 and other applicable legislation.
GOAL STATEMENT 2.1:	Financial and administrative support to political parties to ascertain the achievement of relevant strategic goals related to the mandate of the NCPL.
STRATEGIC OBJECTIVE 2.1.1 TITLE	To provide financial support in terms of political party funding and members facilities to represented political parties.
STRATEGIC OBJECTIVE 2.1.2 STATEMENT	To ensure financial and administrative support to all political parties through the Party Political Funding, Members facilities, and administration of capacity building initiatives and programmes in order to attain the constitutional mandate of the Northern Cape Provincial Legislature.

Annual Targets: Programme 2

PROGRAMME 2: POLITICAL PARTY SUPPORT AND MEMBERS AFFAIRS

Indicator No.	Performance Indicator	Actual Performance 2019/2020	Actual Performance against planned target		Variance	Reasons for deviation
			Planned Target 2020/2021	Actual Achievement 2020/2021		
P2.1	Number of Reviewed Standard Operating Procedure on key functions.	New indicator	1 Reviewed Standard Operating Procedures on key functions (Members Support Services).	1 Reviewed Standard Operating Procedures on key functions	None	
P2.2	Number of payments made in line with the law, policy and regulations	16 payments made in line with policy and legislation	16 payments made in line with policy and legislation.	17 payments made in line with policy and legislation.	Exceeded with 1 payment.	In the 3 rd quarter, one political party made two requests for disbursement of the funds.
P2.3	% of Spending in line with the budget	100% of the budget spent	100% of the budget spent	100% of the budget spent	None	
P2.4	Number of Annual Financial Statement by Political Parties	New indicator	4 AFS submitted	3 AFS submitted	Under performed with 1 AFS not submitted	One political party did not submit their financial statements. A letter dated in the third quarter from the concerned party indicated that the audit process was still underway and its outcome is delayed due to the Covid-19 among other reasons.
P2.5	Number of Reports on Coordination of Members Capacity Building Programmes	New indicator	2 Reports on Coordination of Members Capacity Building Programme	2 Reports on Coordination of Members Capacity Building Programmes submitted	None	

3.2.3. Strategy to overcome areas of under performance

- The legislation makes provisions that the administration must interact with the political parties that do not meet the compliance requirements from time to time to establish challenges preventing them from submitting their financial statements. These interactions were done and in future, the relevant unit will liaise with all parties beforehand so that these kinds of non-compliance can be averted or at least be raised on time and where additional support is required, as such the support can be given.

3.2.4. Sub-programme expenditure

Programme 2. Members Facilities	Exp Q1	Exp Q2	Exp Q3	Exp Q4	Exp YTD	Budget Full Year	Available Budget (Full)	% Exp on Full Budget
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	Budget
Members Facilities	472	791	725	2 602	4 590	4 192	-398	109
Political Parties Support	5 840	11 714	12 340	18 370	48 264	47 378	-886	102
TOTALS	6 312	12 505	13 065	20 972	52 854	51 570	-1 284	102

Programme two: Members Facilities ECONOMIC CLASSIFICATION	Exp Q1	Exp Q2	Exp Q3	Exp Q4	Exp YTD	Budget Full Year	Available Budget (Full)	% Exp on Full Budget
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	Budget
Compensation of Employees	2 794	2 755	3 033	2 821	11 403	11 132	-271	102
Goods & Services	472	791	725	2 602	4 590	4 192	-398	109
Tranfers & Subsidies	3 046	8 959	9 307	15 549	36 861	36 246	-615	102
	6 312	12 505	13 065	20 972	52 854	51 570	-1 284	102

3.3. Programme 3: Parliamentary Business

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

3.3.2. Strategic Objectives:

<ul style="list-style-type: none"> OVERSIGHT 	
OUTCOME ORIENTATED GOAL 3.1 TITLE	Strengthened oversight and accountability
GOAL STATEMENT 3.1:	Measurably effective oversight, against international efficacy indicators, that secures accountability in a way that attains NDP, GDS, SDG, PGDP, High level panel report and Agenda 2063 outcomes and impacts, nationally and in the Northern Cape.
STRATEGIC OBJECTIVE 3.1.1 TITLE	Effective oversight that secures accountability for service delivery.
STRATEGIC OBJECTIVE STATEMENT	Effective, efficient and impactful oversight that meets the NCPL Oversight Model and SOM requirements across the budget cycle and in accordance with the Public Service Oversight Model (PSOM) and that would measurably have secured effective executive accountability and the resultant attainment of the NDP, GDS, SDG, High level panel report, PGDP and Agenda 2063 outcomes and impacts.

<ul style="list-style-type: none"> PUBLIC PARTICIPATION 	
OUTCOME ORIENTATED GOAL 3.2 TITLE	Meaningful involvement of the public in the work of the Legislature.
GOAL STATEMENT 3.2:	Meaningful and impactful involvement of communities, civil society and stakeholders in the decision-making of the NCPL that reflects the highest tiers of international and sector benchmarks.
STRATEGIC OBJECTIVE 3.2.1. TITLE	Targeted, enhanced, meaningful and impactful involvement and empowerment of the public.
STRATEGIC OBJECTIVE 3.2.1 STATEMENT	Enhanced involvement and empowerment (social, educational, psychological, political and economical) by the public and stakeholders in the decision-making of the legislature in respect of oversight across the budget cycle, and in law making that is verifiable against international and sector best practice (www.iap2.org spectrum).

<ul style="list-style-type: none"> LAW-MAKING 	
OUTCOME ORIENTATED GOAL 3.3 TITLE	Laws that are processed and passed to drive the agenda of the developmental state.
GOAL STATEMENT 3.3:	Impactful laws that are drafted, implemented, amended and assessed to have driven the agenda of the developmental state.
STRATEGIC OBJECTIVE 3.3.1 TITLE	Draft, implement, amend and assess laws.
STRATEGIC OBJECTIVE 3.3.1 STATEMENT	Compliance to all legal process before passing of legislation.
STRATEGIC OBJECTIVE 3.3.2 STATEMENT	Develop process for Legislature's scrutiny of subordinate legislation.

Annual Targets: Programme 3

PROGRAMME 3: Core Business: Oversight, Public Participation and Law-making						
Indicator No.	Performance Indicator	Actual Performance 2019/20	Actual Performance Target Against Planned Target		Variance	Reasons for deviation
			Planned Target 2020/2021	Actual Achievement 2020/2021		
SUB PROGRAMME: OVERSIGHT – IMPLEMENTATION OF SOM						
P3.1.1	Number of Reviewed Standard Operating Procedure on key functions	New indicator	4 Reviewed Standard Operating Procedures on key functions (House & Committee Resolutions Tracking; Committee Work System; Research Services System, Information Services System.	7 Reviewed Standard Operating Procedures on key functions (House & Committee Resolutions Tracking; Committee Work System; Research Services System, Information Services System.	Target exceeded with 3 Reviewed Operating Standard Procedures on key functions	At the time when the planned activities of the department were reduced due to budget cut and working from home due to COVID 19, focus was turned to reviewing more operations of the department and thus more SOPs were produced.
P3.1.2	1 Oversight Report per Committee (incl. Entities where relevant) per Budget Vote and tabled for adoption by the House.	100% of Committee reports prepared on the meetings held with provincial departments to monitor and evaluate performance.	13 oversight reports on the APP/ Budget	24 oversight reports on the APP/ Budget	Target exceeded with 11 oversight reports on the APP/ Budget	Due to the budget cuts imposed on all departments, APPs and new Budgets had to be re-tabled in the first quarter of the financial year. The re-tableing led to more committee meetings in the 2 nd quarter of the financial year.
P3.1.3	Number of SOM contracts presented to relevant Committees, finalised and signed by NCPL & Executive.	13 draft contracts presented to the Chairperson of a respective Portfolio Committee.	13 contracts signed	13 contracts presented only 8 Vote contracts and 3 entities contracts were finalised and signed by NCPL and Executive	Under performed with 5 Vote contracts not finalised and signed by the NCPL and Executives.	All contracts were communicated with MEC and HODs, but only 8 Vote contracts and 3 Entity contracts were returned.

• PROGRAMME 3: Core Business: Oversight, Public Participation and Law-making

Indicator No.	Performance Indicator	Actual Performance 2019/20	Actual Performance Target Against Planned Target		Variance	Reasons for deviation
			Planned Target 2020/2021	Actual Achievement 2020/2021		
SUB PROGRAMME: OVERSIGHT – IMPLEMENTATION OF SOM						
P3.1.4	Quarterly Oversight Reports (on Dept. quarterly reports submitted) tabled for adoption by the House.	% of Committee reports prepared on the meetings held with provincial departments to monitor and evaluate performance.	26 Quarterly Reports produced by all oversight Committees on all Votes.	26 Quarterly Reports produced by all oversight Committees on all Votes.	None	
P3.1.5	Number of FIS Reports produced by Committee and tabled for adoption by the House	New indicator	1 FIS report produced by Committee and adopted by the House. 1xno. of relevant Committees.	0 FIS report produced by Committee and adopted by the House. 1xno. of relevant Committees.	Total deviation	The PC on Education, Sport, Arts and Culture conducted an oversight visit to the Department of Education's regional and provincial office after complaints were received regarding the online registration system that are used by the department. Engagements took place between disgruntled parents, departmental officials and Members of the Committee. A report was compiled in this regard. However, the report was not discussed at Committee level and not adopted in the House.

• PROGRAMME 3: Core Business: Oversight, Public Participation and Law-making

Indicator No.	Performance Indicator	Actual Performance 2019/20	Actual Performance Target Against Planned Target		Variance	Reasons for deviation
			Planned Target 2020/2021	Actual Achievement 2020/2021		
P3.1.6	Number of draft oversight reports produced per Committee, and tabled for adoption by the House.	1 oversight report produced	2 (oversight reports) x no. of relevant Committees	0	Total deviation	1 Draft oversight report produced, but not tabled for adoption in the House. Members conducted oversight to various schools when schools re-opened for the academic year in 2021. Members were requested to complete and return questionnaires (which are essential part of completing the oversight report) to determine schools readiness in the Province. However, not all Members have returned the questionnaires and therefore the report could not be completed, presented at Committee level and tabled in the House.
P3.1.7	Number of Committee Oversight Reports per Committee per Dept. (incl. Entities, where relevant).	New indicator	13 Committee Oversight Reports per Committee per Dept. (incl. Entities, where relevant).	14 Committee Oversight Reports per Dept. (incl. 7 Entities, reports).	Target exceeded with 1 Committee Oversight Report per Department.	2018/19 Financial Year Audited report of Vote 2 was presented in the financial year under review.

• **PROGRAMME 3: Core Business: Oversight, Public Participation and Law-making**

Indicator No.	Performance Indicator	Actual Performance 2019/20	Actual Performance Target Against Planned Target		Variance	Reasons for deviation
			Planned Target 2020/2021	Actual Achievement 2020/2021		
SUB PROGRAMME: OVERSIGHT – IMPLEMENTATION OF SOM						
P3.1.8	Number of committee reports indicating that the relevant Portfolio Committee considered the annual section 47 report tabled and presented by the responsible MEC.	New indicator	1 Committee report of the PC on COGSHTA that considered the annual section 47 report tabled and presented by the MEC tabled to the House within 7 days after being adopted by the Portfolio Committee.	0 Committee report of the PC on COGSHTA that considered the annual section 47 report tabled and presented by the MEC tabled to the House within 7 days after being adopted by the Portfolio Committee.	Total deviation	The sec 47 report was only submitted by the department on 26 February 2021 to the Office of the Speaker. Due to the congested programme of the Legislature, the report was not tabled at the committee level in the financial year under review.
P3.1.9	Number of SCOPA meetings that considered specific AG reports, urgent matters identified by the Committee, or matters of importance referred to the Committee	New indicator	9 SCOPA meetings held	9 SCOPA meetings held	None	
P3.1.10	Number of Standing Committee on Rules meetings that considered sub-committees minutes as well as matters presented to the Committee	New indicator	4 Standing Committee on Rules meetings held.	6 Standing Committee on Ruled meetings held.	Target exceeded with 2 Standing Committee of Rules meetings	Additional Rules Committee

• PROGRAMME 3: Core Business: Oversight, Public Participation and Law-making

Indicator No.	Performance Indicator	Actual Performance 2019/20	Actual Performance Target Against Planned Target		Variance	Reasons for deviation
			Planned Target 2020/2021	Actual Achievement 2020/2021		
P3.1.11	Number of Standing Committee on Programme meetings' that finalized a Weekly Programme for the NCPL.	New indicator	24 Standing Committee on Programme meetings held.	16 Standing Committee on Programme meetings held.	Under performed with 8 Standing Committee on Programme meetings not held.	In between scheduling of programme meetings the SC on Programme would through the Office of the Secretary issue Amendment Notices if there are any urgent changes to the Programme.
P3.1.12	Number of Standing Committee on Constitutional Affairs, Petitions and Public Participation meetings that considered the quarterly petitions report.	New indicator	4 Standing Committee on Constitutional Affairs, Petitions and Public Participation meetings.	2 Standing Committee on Constitutional Affairs, Petitions and Public Participation meetings.	Underperformed with 2 meetings	In Q1 and Q3 the quarterly petitions reports were not presented.
P3.1.13	Number of Committee meetings held outside the Legislature (report depend on nature of the meeting).	1 meeting held outside the legislature seat	2 Committee meetings facilitated outside the legislature Precinct, where practicable, in each of the 5 districts.	0 Committee meetings facilitated outside the legislature Precinct, where practicable, in each of the 5 districts	Total deviation	Due to the National State o Disaster all committee meetings were held virtually in attempt to curb the spread of the Covid-19 virus.
P3.1.14	Percentage of House Resolutions communicated to Executive and the Legislature after being tabled and adopted within 7 days after the House Sitting.	88% of House Resolutions communicated to executive and the Legislature after being tabled and adopted within 7 days after the House Sitting.	100% of House Resolutions communicated to executive and the Legislature within 7 days after the House Sitting	75.4% of House Resolutions communicated to executive and the Legislature within 7 after the House Sitting	Under performed with 24.6%	All house resolutions were communicated however not all of them were communicated within the required time frame due to absenteeism of some of employees responsible for this function.

• PROGRAMME 3: Core Business: Oversight, Public Participation and Law-making

Indicator No.	Performance Indicator	Actual Performance 2019/20	Actual Performance Target Against Planned Target		Variance	Reasons for deviation
			Planned Target 2020/2021	Actual Achievement 2020/2021		
P3.1.15	Number of Research Reports (Analyses) produced and submitted to immediate line manager.	38 of Research Reports (Analyses) produced and submitted to immediate line manager.	64 of Research Reports (Analyses) produced and submitted to immediate line manager.	72 of Research Reports (Analyses) produced and submitted to immediate line manager.	Target exceeded with 8 of Research Reports (analyses) produced and submitted to immediate line manager.	Re-tabling of APPs and budgets due to budget cuts and performance adjustments.
P3.1.16	% of research Report (Analyses) made available 2 days prior to the committee meeting as scheduled.	82% of research Report (Analyses) made available 2 days prior to the meeting.	100% of research Report (Analyses) made available 2 days prior to the meeting.	91% of research Report (Analyses) made available 2 days prior to the meeting.	Under performed by 9%	There are limited number of researchers in the unit and the re-tabling of departments APPs led to extra work for the research unit. However, all APPs and ARs submitted were analysed.
P3.1.17	Percentage of information requests processed	100% Percentage of information requests processed.	75% of information requests processed.	100% of information requests processed	Target exceeded with 25%.	All information that was requested were processed.
SUB-PROGRAMME: PUBLIC EDUCATION						
3.2.1	Number of Reviewed Standard Operating Procedure on key functions	New indicator	1 Reviewed Standard Operating Procedures on key function (Petitions Systems).	1 Reviewed Standard Operating Procedures on key function (Petitions Systems).	None	

• PROGRAMME 3: Core Business: Oversight, Public Participation and Law-making

Indicator No.	Performance Indicator	Actual Performance 2019/20	Actual Performance Target Against Planned Target		Variance	Reasons for deviation
			Planned Target 2020/2021	Actual Achievement 2020/2021		
P3.2.2	An adopted customised framework on public participation.	New indicator	1 Customised PP Framework	0 Customised PP Framework	Total deviation	Customised PP framework still draft format (2018 format)
P3.2.3	A customised sector communication framework.	New indicator	1 Customised sector communication framework.	0 Customised sector communication framework	Total deviation	Affected by the reason that the Customised PP framework is still draft format (2018 format) and is not yet tabled for approval.
P3.2.4	Number of reports prepared by the Public Participation section that indicates evidence of all public submissions made as well how the Legislature has processed and utilised the information contained in the submissions.	New indicator	4 reports that shows evidence of utilisation of public submissions.	1 reports that shows evidence of utilisation of public submissions.	Under performance with 3 reports that shows evidence of utilisation of public submissions.	COVID 19 affected the normal running of legislature operations in terms of public submissions.
P3.2.5	Number of public education programmes held in all the districts.	37 public education programmes held	40 public education programmes held	36 public education programmes held	Under performed with 4 public education programmes held	COVID 19 restrictions on gatherings and travelling by the RLOs.

• PROGRAMME 3: Core Business: Oversight, Public Participation and Law-making

Indicator No.	Performance Indicator	Actual Performance 2019/20	Actual Performance Target Against Planned Target		Variance	Reasons for deviation
			Planned Target 2020/2021	Actual Achievement 2020/2021		
P3.2.6	Number of public educational tours to the NCPL building	0 public educational tour to the NCPL building was done.	2 public educational tours to the NCPL building	0 public educational tours to the NCPL building	Total deviation	Due to the National State of Disaster declared no visitors have been allowed at the Legislature Precincts in an attempt to curb the spread of the Covid-19 virus.
P3.2.7	Number of Communications and educational products produced in line with the communication framework.	29 public education / communication products.	10 communication products.	41 communication products	Target exceeded with 31 communication products	During the COVID 19 pandemic, a lot of communication methods were considered in terms of bills and other work of the legislature.
P3.2.8	Number of reports submitted on percentage of petitions open vs petitions closed, against total number of petitions received.	4 petitions reports were submitted to Standing Committee on Constitutional Affairs, Public Participation and Petitions on Petitions and Public Participations held.	4 reports submitted on percentage of petitions open vs petitions closed, against total number of petitions received.	2 reports submitted on percentage of petitions open vs petitions closed, against total number of petitions received.	Under performed with 2 reports submitted on percentage of petitions open vs petitions closed, against total number of petitions received.	The unit did not process 2 reports on petitions.

PROGRAMME 3: Core Business: Oversight, Public Participation and Law-making

Indicator No.	Performance Indicator	Actual Performance 2019/20	Actual Performance Target Against Planned Target		Variance	Reasons for deviation
			Planned Target 2020/2021	Actual Achievement 2020/2021		
SUB PROGRAMME: LAW MAKING AND HOUSE BUSINESS						
SUB-SUB-PROGRAMME: LEGAL SERVICES						
P3.3.1	Number of Reviewed Standard Operating Procedures on key functions	New indicator	2 Reviewed Standard Operating Procedures on key functions (Legal Advice and NCOP Mandates Processing).	2 Reviewed Standard Operating Procedures on key functions (Legal Advice and NCOP Mandates Processing).	None	
P3.3.2	Number of legislation summaries produced	4 legislation summaries produced	8 legislation summaries produced	7 legislation summaries produced	Under performed 1 legislation summary not produced	The legal services has limited staff compliment.
P3.3.3	Percentage of legal advice and opinions provided within 14 working days.	100% legal advice and opinions provided within 14 days of receipt of request.	100% legal advice and opinions provided within 14 working days.	80.95% legal advice and opinions provided within 14 working days.	19% legal advice and opinion not provided within 14 working days	All legal opinions were provided however the time frames were not always within 14 working days due to a number of reason including completeness of the requests as well as the limited staff compliment in the unit.
P3.3.4	Number of reports on audits and assessment of subordinate legislation: Phase 1-4	New Indicator	4 Phases of Scope assessment and audit of subordinate legislation on Provincial Statute Book.	4 Phases of Scope assessment and audit of subordinate legislation on Provincial Statute Book.	None	

PROGRAMME 3: Core Business: Oversight, Public Participation and Law-making

Indicator No.	Performance Indicator	Actual Performance 2019/20	Actual Performance Target Against Planned Target		Variance	Reasons for deviation
			Planned Target 2020/2021	Actual Achievement 2020/2021		
SUB PROGRAMME: LAW MAKING AND HOUSE BUSINESS						
P3.3.5	Percentage of provincial laws processed and passed in the house.	New indicator	100% of Provincial laws processed and passes in the house.	100% of Provincial laws processed and passes in the house.	None	
SUB-SUB-PROGRAMME: NCOP AND PROCEEDINGS						
P3.3.6	Number of house sittings held outside the Legislature precinct (Legislature Complex).	0	2 house sittings held outside the Legislature seat.	0	Total deviation	On 14 October 2020 the Speaker issued a directive that all rotating House Sittings scheduled for the remainder of the 2020/21 financial year be postponed until the country has returned to normality (until the Covid-19 Pandemic Provincial outlook improves). Subsequently SoPA was scheduled to take place in Upington, ZFM District, due to Covid-19 budgetary restrictions and in attempt to curb the spread of the virus, such exercise was not financially viable and a Hybrid House Sitting was held at the Legislature Precinct.
P3.3.7	Percentage of mandates submitted on national legislation (sec 76) NCOP.	100% of mandates submitted to the NCOP.	100% of mandates submitted to the NCOP.	100% of mandates submitted to the NCOP.	None	

PROGRAMME 3: Core Business: Oversight, Public Participation and Law-making

Indicator No.	Performance Indicator	Actual Performance 2019/20	Actual Performance Target Against Planned Target		Variance	Reasons for deviation
			Planned Target 2020/2021	Actual Achievement 2020/2021		
SUB PROGRAMME: LAW MAKING AND HOUSE BUSINESS						
P3.3.8	Number of House Sitting held where opportunities to pose questions to the Premier and Executive by MPLs is created.	2 House Sitting held where opportunities to pose questions to the Premier and Executive is created.	A minimum of 3 opportunities are created to pose questions to the Executive.	A minimum of 3 opportunities are created to pose questions to the Executive.	None	
SUB-SUB-PROGRAMME: HANSARD SERVICES						
P3.3.9	Percentage of electronic transcripts of House debates available within 5 working days after the House Debate.	92% of electronic transcripts of House debates available within 5 working days	90% of electronic transcripts of House Sittings available within 5 working days after the House Debate.	96.5% of electronic transcripts of House Sittings available within 5 working days after the House Debate.	Target exceeded with 6.5%	Most of the transcript could be availed to Members within the required time frames due to efficiency in the unit.
P3.3.10	Percentage of public hearings where at least one interpreter for an identified/predominant language is available.	75% of public hearings where at least one interpreter for an identified/prevalent language is available.	20% of public hearings where at least one interpreter for an identified/predominant language is available.	0% of public hearings where at least one interpreter for an identified/predominant language is available	Total deviation	Due to the National State of Disaster no public hearings were held in an attempt to curb the spread of the virus.

PROGRAMME 3: Core Business: Oversight, Public Participation and Law-making

Indicator No.	Performance Indicator	Actual Performance 2019/20	Actual Performance Target Against Planned Target		Variance	Reasons for deviation
			Planned Target 2020/2021	Actual Achievement 2020/2021		
SUB PROGRAMME: LAW MAKING AND HOUSE BUSINESS						
P3.3.11	Percentage of Production of multilingual documents produced timeously.	New indicator	70% of a 1000 word multilingual documents produced in 5 working days.	25% of a 1000 word multilingual documents produced in 5 working days.	Under performed with 45%	There were requests for translation that could not be distributed to the language practitioners on time. Also, there are a lot of translated documents but could not be factored in due to how the indicator is crafted.

**Note: P3.3.11: Explanatory note: The reasonable time to complete the translation of a 1000 word document is 5 days. The translated documents when transferred for translation, the date upon their completion is therefore used as a measure of the duration spent on the document.*

3.3.3. Strategy to overcome areas of under performance

- The Legislature will complete the customized Public Participation Framework as well as customized Communication Framework by end of quarter one in the next financial year for adoption and implementation will commence in quarter two.
- Legislature will monitor will monitor the development around Covid-19 pandemic and the relevant regulations in order to perform more activities of oversight visits and taking the Legislature to the people as per the anticipated programmes.
- In future all requests for legal opinion shall be commenced with upon receipt all relevant documentation.

3.3.4. Sub-programme expenditure

Programme 3. Parliamentary Services	Exp Q1	Exp Q2	Exp Q3	Exp Q4	Exp YTD	Budget Full Year	Available Budget (Full)	% Exp on Full Budget
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	Budget
Law Making & House Business	3 409	3 483	4 072	4 025	14 989	16 215	1 226	92
Public Participation & Oversight	5 727	6 118	6 927	8 275	27 047	28 355	1 308	95
TOTALS	9 136	9 601	10 999	12 300	42 036	44 570	2 534	94
Programme Three: Parliamentary Services	Exp Q1	Exp Q2	Exp Q3	Exp Q4	Exp YTD	Budget Full Year	Available Budget (Full)	% Exp on Full Budget
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	R'000	Budget
Compensation of Employees	9 088	9 434	10 331	9 094	37 947	38 697	750	98
Goods & Services	48	167	668	2 808	3 691	5 784	2 093	64
Payments for Capital Assets	-	-	-	398	398	89	-309	447
	9 136	9 601	10 999	12 300	42 036	44 570	2 534	94

PART C:

CORPORATE GOVERNANCE

1. INTRODUCTION

In this chapter, the Northern Cape Provincial Legislature provides a brief overview of the mechanism in place which are aimed at fostering good governance at the institution.

2. RISK MANAGEMENT

The Financial Management of Parliament and Provincial Legislature Act, Act 10 of 2009 (FMPPLA), in terms of Section 7(c) provides a basis for a function of risk management at the Legislature. The Accounting Officer (secretary to the Legislature) is expected to ensure that the institution has and maintains effective, efficient and transparent systems of financial management, risk management and internal control and Internal Audit. In 2016 with approval of the new organizational structure, the Risk Management Unit resides in the office of the Accounting Officer. As per the organisational structure, the Unit comprises of Manager and Risk Specialist.

3. CONFLICT OF INTEREST

In line with the best practices and the policy provisions of the Legislature, all employees are compelled to make declaration of interest on an annual basis. The Office of the Secretary facilitates these declarations of interest made and maintain the records of the entire institution. The declaration of interest by individual NCPL employees is made in accordance with the Declaration of Interest Policy. The objective of the Declaration of Interest Policy is to minimise any potential conflict of interest that may arise.

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

4. CODE OF CONDUCT

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

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

5. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The renovation of the NCPL Precinct project started in 2016 and its completion was unfortunately delayed. A lot of work has been put in place to ensure that the project is brought to its completion in the next financial year. The status of incompleteness of this project has also impacted negatively on the issue of occupational health and safety at the precinct. The institution has since moved to establish the Occupational Health and Safety Committee that is tasked with continually playing an oversight function on matters related to the OHS at work. This committee will be trained and resourced in order to be effective in the tasked assigned to them.

6. OVERSIGHT COMMITTEES

The Legislature Committee system is one of the many oversight mechanisms used to oversee the work of the Provincial Executive. The NCPL has designated Six Portfolio Committees and One Standing Committee to function in accordance with the NCPL Oversight Model, Annual Committee Cycle and the Chairpersons Framework. In a spirit of demonstrating full accountability, the Management of the Legislature continually appeared before different oversight committees. This included the Standing Committee on Standing Committees on Rules and its sub-committees, mandating committee on employee's salaries as well as the audit committee.

7. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
1.	Annual Report for the 2018/19 financial year	The Legislature must ensure that creditors are being paid within 30 days as required by the FMPPLA as some of the fruitless and wasteful expenditure is as a result of interest charged on overdue accounts.	There is a commitment made to place a strong oversight by Executive Managers on the full implementation of SAGE in order for the institution to fully utilise the ERP system and derive value out of it in terms of prudent financial management, this will include key functions such as payment of creditors within 30 days. Also, Finance and SCM units have been directed develop SOPs that will enabling timeous tracing of payments.	In Progress
2.	Annual Report for the 2018/19 financial year	The Legislature must institute disciplinary steps against officials who had incurred irregular expenditure as required by section 7 (e) of the FMPPLA, Act No. 10 of 2009.	Internal investigations are on-going.	No
3.	Annual Report for the 2019/20 financial year	The Legislature must strengthen existing measures to monitor internal controls to prevent a recurrence of non-compliance with applicable legislation.	The Accounting Officer introduced an initiative of meeting on a bi-weekly basis with the institutions team of Human Capital, Finance and SCM in order to track progress and resolve issues emanating from weak internal controls.	In Progress
4.	Annual Report for the 2019/20 financial year	The Accounting Officer must ensure that Supply Chain Management checklist are fully implemented so that all required documentation is completed by all prospective suppliers.	The Accounting Officer introduced an initiative of meeting on a bi-weekly basis with the institutions audit team in order to track progress and resolve issues that might hinder submission of annual financial statements on time for regulatory audits by the Auditor General.	Yes

8. INTERNAL AUDIT REPORT (Post Audit)

INTRODUCTION

The purpose of this report is to summarise the activities of the internal audit function throughout the 2020/2021 financial year.

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

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

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

INTERNAL AUDIT

Value is added by the internal audit function by providing independent, objective assurance and consulting services.

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

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

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

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

OTHER INTERNAL AUDIT WORK

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

REPORTING

The internal audit activity must be independent and internal auditors must be objective in performing their work. Objectivity is presumed to be impaired if an Internal Auditor provides assurance services for an activity for which the internal auditor had responsibility within the previous year.

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

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

ORGANISATIONAL INDEPENDENCE

Assurance is hereby given that the internal audit activity is organisationally independent. Organisational independence is achieved by functional reporting of the Internal Auditor to the Audit Committee. Examples of functional reporting to the Audit Committee has the Audit Committee:

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

INTERNAL AUDIT PLAN

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

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

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

AUDIT COMMITTEE

Role

The Audit Committee does not replace or change management accountability arrangements; it does, however, enhance the governance framework by providing Executive Authority and the Executive Managers with independent assurance and assistance in the areas of risk management, internal control, governance and financial reporting.

An effective committee has the potential to strengthen the control environment (of which it is part) and assist the Secretary to the Legislature to fulfil their stewardship, leadership and control responsibilities.

This report is intended to provide a broad understanding of the role of the Audit Committee. In offering this report, the following key points are addressed at Audit Committee Meetings:

- the background of the Audit Committee members, having a mixture of skills including auditing, accounting and risk
- not just looking at financial statements and internal controls
- ensuring systems of internal control are adequate and are applied by staff in practice
- considering External Audit coverage, timing and recommendations
- that the overall coverage possible by the Internal Auditor is limited by resource availability
- internal audit provides assurance to Audit Committee and management
- a program of meetings which review o Risk Management Plan;
 - o Business Continuity Plan;
 - o Fraud and Corruption Plan;
 - o Financial Plan;
 - o Quality Assurance;
 - o regulatory matters;
 - o implementation of recommendations;
 - o adequacy of Management responses, and
- the importance of planned turnover in audit committee membership.

Matters of concern raised to the Committee:

1. It is traditional that the Financial Statements are presented to the Audit Committee for review prior to submitting to the Office of the Auditor General. The current year financial statements and performance report were submitted in time for review and audit to the Audit Committee and Auditor General respectively.;

MEMBERSHIP

Membership of the Audit Committee is made up of three external members with the role of Chair being allocated to Adv. J Lubbe (SC).

In addition, the Secretary to the Legislature, Mr PB Moopelwa, Executive Managers and the Internal Auditor attends each of the meetings. Invitations are extended to the external auditors and staff as required.

ISSUES BEFORE THE AUDIT COMMITTEE

Issues before the Audit Committee during this reporting period included:

- business processes and systems of internal control;
- ongoing and miscellaneous matters;
- review of internal audit activity tools;
- emerging risks;
- business continuity;
- financial statements/ performance report; and
- fraud control.

QUALITY ASSURANCE REVIEW

The legislative sector internal audits maintains a quality assurance and improvement program. No audits were performed for the current fiscal year, therefore no assurance review was conducted.

9. AUDIT COMMITTEE REPORT

REPORT OF THE AUDIT COMMITTEE TO THE SPEAKER OF LEGISLATURE AND MEMBERS OF THE PROVINCIAL LEGISLATURE

REPORT OF THE AUDIT COMMITTEE

The Audit Committee is pleased to present its report for the financial year ended 31 March 2021 to the stakeholders of the Northern Cape Provincial Legislature.

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

AUDIT COMMITTEE MANDATE

The Audit Committee is governed by a formal Audit Committee Charter which incorporates all the requirements of the Financial Management of Parliament and Provincial Legislature Act, Act 10 of 2009. This charter guides the committee in terms of its objectives, authority and responsibilities, both statutory and those assigned by the Executive Authority.

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

COMMITTEE COMPOSITION AND ATTENDANCE AT MEETINGS

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

Meeting attendance

Name	Qualification	Capacity	No Meetings Scheduled	No Meetings Attended
Adv. J. Lubbe SC	Senior Advocate (B. Juris LLB)	Chairperson	3	3
Mr J. Besnaar (CA) SA	Chartered Accountant South Africa	Member	3	1
Adv. N. van Heerden	Advocate (BA LLB)	Member	3	3

The committee held three (3) formal meetings during the 2020/21 financial year.

The Audit Committee's term ended during the financial year ended 2019/20. Member's appointment was extended while nominations and vacancy appointment were being finalised.

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

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that, we have adopted appropriate formal terms of reference in our charter in line with the requirements of Sections 48 (1) of the Financial Management of Parliament and Provincial Legislature Act.

EFFECTIVENESS OF INTERNAL CONTROLS

The audit committee acknowledges management's efforts to strengthen internal controls in the institution. The audit committee is concerned that in certain instances the matters reported by the external auditors in prior years have not been fully and satisfactorily addressed. Management has given assurance that effective corrective action will be implemented in respect of all internal control weaknesses, and the audit committee will monitor these going forward.

Vacancies undermine the effective functioning of the system of internal control and it is imperative that management reviews its recruitment procedures and processes to ensure that vacancies are filled expeditiously with properly qualified, skilled and experienced personnel including vacancies in the audit committee.

Based on the assessment of the system of internal controls conducted by internal audit, as well as information and explanations given by management and discussions held with the external auditor on the results of their audit, the committee is of the opinion that the Provincial Legislature's system of internal financial controls is effective and forms a basis for the preparation of reliable financial statements in respect of the year under review. In addition, during the 2019/20 financial year, the committee was not made aware of any:

- material breaches of any laws or regulations; or
- material breaches of internal controls or procedures.

INTERNAL AUDIT

The accounting officer is obliged, in terms of section 50 (1) of the FMPPLA, to ensure that the entity has a system of internal audit under the control and direction of the audit committee. The Audit Committee is concerned with the continuous capacity constraints faced by the internal audit function in operating effectively and its ability to conduct its annual audits as per the operations plan to address the risks pertinent to the Provincial Legislature in its audits. The Internal Audit could not complete their annual plan for consecutive periods.

The capacity of the internal audit function has been insufficient, employment of additional personnel and investment in an intensive training programme and IT software should be considered. The audit committee expects these initiatives to contribute to the internal audit function becoming more efficient, more responsive to challenges and better able to provide audit reports of a high quality to management and the committee on a timely basis. The audit committee supports the direction that the internal audit function is adopting in providing the necessary skills and agility required for the function to respond quickly and effectively to the demands for internal audit across the organisation.

RISK MANAGEMENT

The Provincial Legislature has a separate Risk Committee assigned. The Committee has played oversight on internal controls risk, financial reporting risk and management's compliance to the legislative framework.

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

The audit committee is satisfied with the content and quality of reports prepared and issued during the year under review in compliance with the statutory framework. The audit committee has engaged with management to remedy shortcomings, especially relating to the reports on performance against predetermined objectives. The committee has recommended that specific process be implemented to ensure that the information reported is both useful and reliable in terms of the applicable reporting framework.

The audit committee has recommended that the Legislature prepare interim financial statements that comply with Standards of Generally Recognised Accounting Practice (GRAP), which could assist in performing reconciliations timeously as well as in eliminating year-end adjustments.

The audit committee has reviewed and commented on the entities' annual financial statements and report on performance information and their timely submission to the external auditors by 31 May.

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

QUALITY REVIEW OF FINANCIAL STATEMENTS AND PERFORMANCE REPORT

The Audit Committee reviewed the Annual Financial Statements and Annual Performance Report of the Provincial Legislature and we are satisfied that they comply with GRAP Reporting Standards and the requirements of FMPPLA. The committee recognises the financial statements for the first time were prepared in-house by the management team for financial year ended 2020/21.

The financial statements submitted for auditing had material misstatements. These were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

The committee has:

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

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

AUDITOR-GENERAL SOUTH AFRICA

The audit committee concurs with and accepts the conclusion and audit opinion of the external auditors on the annual financial statements. The committee is of the view that the audited financial statements be accepted and read together with the report of the external auditors. The audit committee confirms that it has been actively involved throughout the audit process and has been thoroughly appraised of the issues giving rise to the audit opinion.

The external audit function, performed by the Auditor General South Africa is independent of the entity. The audit committee has met with the external auditors to ensure that there are no unresolved issues and acknowledges the diligence and cooperation of the external audit team.

AUDIT COMMITTEE TERM OF SERVICE

The term of service for the current members of the audit committee was extended by the Speaker of the Legislature and comes to an end on 30 June 2021. The Chairperson and members of the Audit Committee confirmed their end of term on approval of the annual report for the 2019/20 financial year end. The Audit Committee thanks the Executive Authority and Executive Management of the Northern Cape Provincial Legislature for the opportunity to have been part of the institution. The committee wishes the organisation the best of luck.

APPROVAL OF THE REPORT

The committee confirms that it has functioned in accordance with its charter for the reporting period and that its report to stakeholders was approved by the Chairperson of the Audit Committee.



.....
Adv. J. Lubbe (SC)

Chairman of the Audit Committee



PART D:
**HUMAN RESOURCE
MANAGEMENT**

1. INTRODUCTION

Human Capital is key in ensuring that the Legislature is adequately staffed with efficient and effective relevant expert skills.

One of its key roles amongst others is to ensure that there are systems in place to measure, co-ordinate and maintain performance and productivity.

It is under this background that the Human Resource Plan will be reviewed to align it with our five-year Strategic Plan to address current and future workforce needs towards achieving and maintain organizational goals.

Human Capital intends to address the following Priorities: It is important to note that due to the impact of COVID 19 these priorities still remain a priority.

- Review of the Human Resources Plan
- Review of the Organogram
- Improved performance management for management and entire staff compliment
- Reduction and management of Labour Relations matters within the Institution
- Implementation of the Workplace Skills Plan/ Empowerment forum
- Ensuring compliance to the application of Recruitment Practices
- Improvement in the management of Employee Health & Wellness
- Development of Gender, diversity and disability policies

The Corporate Services Department is committed to a high standard of service delivery to Members and Employees of the Legislature and will continue to evolve and modernise HC Practices which are aligned with the Strategic direction of the Legislature.

1.1. REVIEW OF THE ORGANISATIONAL STRUCTURE

- **Review and align the Provincial Human Resources Plan**

The current organizational structure that is in place was last approved in June 2016. We are in the processes of reviewing the organizational structure and the HR plan. The plan will be addressing the current and future workforce over a 3-year period this is aimed towards achieving and maintaining organizational goals.

The appointment of 1 coloured female appointed during the month of October 2020 and a white female during December 2020 in management positions, this was part of the Legislature's effort to meet the employment equity targets.

The following positions were advertised in 2019 to strengthen the management of the, institution however due to the COVID 19 budget cuts, some of the undermentioned positions had to be unfunded and reprioritised:

- I. Executive Manager: Committees, Research and Information Services, Public Education and Communication
- II. Executive Manager: Corporate Services
- III. Manager: Finance
- IV. Manager: Risk, Monitoring and Evaluation

The recruitment and selection process for all vacant funded positions is an ongoing process and we envisage to permanently fill most of the vacant funded positions.

1.2. BUILDING A LEARNING CULTURE THROUGH APPROVED BURSARY APPLICATIONS

The Legislature supports the development and the retention of skilled human capital through a Bursary Scheme. The primary purpose of the bursary scheme is to target employees on the lower NQF levels, in compliance with the National Skills Development Strategy.

The Legislature awarded fourteen (21) bursaries to employees for the 2019/20 academic year. Offering of bursaries to employees further supports the Legislature objectives to ascertain that employees are trained, developed and skilled in various related areas.

The following trainings took place during this financial year apart from the above –mentioned allocated bursaries:

- The Payroll Training as part of the SAGE X 3 People Management,
- Risk Management Training
- Job Profiling Training

The Northern Cape Provincial Legislature will continue to support the development of its employees in specific and related fields of study by offering bursaries and short terms training to employees.

1.3. EMPLOYEE WELLNESS

The Northern Cape Provincial Legislature employees are comfortable accessing the EWP services to deal with the problems that they face. It is encouraging to see that individuals are accessing the EWP to address these issues.

The utilization rate of the programme as per the quarterly reports was fairly good. However, during the period of Oct-Dec 2020, the programme was not utilised. It is encouraging to note that the EWP has consistently been accessed by employees and dependants.

The table below depicts the Utilization rate for the financial year 2020/21

Period		No. of Cases	Annualised Utilisation Rate ¹
	Services	160 Employees	
Northern Cape Provincial Legislature Apr – Jun 2020	Face-to-Face Counselling (6) Managerial Referral (1) Managerial Consultation (1)	8	20.00%
Northern Cape Provincial Legislature Jul – Sep 2020	Face –to Face Counselling (1)	1	2,50%
Northern Cape Provincial Legislature Oct – Dec 2020	0	0	0
Northern Cape Provincial Legislature Jan – Mar 2021	Managerial Referral (3) Managerial Consultation (2) Face-to-Face Counselling(1)	6	15%
Government Sector Jan – Mar 2020		-	7.35%
Careways Benchmark Jan – Mar 2020		-	9.58%

Information on COVID-19 has been circulated to all staff members on how to follow COVID-19 Protocols and posters on COVID-19 has been placed on noticed boards.

¹ The utilisation rate is annualised to determine the predicted utilisation at a quarterly point in time, should utilisation continue at the reported rate. The calculation for annualised utilisation is the number of cases divided by headcount multiplied by the months in a year divided by the number of months in the period under review.

2. MEMBERS CAPACITY BUILDING PROGRAMMES

Parliament and Provincial Legislatures under the banner of the Speakers Forum will continue to offer training and development opportunities to Members of Parliament and Provincial Legislatures for the 6th Legislature. The overall purpose of the programmes is to enhance the performance of Legislators to execute their constitutional responsibilities through a professional development programme anchored in the core functions of the Legislature and the role and responsibilities of Members whilst providing access to academic opportunities to ensure employability following Members political career.

Two programmes run concurrently through the University of the Witwatersrand (WITS) and the University of Johannesburg (UJ).

The Members Capacity Building Programme have been running for the past ten years and have seen a remarkable success rate in terms of Members across the Legislative Sector graduating at different levels of the programme.

With the commencement of the 6th Legislature term in May 2019, newly elected Members have expressed a keen interest in the available capacity building programmes while 13 Members applied for the WITS and UJ programmes respectively. Subsequent to the application process, 10 Members were duly accepted into the WITS programme and 1 Member into the UJ Programme. In response to the Covid-19 State Disaster declared by our President, the classes for both programmes took place virtually on-line. The 2020/21 academic year commenced during July 2020.

The University of Witwatersrand facilitated the orientation sessions during 21 to 24 August 2020 while the on-line sessions for Block 1 took place between 08 - 11 September 2020 with assessment due date of 02 October 2020. The purpose of the orientation session was to orientate and introduce members to the modules of the programme as well as to the virtual-learning platform. The 2nd Block dates for the Northern Cape Cohort took place during 01 to 04 December 2020 of which assessment due date was in January 2021. The 3rd Block session took place during 19 to 23 April 2021.

In addition to the structured capacity building initiative sponsored by LSS, the Legislature provided financial assistance to one Member who were at the time of swearing-in registered with the University of Fort Hare for a Diploma in Local Government, Law and Administration, an academic programme sponsored by the Local Municipality.

Notwithstanding the challenges in terms of the current Covid-19 national disaster and the impact of such on the commencement of the programmes as well as party political commitments and programmes, it is evident that Members are committed to participate and conclude the academic programmes.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands.

In particular, it provides an indication of the following:

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2020 and 31 March 2021

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	No. of e'e	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	51 196	51 029	74	42	126	51,48%	690
Members Facilities	11 380	11 380	62			11,48%	184
Parliamentary Services	36 735	36 710	45	26		37,04%	816
Total	99 312	99 119	181	67	126	100%	548

Table 3.1.2 Personnel costs by salary band for the period 1 April 2020 and 31 March 2021

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower Skilled (Grade A1–A3)	5 376	5,42%	16	336
Skilled (Grade B1–B5)	19 335	19,51%	37	523
Highly skilled production (Grade C1–C5)	37 933	38,27%	44	862
Senior Management and Top Management(Grade D2–E2)	23 880	24,09%	20	1194
Other (Public Party Support Services)	12 595	12,71%	64	197
Total	99 119	100.00%	181	548

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period

1 April 2020 and 31 March 2021

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	40 959	41,32%	-	-	2 926	2,95%	2 920	2,95%
Members Facilities	11 126	11,22%	-	-	30	0,03%	121	0,12%
Parliamentary Services	27 103	27,34%	-	-	1 854	1,87%	4 078	4,11%
Total	79 188	79,89%	-	-	4 810	4,85%	7 120	7,18%

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period

1 April 2020 and 31 March 2021

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower Skilled (Grade A1-A3)	4 093	4,13%	-	-	374	0,38%	557	0,56%
Skilled (Grade B1-B5)	14 700	14,83%	-	-	1 341	1,35%	1 870	1,89%
Highly skilled production (Grade C1-C5)	29 463	29,73%	-	-	1 874	1,89%	3 213	3,24%
Senior Management (Grade D2-E2)	18 595	18,76%	-	-	1 191	1,20%	1 358	1,37%
Other (Public Party Support Services)	12 336	15,58%	-	-	30	0,03%	121	0,12%
Total	79 188	79,89%	-	-	4 810	4,85%	7 120	7,18%

3.2 Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 31 March 2021

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	95	68	28,4%	-
Members Facilities	-	-	-	-
Parliamentary Service	64	43	32,8%	-
Total	159	111	30,2%	-

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2021

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower Skilled (Grade A1-A3)	10	7	30%	-
Skilled (Grade B1-B5)	51	37	27,5%	-
Highly skilled production (Grade C1–C5)	77	51	33,8%	-
Professionally Qualified(Grade D1-D3)	15	12	20%	-
Executive Managers (D4 – E1)	5	3	40%	-
Secretary to the Legislature	1	1	-	-
Other (Public Party Support Services)	-	-	-	-
Total	159	111	30,2%	-

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2021

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Executive Manager: Corporate Services	1	0	100%	-
Executive Manager: Committees, Research & Information Services, Public Education & Communication	1	0	100%	-
Manager: Risk, Monitoring & Evaluation	1	0	100%	-
Manager: Supply Chain Management	1	1	-	-
Manager: Finance	1	0	100%	-
Senior Human Capital Practitioner	1	1	-	-
Financial Accountant	1	1	-	-
Executive Secretary – (CFO' s Office)	4	4	-	-
Internal Auditor	2	1	50%	-
Demand & Acquisitions Coordinator	1	0	100%	-
Facilities Supervisor	1	1	-	-
Maintenance Officer	1	1	-	-
Network Administrator	3	1	66,7%	-
Interpreter	2	2	-	-
Petitions Officer	2	2	-	-

Members Affairs Administrator	2	1	50%	-
Logistics Administrator	1	1	-	-
HC Administrator	2	2	-	-
Accounts Administrator	6	5	16,7%	-
Security Officer	1	0	100%	-
Total	35	24	31,4%	-

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Secretary to the Legislature (E4)	1	1	100%	0	0%
Executive Managers (D4 - E2)	5	3	60%	2	40%
Managers (D1 – D3)	15	12	80%	3	20%
Total	21	16	76,2%	5	23,8%

Table 3.3.2 SMS post information as on 31 March 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Secretary to the Legislature (E4)	1	1	100%	0	0%
Executive Managers (D4 - E2)	5	3	60%	2	40%
Managers (D1 – D3)	15	10	66.7%	5	33.3%
Total	21	14	66.7%	7	33.3%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2020 and 31 March 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Secretary to the Legislature (E4)	1	1	100%	0	0%
Executive Manager s (D4 - E2)	5	3	60%	2	40%
Managers (D1 – D3)	15	12	80%	3	20%
Total	21	16	76,2%	5	23,8%

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2020 and 31 March 2021

Reasons for vacancies not advertised within six months
Due covid- 19 budget Cuts ,funded positions had to be unfunded

Reasons for vacancies not filled within six months
Due covid-19 budget cuts ,funded positions had to be unfunded

Notes

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

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2020 and 31 March 2021

Reasons for vacancies not advertised within six months
n/a

Reasons for vacancies not filled within six months
n/a

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A (1) or (2) of the Public Service Act.

3.4 Job Evaluation

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2020 and 31 March 2021

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Grade A1-A3)	10	-	-	-	-	-	-
Skilled (Grade B1-B5)	51	-	-	-	-	-	-
Highly skilled production (Grade C1-C5)	77	-	-	-	-	-	-
Highly skilled supervision (Grade D1-D3)	15	-	-	-	-	-	-
Managers (D4 – E1)	5	-	-	-	-	-	-
Secretary to the Legislature	1	-	-	-	-	-	-
Total	159	-	-	-	-	-	-

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2020 and 31 March 2021

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-
Employees with a disability					-

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2020 and 31 March 2021

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2020 and 31 March 2021

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-

Employees with a disability	-	-	-	-	-
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Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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3.5 Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2020 and 31 March 2021

Salary band	Number of employees at beginning of period - 1 April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower Skilled (Grade A1-A3)	7	-	-	-
Skilled (Grade B1-B5)	30	7	-	-
Highly skilled production (Grade C1-C5)	47	6	2	3,8%
Managers (Grade D1-D3)	10	2	-	-
Exec Management (Grade D4-E1)	3	-	-	-
Secretary to the Legislature	1	-	-	-
Contracts	19	-	14	82,4%
Total	117	15	16	12,1%

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2020 and 31 March 2021

Critical Occupation	Number of employees at beginning of period- 1 April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Manager: Committees (FTC)	1	1	1	-
Senior Researcher	1	-	1	-
Visitors Programme Organiser	1	-	1	-
Contract	19	-	14	-
Total	22	1	17	-

Table 3.5.3 Reasons why staff left the department for the period 1 April 2020 and 31 March 2021

Termination Type	Number	% of Total Resignations
Death	-	-
Resignation	1	6.25%
Expiry of contract	14	87,5%
Dismissal – operational changes	-	-
Dismissal – misconduct	-	-
Dismissal – inefficiency	-	-

Discharged due to ill-health	-	-
Retirement	-	-
Transfer to other Public Service Departments	-	-
Other	1	6.25%
Total	16	100%
Total number of employees who left as a % of total employment	16	13,8%

Table 3.5.4 Promotions by critical occupation for the period 1 April 2020 and 31 March 2021

Occupation	Employees 1 April 2020	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
	-	-	-	-	-
	-	-	-	-	-
TOTAL	-	-	-	-	-

Table 3.5.5 Promotions by salary band for the period 1 April 2020 and 31 March 2021

Salary Band	Employees 1 April 2020	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower Skilled (A1 – A2)	-	-	-	-	-
Skilled (A3 – B2)	-	-	-	-	-
Highly skilled production (B3–C1)	-	-	-	-	-
Highly skilled supervision (C2 – C3)	-	-	-	-	-
Senior Management & Managers (D1 – E3)	-	-	-	-	-
Total	-	-	-	-	-

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2021

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (E2 – E4)	1	0	0	0	0	0	0	0	1
Senior Management (D4 – E1)	1	1	0	0	0	0	0	1	3
Professionally qualified & experienced specialists and mid-management (D1 – D3)	2	4	0	0	1	3	0	0	10
Skilled technical & academically qualified workers, junior manag, supervisors, foreman & superintendents (C1 – C5)	18	3	0	0	19	5	0	2	47
Semi-skilled & discretionary decision making (B1 – B5)	8	1	0	0	12	7	1	1	30
Unskilled & defined decision making (A2 – A3)	1	2	0	0	4	-	0	0	7
Contracts	4	2	-	1	9	2	-	0	18
Total	35	13	-	1	45	17	1	4	116
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2021

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (E2 – E4)	1	0	0	0	0	0	0	0	1
Senior Management (D4 – E1)	1	1	0	0	0	0	0	1	3
Professionally qualified & experienced specialists and mid-management (D1 – D3)	2	4	0	0	1	3	0	0	10
Skilled technical & academically qualified workers, junior manag, supervisors, foreman & superintendents (C1 – C5)	18	3	0	0	19	5	0	2	47
Semi-skilled & discretionary decision making (B1 – B5)	8	1	0	0	12	7	1	1	30
Unskilled & defined decision making (A2 – A3)	1	2	0	0	4	-	0	0	7
Contracts	4	2	-	1	9	2	-	0	18
Total	35	13	-	1	45	17	1	4	116
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.3 Recruitment for the period 1 April 2020 to 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (E2 – E3)	-	-	-	-	-	-	-	-	-
Snr Management (D4)	-	-	-	-	-	-	-	-	-
Professionally qualified & experienced specialists and mid-management (D1 – D2)	-	-	-	-	-	1	-	1	2
Skilled technical & academically qualified workers, Junior management, supervisors, foreman & superintendents (C1 –C4)	1	1	-	-	2	1	-	-	5
Semi-skilled & discretionary decision making (B1 – B4)	2	-	-	-	4	1	-	-	7
Unskilled & defined decision making (A2– A3)	-	-	-	-	-	-	-	-	-
Temporary employees	-	-	-	-	-	-	-	-	-
Total	3	1	-	-	6	3	-	1	14
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.4 Promotions for the period 1 April 2020 to 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	-	-	-	-	-	-	-	-	-
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.5 Terminations for the period 1 April 2020 to 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-	-
Professionally qualified & experienced specialists and mid-management		-	-	-	-	-	-	-	
Skilled technical & academically qualified workers, junior management, supervisors, foreman & superintendents	-	-	-	-	1	-	-	1	2
Semi-skilled & discretionary decision making	-		-	-	-	-	-	-	
Unskilled & defined decision making	-	-	-	-	-		-	-	
Contracts	3	1	-	1	6	2	-	-	13
Total	3	1	-	1	7	2	-	1	15
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.6 Disciplinary action for the period 1 April 2020 and 31 March 2021

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Corrective Counselling	1	-	-	-	-	-	-	-	-
Written warning	1	-	-	-	-	-	-	-	-
Disciplinary Hearing outcome pending	1	1	-	-	-	-	-	-	
Total	3	1	-	-	-	-	-	-	4

Table 3.6.7 Skills development for the period 1 April 2020 and 31 March 2021

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior managers	1	-	-	-	-	-	-	-	1
Professionally Qualified, Experienced Specialist and Mid Management	5	3	-	1	3	3	-	1	16
Skilled Tech & Academically Qualified Junior Management	16	3	-	-	20	4	-	-	43
Semi Skilled and Discretionary Decision Making	9	2	-	-	17	8	-	-	36
Service and sales workers	-	-	-	-	-	-	-	-	-
Unskilled and Defined Decision Making	1	2	-	-	3	1	-	-	7
Total	32	10		1	43	16		1	103
Employees with disabilities	-	-	-	-	-	-	-	-	-

3.7 Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 March 2021

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Secretary to the Legislature (E4)	1	1	1	100%
Chief Financial Officer (E1)	1	1	1	100%
Senior Managers (D4-D5)	4	4	4	100%
Total	6	6	6	100%

Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2020.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2021

Reasons
n/a

Notes

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

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2021

Reasons
n/a

Notes

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

3.8 Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations.

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2020 and 31 March 2021

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
Asian	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
Coloured	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
White	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
Total	-	-	-	-	-

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2020 and 31 March 2021

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels A1-A2)	-	-	-	-	-	-
Skilled (level A3-B2)	-	-	-	-	-	-
Highly skilled production (level B3-C1)	-	-	-	-	-	-
Highly skilled supervision (level C2-D2)	-	-	-	-	-	-
Total	-	-	-	-	-	-

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2020 and 31 March 2021

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
Total	-	-	-	-	-

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2020 and 31 March 2021

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	-	-	-	-	-	-
Band B	-	-	-	-	-	-
Band C	-	-	-	-	-	-
Band D	-	-	-	-	-	-
Total	-	-	-	-	-	-

3.9 Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

Table 3.9.1 Foreign workers by salary band for the period 1 April 2020 and 31 March 2021

Salary band	01 April 2018		30 June 2018		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	-	-	-	-	-	-
Highly skilled production (Lev. 6-8)	-	-	-	-	-	-
Highly skilled supervision (Lev. 9-12)	-	-	-	-	-	-
Contract (level 9-12)	-	-	-	-	-	-
Contract (level 13-16)	-	-	-	-	-	-
Total	-	-	-	-	-	-

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2020 and 31 March 2021

Major occupation	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
-	-	-	-	-	-	-
-	-	-	-	-	-	-

3.10 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave for the period 1 April 2020 to 31 March 2021

Salary band	Total days	No Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Unskilled & defined decision making (A1-A3)	14	8	3	42.86%	4.67	12 613.31
Semi-Skilled and Discretionary Decision Making (B1-B5)	84	52	15	48.46%	5.60	110 589.30
Skilled Tech & academically qualified Junior Man (Grade C1 -C5)	62	35	16	30.76%	3.88	137 771.04
Professionally qualified, experienced specialists and mid management (D1 to D3)	23	16	7	43.75%	3.28	82 668.18
Executive Management (D4 to E1)	0	0	0	0%	0	0
Top Management (E2 –E4)	0	0	0	0%	0	0
Total	183	111	41	34.75%	4.46	343 641.83

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 April 2020 and 31 March 2021

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Grade A1-A2)	0	0	0	0	0	0
Skilled (Grade A3-B2)						
Highly skilled production (Grade B3-C1)						
Highly skilled supervision (Grade C2-C4)	0	0	0	0	0	0
Top and Senior management (Grade D1-E3)	0	0	0	0	0	0
Total	0	0	0	0	0	0

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.10.4 Annual Leave for the period 1 April 2020 to 31 March 2021

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Unskilled & defined decision making (A1-A3)	130	5	26
Semi-Skilled and Discretionary Decision Making (B1-B5)	431	30	14.36
Skilled Tech & academically qualified Junior Man (Grade C1 -C5)	420	31	13.55
Professionally qualified, experienced specialists and mid management (D1 to D3)	233	15	15.53
Executive Management (D4 to E1)	30	2	15.00
Top Management (E2 –E4)	1	1	1
Total	1245	84	14.82

Table 3.10.4 Capped Leave for the period 1 April 2020 to 31 March 2021

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 202
Unskilled & defined decision making (A1-A3)	0	0	0	0
Semi-Skilled and Discretionary Decision Making (B1-B5)	0	0	0	0
Skilled Tech & academically qualified Junior Man (Grade C1 -C5)				
Professionally qualified, experienced specialists and mid management (D1 to D3)	0	0	0	0
Executive Management (D4 to E1)	0	0	0	0
Top Management (E2 –E4)	0	0	0	0
Total	0	0	0	0

Table 3.10.5 Unpaid Leave for the period 1 April 2020 to 31 March 2021

Salary band	Total days of Taken	No of Employees using Annual Leave	Average per employee
Unskilled & defined decision making (A1-A3)	0	0	0
Semi-Skilled and Discretionary Decision Making (B1-B5)	0	0	0
Skilled Tech & academically qualified Junior Man (Grade C1 -C5)	66	2	33
Professionally qualified, experienced specialists and mid management (D1 to D3)	0	0	0
Executive Management (D4 to E1)	0	0	0
Top Management (E2 –E4)	0	0	0
Total	66	2	33

Table 3.10.6 Annual Leave for the period 1 April 2020 to 31 March 2021

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave payouts on termination of service	-	-	-
Current leave payout on termination of service	199 879.53	2	199 879.53
Total	199 879.53	2	199 879.53

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
-	-
-	-

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

Question	Yes	No	Details, if yes
1. Have the Legislature designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and positions.		x	Not applicable
2. Does the Legislature have a dedicated unit or have you designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		Executive Manager: Corporate Services & Manager: Human Capital Management
3. Have the Legislature introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme		x	As and when required Counselling Rehabilitation Wellness Days
4. Have the Legislature established (a) committee(s) as contemplated in Part VI E5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder (s) that they represent.		x	Not applicable
5. Have the Legislature reviewed the employment policies and practices of the Legislature to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/procedures so reviewed.	x		Code of Good Practice for HIV/AIDS Incapacity due to Ill Health Policy
6. Have the Legislature introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	x		Included Code of Good Practice for HIV/AIDS
7. Do the Legislature encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.		x	No voluntary Counselling and Testing for this reporting period
8. Have the Legislature developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.		x	The Legislature receives quarterly reports from Careways which outlines the Problem profile, utilisation, referrals, service accessed and demographics

3.12. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2020 and 31 March 2021

Subject matter	Date
Collective Agreement signed for the period 1 April 2020 – 31 March 2021	14 October 2020

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2020 and 31 March 2021

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	1	50%
Verbal warning		
Written warning	1	50%
Final written warning		
Suspended without pay		
Fine		
Demotion		
Dismissal		
Not guilty		
Case withdrawn		
Total	2	100%

Awaiting outcome of two disciplinary hearings

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2020 and 31 March 2021

Type of misconduct	Number	% of total
Repetitive Absenteeism	2	50%
Failure to follow reasonable instruction	1	25%
Sexual Harassment	1	25%
Total	4	100%

Table 3.12.4 Grievances logged for the period 1 April 2020 and 31 March 2021

Grievances	Number	% of Total
Number of grievances resolved	1	100%
Number of grievances not resolved	-	
Total number of grievances lodged	1	100%

Table 3.12.5 Disputes lodged with Councils for the period 1 April 2020 and 31 March 2021

Disputes	Number	% of Total
Number of disputes upheld	1	33.3%
Number of disputes dismissed	1	33.3%
Number of disputes settled		
Number of disputes in progress	1	33.3
Total number of disputes lodged	3	100%

Table 3.12.6 Strike actions for the period 1 April 2020 and 31 March 2021

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2020 and 31 March 2021

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	13 Months
Cost of suspension(R'000)	R 829 841.00

3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2020 and 31 March 2021

Occupational category	Gender	Number of employees as at 1 April 2020	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Top Management	Female	-	-	-	-	-
	Male	1	-	-	-	-
Senior Management	Female	1	-	-	-	-
	Male	1	-	-	-	-
Professionally Qualified, Experienced Specialists and Mid Management	Female	3	-	10	-	10
	Male	7	-	11	-	11
Skilled Tech & Academically qualified	Female	27	-	18	-	18
	Male	21	-	4	-	4
Semi – Skilled and Discretionary Decision Making	Female	21	-	38	-	38
	Male	9	-	39	-	39
Unskilled & Defined Decision Making	Female	4	-	2	-	2
	Male	3	-	3	-	3
Temporary/Contract Employees	Female	11	-	-	-	-
	Male	7	-	-	-	-
Sub Total	Female	67	-	68	-	68
	Male	49	-	57	-	57
Additional to the Establishment	Female	-	-	-	-	-
	Male	-	-	-	-	-
Total		116	-	125	-	125

Table 3.13.2 Training needs identified for the period 1 April 2020 and 31 March 2021

Occupational category	Gender	Number of employees as at 1 April 2020	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Top Management	Female	-	-	-	-	-
	Male	1	-	-	-	-
Senior Management	Female	1	-	-	-	-
	Male	1	-	-	-	-
Professionally Qualified, Experienced Specialists and Mid Management	Female	3	-	10	-	10
	Male	7	-	11	-	11
Skilled Tech & Academically qualified	Female	27	-	18	-	18
	Male	21	-	4	-	4
Semi – Skilled and Discretionary Decision Making	Female	21	-	38	-	38
	Male	9	-	39	-	39
Unskilled & Defined Decision Making	Female	4	-	2	-	2
	Male	3	-	3	-	3
Temporary/Contract Employees	Female	11	-	-	-	-
	Male	7	-	-	-	-
Sub Total	Female	67	-	68	-	68
	Male	49	-	57	-	57
Additional to the Establishment	Female	-	-	-	-	-
	Male	-	-	-	-	-
Total		116	-	125	-	125

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2020 and 31 March 2021

Nature of injury on duty	Number	% of total
Required basic medical attention only		%
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total		%

3.14 Utilisation of Consultants

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

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2020 and 31 March 2021

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Leave Management System	1	365	R 27 760.43

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
n/a			

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 20 and 31 March 2021

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
n/a			

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2020 and 31 March 2021

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
-	-	-	-
-	-	-	-

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
-	-	-	-
-	-	-	-

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2020 and 31 March 2021

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
-	-	-	-
-	-	-	-

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2020 and 31 March 2021

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	-	-	-	-
Skilled Levels 3-5)	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-
Highly skilled supervision(Levels 9-12)	-	-	-	-
Senior management (Levels 13-16)	-	-	-	-
Total	-	-	-	-



PART E:
FINANCIAL INFORMATION

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Provincial Legislature set out on pages 118 to 171, which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets, the cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Provincial Legislature as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No.10 of 2009) (FMPPLA).

Basis for opinion

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

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 42 to the financial statements, the corresponding figures for 31 March 2020 were restated as a result of an error in the financial statements of the Provincial Legislature at, and for the year ended 31 March 2021.

Responsibilities of the accounting office for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with Standards of GRAP and the requirements of FMPPLA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, the accounting officer is responsible for assessing the legislature's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the legislature or to cease operations, or has no realistic alternative but to do so.

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

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

Report on the audit of the annual performance report

Introduction and scope

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the legislature's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the legislature enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the legislature's annual performance report for the year ended 31 March 2021:

Programme	Pages in the annual performance report
Programme 3 – Parliamentary Business	51 – 65

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to assess the reliability of the reported performance information to determine whether it was valid, accurate and complete.

16. I did not identify material findings on the usefulness and reliability of the reported performance information for the following programme:

- Programme 3 – Parliamentary Business

Other matters

17. I draw attention to the matters below.

Achievement of planned targets

18. Refer to the annual performance report on pages 38 to 64 for information on the achievement of planned targets for the year and management explanations provided for the under and overachievement of a number of targets.

Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Parliamentary Business. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

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

Annual financial statements

21. The financial statements submitted for auditing were not prepared in accordance with generally recognised accounting practice and, as required by section 56(1) of the FMPPLA. Material misstatements in expenditure identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

22. Payment was not made within 30 days after receipt of an invoice or statement, as required by section 33(2)(e) of the FMPPLA.

Consequence management

23. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 7(e) of the FMPPLA. This was because investigations into irregular expenditure were not performed.

Other information

24. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the

financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.

25. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
26. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
27. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

28. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
29. Leadership did not take appropriate action with regard to a lack of controls in the finance and performance and evaluation directorate to facilitate the continuous monitoring of internal controls which resulted in a misstatements in the submitted financial statements and annual performance report
30. Leadership did not exercise it's oversight responsibility over regular monitoring of compliance with laws and regulations.
31. The internal audit unit did not adequately perform their duties as required by FMPPLA.
32. The Provincial Legislature did not have a functioning audit committee for the entire 2020-21 financial year.

Other reports

33. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the legislature's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
34. The Directorate of Priority Crime Investigation (HAWKS) were investigating allegations of possible irregularities within the Provincial Legislature. The matter was finalised but referred to Director of Public Prosecutions (DPP) for further assessment.

AUDITOR GENERAL

Kimberley

31 August 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence /

Annexure – Auditor-general’s responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



Northern Cape Provincial Legislature

Northern Cape Provincial Legislation
Annual Financial Statements
for the year ended March 2021

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Country of incorporation and domicile	South Africa
Legal form of entity	Provincial Legislature
Nature of business and principal activities	<p>The Northern Cape Provincial Legislature is an activist legislature that champions democracy. The Legislature ensures that fundamental rights of the electorate and inhabitants of the Northern Cape are protected; their integrity respected and that meaningful processes are in place to entrench their freedoms. So, the role played by the Legislature in this regard is to ensure that the Executive Council addresses political, socio-economic challenging the inhabitants of the province.</p>
Registered office	Nobengula Extension Galeshewe Kimberley 8301
Business address	Nobengula Extension Galeshewe Kimberley 8301
Postal address	Private Bag X5066 Kimberley 8300
Bankers	Absa Bank
Auditors	Auditor-General of South Africa
Secretary	Mr P.B. Moopelwa
Attorneys	State Attorney of South Africa

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

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The reports and statements set out below comprise the annual financial statements presented to the Parliament:

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Abbreviations

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

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Accounting Officer's Responsibilities and Approval

The Accounting Officer is required by the Finance Management of Parliament and Provincial Legislatures Act no. 10 of 2009, to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the annual financial statements fairly present the state of affairs of the Legislature as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

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

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

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

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

The Accounting Officer has reviewed the Legislature's cash flow forecast for the year to 31 March 2021 and, in the light of this review and the current financial position, he is satisfied that the Legislature has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 5 to 53, which have been prepared on the going concern basis, were approved by the Accounting Officer on 31 May 2021 and were signed on his/her behalf by:



Mr P.B. Moopelwa
Accounting Officer (Secretary to the Legislature)

Kimberley

Date 31 May 2021

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Statement of Financial Position as at 31 March 2021

Figures in Rand	Note(s)	2021	2020
Assets			
Current Assets			
Inventories	3	-	-
Operating leased asset	4	286 359	67 063
Receivables from exchange transactions	5	1 163 301	2 049 658
Prepayments and advances	6	1 511 037	816 127
Other receivables from exchange transactions	7	142 995	170 602
Cash and cash equivalents	8	1 924 559	6 837 182
		5 028 251	9 940 632
Non-Current Assets			
Property, plant and equipment	9	53 826 654	47 643 674
Intangible assets	10	777 136	246 093
Heritage assets	11	39 000	39 000
Investments	12	312 592	268 274
		54 955 382	48 197 041
Total Assets		59 983 633	58 137 673
Liabilities			
Current Liabilities			
Finance lease obligation	13	61 101	69 079
Payables from exchange transactions	14	24 387 284	18 813 935
Other payables from exchange transactions	15	971 283	26 038
Aid assistance	16	3 807	18 582
		25 423 475	18 927 634
Non-Current Liabilities			
Finance lease obligation	13	188 057	165 982
		188 057	165 982
Total Liabilities		25 611 532	19 093 616
Net Assets		34 372 101	39 044 057
Reserves			
Funds unutilised		1 075 497	6 775 497
Accrued revenue		13 858 131	13 412 998
Accumulated surplus		19 438 473	18 851 652
Total Net Assets		34 372 101	39 044 057

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Statement of Financial Performance

Figures in Rand	Note(s)	2021	2020
Revenue			
Revenue from exchange transactions			
Interest and dividends	17	445 133	1 004 027
Total revenue from exchange transactions		445 133	1 004 027
Revenue from non-exchange transactions			
Other income			
Services-in-kind income	18	10 246 101	9 852 020
Transfer revenue			
Government grants and subsidies	19	194 763 000	225 929 000
Total revenue from non-exchange transactions		205 009 101	235 781 020
Total revenue		205 454 233	236 785 047
Expenditure			
Employee related costs	20	(124 811 123)	(123 243 674)
Transfers and subsidies	21	(47 913 209)	(53 146 112)
Depreciation and amortisation	22	(2 867 009)	(3 735 274)
Payments for financial assets	23	(547 170)	(547 740)
Goods and services	24	(33 236 827)	(46 865 209)
Total expenditure		(209 375 337)	(227 538 009)
Operating surplus/ (deficit)	25	(3 921 104)	9 247 038
Loss on disposal of assets and liabilities			
Fair value adjustments	26	44 318	(119 040)
Impairment loss		(203 171)	(238 897)
Departmental revenue transferred to net assets		(445 133)	(1 004 027)
Revenue transferred to net assets		1 811 000	(5 881 000)
Net Operating/ surplus/ (deficit)		1 207 015	(7 242 965)
Surplus (deficit) for the year		(2 714 089)	2 004 073

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Statement of Changes in Net Assets					
Figures in Rand	Funds utilised	Accrued revenue reserve	Total reserves	Accumulated surplus	Total net assets
Balance at 01 April 2019	15 894 497	12 408 971	28 303 468	17 611 343	45 914 811
Adjustments					
Prior year adjustments	-	-	-	(1 217 258)	(1 217 258)
Restated* Balance at 01 April 2020 as restated*	15 894 497	12 408 971	28 303 468	16 394 085	44 697 553
Changes in net assets					
Surplus for the year	-	-	-	2 004 073	2 004 073
Transfers from accumulated surplus	5 881 000	1 004 027	6 885 027	-	6 885 027
Amounts paid back	(15 000 000)	-	(15 000 000)	-	(15 000 000)
Total changes	(9 119 000)	1 004 027	(8 114 973)	2 004 073	(6 110 900)
Opening balance as previously reported	6 775 497	13 412 998	20 188 495	18 398 158	38 586 653
Adjustments					
Prior year adjustments (Refer to note 42)	-	-	-	(522 672)	(522 672)
Balance at 01 April 2021	6 775 497	13 412 998	20 188 495	17 875 486	38 063 981
Changes in net assets					
Surplus/(deficit) for the year	-	-	-	(2 714 089)	(2 714 089)
Unauthorised expenditure refund	-	-	-	3 881 878	3 881 878
Transfers from accumulated surplus	-	445 133	445 133	-	445 133
Amounts paid back	(5 700 000)	-	(5 700 000)	-	(5 700 000)
Total changes	(5 700 000)	445 133	(5 254 867)	1 167 789	(4 087 078)
Balance at 31 March 2021	1 075 497	13 858 131	14 933 628	19 043 275	33 976 903

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Cash Flow Statement			
Figures in Rand	Note(s)	2021	2020
Cash flows from operating activities			
Receipts			
Appropriation		194 763 000	225 929 000
Interest income		431 102	1 004 028
Receivables		(219 054)	(1 284 596)
		194 975 048	225 648 432
Payments			
Employee costs		(118 130 108)	(121 806 425)
Suppliers		(22 482 372)	(37 666 798)
Interest paid		(13 981)	(35 563)
Grants and subsidies paid		(47 913 209)	(53 146 112)
		(188 539 670)	(212 654 898)
Net cash flows from operating activities	30	6 435 378	12 993 534
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(8 891 911)	(6 562 363)
Purchase of intangible assets		(652 677)	-
Dividend Income		14 031	(13 107)
		(9 530 557)	(6 549 256)
Cash flows from financing activities			
Movement in aid assistance		14 775	(2 216)
Finance lease movements		(14 097)	(231 783)
Repayment of unauthorised expenditure		3 881 878	-
Repayment of unutilised revenue		(5 700 000)	(15 000 000)
		(1 817 444)	(15 233 999)
Net increase/(decrease) in cash and cash equivalents		(4 912 623)	(8 789 721)
Cash and cash equivalents at the beginning of the year		6 837 182	15 626 903
Cash and cash equivalents at the end of the year	8	1 924 559	6 837 182

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
Figures in Rand	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of financial performance						
Revenue						
Revenue from exchange transactions						
Sales of goods and services other than capital assets	242 000	-	242 000	(219 054)	22 946	41
Interest and dividends	3 233 000	-	3 233 000	445 133	2 787 867	41
Total revenue from exchange	3 475 000	-	3 475 000	226 079	2 810 813	
Revenue from non-exchange transactions						
Government grants and subsidies	211 211 000	(16 448 000)	194 763 000	194 763 000	-	
Total revenue from non-exchange transactions	211 211 000	(16 448 000)	194 763 000	194 763 000	-	
Total revenue	214 686 000	(16 448 000)	198 238 000	194 989 079	2 810 813	
Expenditure						
Compensation of employees	135 313 000	(7 787 000)	127 526 000	(118 130 108)	9 395 892	41
Transfers and subsidies	38 761 000	(2 011 000)	36 750 000	(47 913 209)	(11 163 209)	41
Goods and services	37 137 000	(11 571 000)	25 566 000	(22 482 372)	3 083 626	41
Payments for financial assets	-	-	-	(547 170)	(547 170)	
Payment for capital assets	-	4 921 000	4 921 000	(9 544 588)	(4 623 588)	41
Total expenditure	211 211 000	(16 448 000)	194 763 000	(198 617 446)	(3 854 446)	
Deficit before taxation	-	-	-	(3 628 368)	(1 043 633)	
Actual amount on comparable basis as presented in the budget and actual comparative statement	-	-	-	(3 628 368)	(1 043 633)	

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
Figures in Rand	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Reconciliation						
Basis difference						
Services-in-kind income				10 246 101		
Services-in-kind rental expense				(10 246 101)		
Net cash flow from operations				(6 289 418)		
Net changes in working capital				6 796 418		
Impairment loss				203 171		
Other debt written off				547 170		
Depreciation and amortisation				2 867 009		
Fair value adjustments				(44 318)		
Revenue utilised				445 133		
Revenue transferred to net assets				(1 811 000)		
Actual amount in the statement of financial performance				(2 714 089)		

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Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Finance Management of Parliament and Provincial Legislatures Act no. 10 of 2009.

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

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

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

These accounting policies are consistent with the previous period.

1.1 Going concern assumption

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

1.2 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.3 Significant judgements and sources of estimation uncertainty

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

Receivables

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

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

On and receivables, an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition (if practically determinable). Where the effective interest rate at initial recognition is not practically determinable, the government bond rate is used as the risk-free rate and adjusted for any risks specific to the loans and receivables.

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Allowance for slow moving, damaged and obsolete inventory

The write down is included in surplus or deficit.

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the entity is the current bid price.

Impairment testing

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

Value in use of cash-generating assets

The Legislature reviews and tests the carrying value of cash-generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared for expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of the assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with economic factors such as exchange rates, inflation and interest rates.

Value in use of non-cash-generating assets

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

Useful lives of property, plant and equipment and other assets

The Legislature's management determines the estimated useful lives and related depreciation or amortisation charges for all its Property, Plant and Equipment, and Intangible assets taking into account the residual values of the assets at the end of their useful lives.

The useful lives of assets are based on management's estimation. Management annually considered whether there are any indicators that the useful lives and residual values may need to be changed. Management has considered the impact of technology, availability of capital funding and the asset's service requirements in order to determine the optimum useful life expectation where appropriate.

Effective interest rate

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

Impairment of statutory receivables

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity determines the impairment loss. For amounts due to the entity, significant financial difficulties of the statutory receivable, probability that the statutory receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

The impairment loss is measured as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

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Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Impairment of statutory receivables (continued)

In estimating the future cash flows, the entity considers both the amount and timing of the cash flows that it will receive in future. Where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted. An impairment loss recognised in prior periods for a statutory receivable are revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

1.4 Property, plant and equipment

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

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

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

Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

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

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired or provided item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

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

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

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

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

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

Property, plant and equipment are depreciated over their expected useful lives to their estimated residual values. The depreciation charge for each period is recognised in surplus or deficit.

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Accounting Policies

1.4 Property, plant and equipment (continued)

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Computer equipment	Straight line	3 - 7 years
Leased assets	Straight line	2 - 3 years
Transport assets	Straight line	5 years
Furniture and office equipment	Straight line	5 - 10 years
Other machinery and equipment	Straight line	5 - 10 years
Library books	Straight line	20 years

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

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

The Legislature assesses at each reporting date whether there is any indication that the Legislature's expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the Legislature revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate in terms of the Standard of GRAP on Accounting Policies, Changes in Estimates and Errors.

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

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

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

1.5 Intangible assets

An intangible asset is an identifiable, non-monetary asset without physical substance. The Legislature has classified computer software as intangible assets.

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

Intangible assets are initially measured at cost.

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1.5 Intangible assets (continued)

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date, plus any costs incurred per paragraph 30 to 34 of GRAP 31.

Where an intangible asset(s) is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired or provided item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Intangible assets are subsequently carried at cost less any accumulated amortisation and any impairment losses. Amortisation is provided on a straight line basis over the expected useful lives of the intangible assets.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

The useful lives of intangible assets have been assessed as follows:

Item	Amortisation method	Average useful life
Computer software	Straight line	2 years

Intangible assets are derecognised:

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

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

1.6 Heritage Asset

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations. The Legislature has classified art collections, antiquities and exhibits as heritage assets.

Recognition

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

Initial measurement

Heritage assets are initially measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition, plus any acquisition costs incurred as per paragraph 28 to 30 of GRAP 103

Where a heritage asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired or provided item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up

Subsequent measurement

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

Impairment

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

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Accounting Policies

1.6 Heritage Asset (continued)

Derecognition

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

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

1.7 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset

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

Designation

At initial recognition, the entity designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of the entity's objective of using the asset.

The entity designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the entity expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the entity designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of non-cash-generating assets, rather than this accounting policy.

Identification

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

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

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

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of the asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the entity applies the appropriate discount rate to those future cash flows.

Northern Cape Provincial Legislature

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Accounting Policies

1.8 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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

Designation

At initial recognition, the entity designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of the entity's objective of using the asset.

The entity designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The entity designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the entity expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the entity designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of cash-generating assets.

Identification

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

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

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

Value in use

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

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

Depreciated replacement cost approach

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

Northern Cape Provincial Legislature

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Accounting Policies

1.8 Impairment of non-cash-generating assets (continued)

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

Reversal of an impairment loss

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

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

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

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

1.9 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Recognition

The entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1.9 Statutory receivables (continued)

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

The entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the entity levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the entity is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

The entity assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the entity considers, as a minimum, the following indicators:

- significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent;
- it is probable that the debtor will enter sequestration, liquidation or other financial re-organisation;
- a breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied); and
- adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, the entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

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Accounting Policies

1.9 Statutory receivables (continued)

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The entity derecognises a statutory receivable, or a part thereof, when:

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

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.10 Financial instruments

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

Derecognition is the removal of a previously recognised financial asset or financial liability from an Legislature's statement of financial position.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to: - receive cash or another financial asset from another entity; or - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity. A financial liability is any liability that is a contractual obligation to:
 - deliver cash or another financial asset to another entity; or
 - exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Classification

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

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Investments	Financial asset measured at fair value
Receivables from exchange transactions	Financial asset measured at amortised cost
Other receivables from exchange transactions	Financial asset measured at amortised cost

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

Class	Category
Aid assistance	Financial liability measured at amortised cost
Finance lease obligation	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Other payables from exchange transactions	Financial liability measured at amortised cost

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1.10 Financial instruments (continued)

Initial recognition

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

The Legislature recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The Legislature measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability, except for financial assets and liabilities subsequently at fair value, which are measured at fair value. Transaction costs are not included.

Subsequent measurement of financial assets and financial liabilities

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

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

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

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the Legislature establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants will consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the entity calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

Reclassification

Gains and losses

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

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

Impairment and uncollectibility of financial assets

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

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

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (if practically determinable). Where the effective interest rate at initial recognition is not practically determinable, the government bond rate is used as the risk-free rate and adjusted for any risks specific to the financial assets. The carrying amount of the asset is reduced through the use of an allowance account.

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1.10 Financial instruments (continued)

Impairment and uncollectibility of financial assets (continued)

The amount of the loss is recognised in surplus or deficit.

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

Financial assets measured at cost:

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

Derecognition

Financial assets

The Legislature derecognises financial assets using trade date accounting.

The Legislature derecognises a financial asset only when:

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

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

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

Financial liabilities

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

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

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

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1.11 Leases

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

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

Finance leases – lessee

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

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

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

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

Operating leases – lessee

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

The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis over the lease term. Any contingent rents are expensed in the period in which they are incurred.

1.12 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition, plus any cost incurred in terms of paragraph 25 and 26 of GRAP 12.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Current replacement cost is the cost the Legislature incurs to acquire the asset on the reporting date.

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

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

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

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1.13 Reserves

Reserves consist of the unspent portion of annual appropriation and accrued revenue. These reserves can be surrendered funds which can be appropriated again in future periods. This accounting treatment is done in compliance with section 28(2)(b) and 23(1) of the FMPPLA.

1.14 Provisions and contingencies

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

A contingent liability is:

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 30.

1.15 Commitments

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

Disclosures are made in respect of unrecognised contractual commitments which include future capital commitments relating to property, plant and equipment, investment property, intangible assets and heritage assets, as applicable, operational commitments, as well as future commitments relating to operating leases. Refer to note 29 - Commitments.

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

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

1.16 Revenue from exchange transactions

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

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

Measurement

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

Sale of goods

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

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

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1.17 Revenue from exchange transactions

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

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

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

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non contractual) arrangement (see the accounting policy on Statutory Receivables).

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date.

The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

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

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

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

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

Interest, royalties and dividends

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

It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, **and** The amount of the revenue can be measured reliably.

1.18 Grants in aid

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

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

These transfers are recognised in the statement of financial performance as expenses in the period that the event giving rise to the transfer has occurred.

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1.19 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within 12 months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within 12 months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within 12 months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cell phones) for current employees.

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

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

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

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1.19 Employee benefits (continued)

Short-term employee benefits (continued)

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

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

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

Where contributions to a defined contribution plan do not fall due wholly within 12 months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money are consistent with the currency and estimated term of the obligation.

1.20 Borrowing costs

Borrowing costs are interest and other expenses incurred by the Legislature in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

1.21 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 40 - Comparative figures.

1.22 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of Parliament's approved budget or a main division within that budget
- any expenditure from Parliament's approved budget or a main division within that budget for a purpose unrelated to the approved budget or main division, subject to section 22 of the FMPPLA, and
- any expenditure of donor funds for a purpose not specified in the agreement with the donor;.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred and classified in accordance with the nature of the expense. Upon investigation, if a person was found to be liable in law for the unauthorised expenditure that occurred, a receivable is recognised for the recovery of the monies, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

For details on unauthorised expenditure, refer to note 35 - Unauthorised expenditure.

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1.23 Fruitless and wasteful expenditure

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred and classified in accordance with the nature of the expense. Upon investigation, if a person was found to be liable in law for the fruitless and wasteful expenditure that occurred, a receivable is recognised for the recovery of the monies, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

For details on fruitless and wasteful expenditure, refer to note 39 - Fruitless and wasteful expenditure.

1.24 Irregular expenditure

Irregular expenditure as defined in section 1 of the FMPPLA is expenditure, other than unauthorised expenditure, incurred in contravention of this Act or any other application legislation.

For details on irregular expenditure, refer to note 40 - Irregular expenditure.

1.25 Budget information

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

The approved budget covers the fiscal period from 2020/04/01 to 2021/03/31.

The annual financial statements and the budget are not on the same basis of accounting therefore a reconciliation between the statement of financial performance and the budget has been included in the annual financial statements.

1.26 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control over those policies.

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

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

The Legislature is exempt from disclosure requirements in relation to related party transactions if the transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the Legislature to have adopted if dealing with an individual entity or person in the same circumstances; and terms and conditions within the normal operating parameters established by the Legislature's legal mandate.

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1.27 Events after reporting date

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

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

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

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

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

2. New Standards and Interpretations

2.1 The entity has chosen to early adopt the following standards and interpretations:

Standard/ Interpretation	Effective date – Years beginning on/ after	Expected impact
GRAP 104 (amended): Financial Instruments	01 April 2015	Unlikely there will be a material impact

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2021 or later periods:

Standard/ Interpretation	Effective date – Years beginning on/ after	Expected impact
Directive 14: The application of Standards of GRAP by Public Entities that apply IFRS® Standards	01 April 2021	Unlikely there will be a material impact

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2021	2020 Restated*															
3 Inventories																		
Inventory		-	-															
<p>No inventory was written off during the year.</p> <p>Management has taken a decision to discontinue holding inventory during the 2016/17 financial year. Due to the management decision, consumables were procured directly and issued simultaneously to users. Management has assessed the value of inventory and concluded that the cost of internal control does not justify holding inventory nor have a negative impact on the mandate of Northern Cape Provincial Legislature.</p> <p>Reconciliation of inventory</p> <table> <tr> <td>Opening</td> <td style="text-align: right;">84 502</td> <td style="text-align: right;">84 502</td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">1 012 498</td> <td style="text-align: right;">1 148 762</td> </tr> <tr> <td>Issues</td> <td style="text-align: right;">(1 013 249)</td> <td style="text-align: right;">(1 148 763)</td> </tr> <tr> <td>Allowance for obsolete inventory</td> <td style="text-align: right;">(83 751)</td> <td style="text-align: right;">(84 501)</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>-</u></td> <td style="text-align: right;"><u>-</u></td> </tr> </table> <p>Inventory pledged as security</p> <p>No inventory was pledged as security</p>				Opening	84 502	84 502	Purchases	1 012 498	1 148 762	Issues	(1 013 249)	(1 148 763)	Allowance for obsolete inventory	(83 751)	(84 501)		<u>-</u>	<u>-</u>
Opening	84 502	84 502																
Purchases	1 012 498	1 148 762																
Issues	(1 013 249)	(1 148 763)																
Allowance for obsolete inventory	(83 751)	(84 501)																
	<u>-</u>	<u>-</u>																
4 Operating lease asset/(liability)																		
Current assets		286 359	67 063															
Straight-lining liability																		
		<u>286 359</u>	<u>67 063</u>															
5 Receivables from exchange transactions																		
Recoverable Expenditure		254 148	288 770															
Staff debt		476 865	480 621															
Claims recoverable		901 121	908 424															
Less: Allowance for impairment		(1 346 649)	(809 110)															
Unallocated payments		877 815	1 180 952															
		<u>1 163 301</u>	<u>2 049 658</u>															
<p>Receivables pledged as security</p> <p>No receivables from exchange transactions were pledged as security</p> <p>Credit quality of receivables</p> <p>No of the financial assets that have been fully performing have been re-negotiated in the last year</p> <p>Fair value of receivables</p> <table> <tr> <td>Receivables</td> <td></td> <td style="text-align: right;">1 163 301</td> <td style="text-align: right;">2 049 658</td> </tr> </table>				Receivables		1 163 301	2 049 658											
Receivables		1 163 301	2 049 658															

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2021	2020 Restated*
<p>The carrying value, less impairment allowance of receivables, is assumed to approximate their fair values due to their short term nature</p>			
<p>Reconciliation of provision for impairment of trade and other receivables</p>			
Opening balance		(809 110)	(269 454)
Provision for impairment		(1 346 649)	(809 110)
Unused amounts reversed		809 110	269 454
		(1 346 649)	(809 110)
<p>6 Prepayments and advances</p>			
Travel and subsistence		335 251	335 251
Staff allowance		139 518	144 608
Political party advance		700 000	-
Rental deposit		336 268	336 268
		1 511 037	816 127
<p>7 Other receivables from exchange transactions</p>			
Salary control		-	124 135
Medical aid		-	46 467
Debtors control		-	-
Salary control		140 990	-
Garnish orders		2 004	-
		142 995	170 602

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2021	2020
8 Cash and cash equivalents			
Cash and cash equivalents consist of:			
Bank balances		1 920 752	6 780 946
Other cash and cash equivalents		3 807	56 236
		1 924 559	6 837 182

Description: Account number	Bank Statement 31/03/2021	Bank Statement 31/03/2020	Bank Statement 31/03/2019	Cash book 31/03/2021	Cash book 31/03/2020	Cash book 31/03/2019
ABSA Bank - Cheque Account 9-4000-0440	1 920 752	6 780 946	15 568 451	1 920 752	6 780 946	15 568 451
ABSA Bank - Aid Assistance: 40-7866-9107	3 807	56 236	58 452	3 807	56 236	58 452
	1 924 559	6 837 182	15 626 903	1 924 559	6 837 182	15 626 903

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Figures in Rand

9 Property, plant and equipment	2021			2020		
	Cost	Accumulated depreciation and impairment	Carrying Value	Cost	Accumulated depreciation and impairment	Carrying Value
Computer equipment	10 220 319	(6 384 945)	3 835 375	8 382 723	(5 571 886)	2 810 837
Furniture and office equipment	10 014 734	(7 072 191)	2 942 543	9 772 663	(6 244 702)	3 527 961
Leased assets	2 172 850	(1 954 106)	218 744	1 933 234	(1 692 854)	240 379
Library books	876 418	(358 869)	517 549	876 418	(312 156)	564 261
Other machinery and equipment	5 802 728	(3 249 134)	2 553 594	5 689 198	(2 761 254)	2 927 944
Transport assets	7 354 933	(2 520 978)	4 833 956	5 677 604	(2 211 995)	3 465 609
Buildings	38 924 896	-	38 924 896	34 106 682	-	34 106 682
Total	75 366 878	(21 540 222)	53 826 654	66 438 522	(18 794 847)	47 643 674

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Figures in Rand

9 Property, plant and equipment		Reconciliation of property, plant and equipment - 2021					
	Opening balance	Additions	Other changes, movements	Depreciation	Impairment loss	Total	
Computer equipment	2 810 838	1 837 596	-	(813 059)	-	3 835 375	
Furniture and office equipment	3 527 961	242 071	-	(827 489)	-	2 942 543	
Leased assets	240 379	239 616	-	(261 252)	-	218 744	
Library books	564 261	-	-	(46 713)	-	517 549	
Other machinery and equipment	2 927 944	113 530	-	(487 880)	-	2 553 594	
Transport assets	3 465 609	1 880 500	-	(308 983)	(203 171)	4 833 956	
Buildings	34 106 682	4 818 214	-	-	-	38 924 896	
	47 643 674	9 131 527	-	(2 745 376)	(203 171)	53 826 654	

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Figures in Rand

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Other changes, movements	Depreciation	Impairment loss	Total
Computer equipment	2 912 190	862 718	(5 847)	(924 886)	(33 338)	2 810 837
Furniture and office equipment	4 718 738	85 710	-	(1 070 928)	(205 559)	3 527 961
Leased assets	424 815	288 057	-	(472 492)	-	240 380
Library books	589 462	26 775	(2 564)	(49 411)	-	564 261
Other machinery and equipment	3 342 244	154 019	-	(568 319)	-	2 927 944
Transport assets	3 928 511	-	-	(462 902)	-	3 465 609
Buildings	28 673 541	5 433 684	-	-	-	34 106 682
	44 589 501	6 850 963	(8 411)	(3 548 938)	(238 897)	47 643 674

Pledged as security

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

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2021	2020 Restated*
9 Property, plant and equipment (continued)			
		Included within buildings	Total
Reconciliation of Work-in-Progress 2021			
Opening balance		34 106 682	34 106 682
Additions/ capital expenditure		4 818 214	4 818 214
		38 924 896	38 924 896
		Included within buildings	Total
Reconciliation of Work-in-Progress 2020			
Opening balance		28 673 541	28 673 541
Additions/ capital expenditure		5 433 142	5 433 142
		34 106 682	34 106 682

A register containing the information required by the financial management of Parliament and Provincial Legislature Act of 2009 is available for inspection at the registered office of the Legislature

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand

10 Intangible Assets	2021		2020					
	Cost	Accumulated depreciation and impairment	Carrying Value	Cost	Accumulated depreciation and impairment	Carrying Value		
Computer Software	1 574 526	(797 389)	777 136	921 849	(675 756)	246 093		
Reconciliation of intangible assets - 2021								
Computer Software	Opening balance	246 093	Additions	652 677	Amortisation	(121 633)	Total	777 137
Reconciliation of intangible assets - 2020								
Computer Software	Opening balance	426 956	-	-	Amortisation	(180 863)	Total	246 093

Pledged as security

None of the above intangible assets have been pledged as security

A register containing the information required by Section 30 of the Financial Management of Parliament and the Provincial Legislature Act is available for inspection at the registered office of the Legislature

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand

11 Heritage assets	2021		2020	
	Cost	Accumulated depreciation and impairment	Carrying Value	Cost
Arts, collections, antiques and exhibits	39 000	-	39 000	39 000
				Accumulated depreciation and impairment
				Carrying Value
				39 000
Reconciliation of intangible assets - 2020				
Arts, collections, antiques and exhibits			Opening balance	Total
			39 000	39 000
Reconciliation of intangible assets - 2019				
Arts, collections, antiques and exhibits			Opening balance	Total
			39 000	39 000
Pledged as security				
None of the above heritage assets have been pledged as security				

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2021	2020 Restated*
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12 Investments

Listed shares

The Legislature holds 5 251 shares in Sanlam which have an active market value

312 592	268 274
---------	---------

Non-current assets

At fair value

312 592	268 274
---------	---------

Financial Assets at fair value

Fair value hierarchy of financial assets at fair value

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements. The fair value hierarchy have the following levels: Level 1 represents those assets which are measured using unadjusted quoted prices in active markets for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 applies inputs which are not based on observable market data.

Level 1

Sanlam shares

312 592	268 274
---------	---------

The Legislature holds 5 251 shares in Sanlam which have an active market value of R 59.53 per share on 31 March 2021 (2020:R 51.09).

The shares are not pledged as security for any borrowings

13 Finance lease obligation

Minimum lease payments due

- within 1 year

188 057	165 982
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- in second to fifth year inclusive

62 526	69 078
--------	--------

250 583	235 060
---------	---------

less: future finance charges

(1 425)	(11 446)
---------	----------

Present value of minimum lease payments

249 158	223 614
----------------	----------------

Present value of minimum lease payments

- within 1 year

186 632	156 022
---------	---------

- in second to fifth year inclusive

62 526	67 592
--------	--------

249 158	223 614
----------------	----------------

Non-current liabilities

188 057	165 982
---------	---------

Current liabilities

61 101	69 079
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249 158	235 061
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Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2021	2020 Restated*
14 Payables from exchange transactions			
Trade payables		1 777 119	1 600 756
Bonus accruals		2 673 383	2 358 744
Leave accrual		18 212 614	11 877 294
Creditor retentions		1 724 168	2 977 141
		24 387 284	18 813 935
Fair value of trade and other payables			
Trade payables		24 387 284	18 813 935
The carrying value of the trade payables, is assumed to approximate their fair values due to their short term nature			
15 Other payables from exchange transactions			
Garnish orders		-	10 360
Loan		-	6 000
Salary tax debt		8 770	-
Official unions		17 636	8 978
UIF		1 000	700
Medical aid		22 100	-
SARS		921 776	-
		971 283	26 038
16 Aid assistance			
The aid assistance agreement states that funds which are not used should be paid back to LSS, therefore it is disclosed as a payable.			
Opening balance		18 582	20 798
Aid income		-	-
Aid expenditure		(1 800)	(2 216)
Recoverable expenditure		(12 975)	-
		3 807	18 582
17 Interest and dividends			
Interest - financial institutions		431 102	990 921
Dividends - Investment in Sanlam shares		14 031	13 107
		445 133	1 004 027

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2021	2020 Restated*
18 Services in-kind			
Other income			
Services-in-kind income - Relating to rental expenses		<u>10 246 101</u>	<u>9 852 020</u>
<p>The South African Police Services (SAPS) provides National Key Point Access control services to the NCPL at no cost to the Legislature. These services were provided for the entire reporting period.</p> <p>The NCPL received a free service in the form of training for members, funded by National Parliament (Legislature Support Sector Funding).</p> <p>The NCPL occupies complexes which are owned by the Northern Cape Department of Roads and Public Works (NCDRPW). The Legislature occupied these complexes for free and did not pay any cost to NCDRPW. Management determined a market- related rental for the office accommodation similar to the office space provided by the NCDRPW (Refer to Note 24)</p>			
19 Government grants and subsidies			
Operating grants			
Appropriation		<u>194 763 000</u>	<u>225 929 000</u>
<p>Appropriation Included in above are the following grants and subsidies received:</p>			
Annual appropriation		168 108 000	191 878 000
Statutory appropriation		<u>26 655 000</u>	<u>34 051 000</u>
		<u>194 763 000</u>	<u>225 929 000</u>
<p>Government Grants and Subsidies The following reconciliation for Government Grants and Subsidies:</p>			
Balance unspent at beginning of year		6 775 496	15 894 497
Current-year receipts		194 763 000	225 929 000
Conditions met		(194 763 000)	(220 048 001)
Paid during the year		<u>(5 700 000)</u>	<u>(15 000 000)</u>
		<u>1 075 496</u>	<u>6 775 496</u>
<p>The balance is the total of the funds unutilised that form part of the Legislature's reserves.</p>			
20 Employee related costs			
Basic		67 298 291	69 918 811
Bonus provision charge		314 639	332 171
Compensative/circumstantial		8 636 568	13 682 082
Leave pay provision charge		6 335 320	(1 131 116)
Medical aid - company contributions		3 756 163	3 525 891
Non-pensionable allowances		22 060 827	19 850 702
Pension		12 116 468	11 295 006
Service based other expense		13 500	2 207 745
Service bonus		4 071 863	3 352 493
UIF		<u>207 484</u>	<u>209 889</u>
		<u>124 811 123</u>	<u>123 243 674</u>

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2021	2020 Restated*
Remuneration of NC Klaaste - Speaker			
Annual Remuneration		1 156 257	888 898
Public Office Bearers Allowance		120 000	107 742
Contributions to UIF, Medical and Pension Funds		274 658	228 752
Housing allowance		277 726	231 438
Other		150 299	149 774
		1 978 940	1 606 604
Remuneration of M Matika - Deputy Speaker			
Annual Remuneration		913 249	755 712
Public Office Bearers Allowance		120 000	117 742
Contributions to UIF, Medical and Pension Funds		240 846	218 905
Other		331 031	318 708
Other			
Other			
		1 605 126	1 411 067
Remuneration of PB Moopelwa - Secretary			
Annual Remuneration		1 200 067	1 148 389
Car allowance		444 482	425 342
Bonuses		-	152 927
Contributions to UIF, Medical and Pension Funds		1 785	1 785
Housing allowance		353 696	338 465
Other			
		2 000 030	2 066 908
Remuneration of HJ Botha - Executive Manager: Law making and House business			
Annual Remuneration		1 031 565	913 984
Car allowance		38 218	36 572
Bonuses		-	197 877
Contributions to UIF, Medical and Pension Funds		303 561	284 006
Housing allowance		13 298	12 725
Other		198 651	198 981
Other			
		1 585 293	1 644 145
Remuneration of GR Botha - Chief Financial Officer			
Annual Remuneration		1 007 599	964 210
Car Allowance		315 281	301 704
Housing Allowance		48 402	-
Bonuses		-	128 401
Contributions to UIF, Medical and Pension Funds		207 641	202 147
Other		96 805	138 954
		1 675 728	1 735 416

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2021	2020 Restated*
Remuneration of NG Siyo - Acting Executive Manager: Corporate Services			
Annual Remuneration		-	453 155
Acting allowance		-	22 785
Car allowance		-	56 123
Contributions to UIF, Medical and Pension Funds		-	146 331
Housing allowance		-	46 476
Other		-	58 942
		<u>-</u>	<u>783 812</u>

This position of Executive Manager Corporate Service has been vacant since 01 August 2019.

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

Annual Remuneration	789 908	699 484
Acting allowance	157 028	154 707
Car allowance	63 073	60 357
Contributions to UIF, Medical and Pension Funds	151 123	147 137
Housing allowance	42 184	40 368
Other	167 377	160 170
Bonuses	-	151 438
	<u>1 370 693</u>	<u>1 413 661</u>

21 Transfers and subsidies

Departmental agencies	543 763	487 582
Non-profit institutions	47 369 446	52 658 530
	<u>47 913 209</u>	<u>53 146 112</u>

22 Depreciation and amortisation

Depreciation	2 745 376	3 554 411
Amortisation	121 633	180 863
	<u>2 867 009</u>	<u>3 735 274</u>

23 Payments for financial assets

Other debts written off	537 539	539 656
Interest on finance leases	9 631	8 084
	<u>547 170</u>	<u>547 740</u>

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2021	2020 Restated*
24 Goods and services			
Administrative fees		313 041	1 538 759
Advertising		783 737	1 007 631
Auditors remuneration		2 903 915	3 587 175
Bursaries		9 540	133 676
Capital expenditure		49 519	46 890
Catering		69 554	708 410
Communication		2 248 768	1 594 717
Computer expenses		1 779 926	1 726 379
Consultants: Business and advisory services		876 603	1 835 932
Consulting and professional fees		80 040	23 054
Consumables		995 797	1 109 426
Contractors		1 470 894	1 336 055
Entertainment		26 785	19 706
Fleet		382 649	623 634
Interest paid		13 981	35 563
Inventory expenses		20 503	91 501
Operating leases		1 216 775	2 074 461
Other expenses		2 538 422	1 321 783
Penalties and fines		-	287 265
Property payments		2 542 578	2 074 623
Rental expense - services-in-kind		10 246 101	9 852 020
Security		-	43 064
Training		41 655	284 843
Travel and subsistence - local		4 616 268	10 896 504
Travel and subsistence - overseas		-	1 169 590
Venue expenses		9 775	3 442 549
		33 236 827	46 865 209
25 Operating surplus			
Operating surplus for the year is stated after accounting for the following:			
Impairment of sale of property, plant and equipment		203 171	238 897
Depreciation and amortisation		2 867 009	3 735 274
Employee costs		124 811 123	123 243 674
26 Fair value adjustments			
Other financial assets			
• Sanlam investment		44 318	(119 040)
27 Auditors' remuneration			
Fees		2 903 915	3 587 175

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2021	2020 Restated*
28 Operating lease expenses			
Buildings		965 845	1 678 320
Equipment and machinery		250 930	396 141
		1 216 775	2 074 461
29 Travel cost			
Travel - local		4 616 268	10 896 504
Travel - overseas		-	1 169 590
		4 616 268	12 066 094
30 Cash generated from operations			
Surplus		(2 714 089)	2 004 073
Adjustments for:			
Depreciation and amortisation		2 867 009	3 735 274
Revenue utilised		445 133	1 004 027
Fair value adjustments		(44 318)	119 040
Impairment loss		203 171	238 897
Movements in operating lease assets and accruals		219 296	67 063
Payment for financial assets - other debts written off		547 170	547 740
Revenue transferred to net assets		(1 811 000)	5 881 000
Allowance for inventory obsolescence		-	84 501
Services in-kind income		10 246 101	(9 852 020)
Rental expenses services in-kind		(10 246 101)	9 852 020
Changes in working capital:			
Receivables from exchange transactions		(886 357)	(1 335 976)
Other receivables from exchange transactions		(27 607)	170 602
Prepayments and advances		694 911	(119 222)
Payables from exchange transactions		7 726 569	1 673 608
Other payables from exchange transactions		(945 245)	(26 038)
Aid assistance		14 775	2 216
		6 289 418	13 691 461

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2021	2020 Restated*
31 Financial instruments disclosure			
Categories of financial instruments			
2021			
Financial assets			
	At fair value	At amortised cost	Total
Cash and cash equivalents	-	1 924 559	1 924 559
Other receivables from exchange transactions	-	142 995	142 995
Investments	312 592	-	312 592
Receivables from exchange transactions	-	1 163 301	1 163 301
	312 592	3 230 854	3 543 446
Financial liabilities			
		At amortised cost	Total
Finance lease obligation		249 158	249 158
Other payables from exchange transactions		24 387 284	24 387 284
Aid assistance		3 807	3 807
Payables from exchange transactions		24 387 284	24 387 284
		49 027 533	49 027 533
As at 31 March 2020			
Financial assets			
	At fair value	At amortised cost	Total
Cash and cash equivalents	-	6 837 182	6 837 182
Other receivables from exchange transactions	-	170 602	170 602
Investments	268 274	-	268 274
Receivables from exchange transactions	-	2 049 658	2 049 658
	268 274	9 057 442	9 325 716
Financial liabilities			
		At amortised cost	Total
Finance lease obligation		235 061	235 061
Other payables from exchange transactions		26 038	26 038
Aid assistance		18 582	18 582
Payables from exchange transactions		18 813 935	18 813 395
		19 093 616	19 093 616

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2021	2020 Restated*
32 Commitments			
Authorised capital expenditure			
Already contracted for but not provided for			
• Property, plant and equipment		-	3 073 548
		<u>-</u>	<u>3 073 548</u>
Total capital commitments			
Already contracted for but not provided for		<u>-</u>	<u>3 073 548</u>
Authorised operational expenditure			
Already contracted for but not provided for			
• Operational Commitments		<u>775 373</u>	<u>1 252 989</u>
Total operational commitments			
Already contracted for but not provided for		<u>775 373</u>	<u>1 252 989</u>
Total commitments			
Authorised capital expenditure		-	3 073 548
Authorised operational expenditure		<u>775 373</u>	<u>1 252 989</u>
		<u>775 373</u>	<u>4 326 537</u>
Operating leases - as lessee (expense)			
Minimum lease payments due			
- within one year		1 020 142	11 132
- in second to fifth year inclusive		<u>1 158 107</u>	<u>11 132</u>
		<u>2 178 249</u>	<u>11 132</u>

The operating lease disclosure is based on the contracted amounts, i.e.: payments.

Operating lease payments represent rentals payable by the entity for certain of its office properties. Leases are negotiated for an average term of three years and rentals are fixed for an average of three years. No contingent rent is payable. The average escalation rate is 9% and instalments are made on a monthly basis. The termination dates of the leases are 31 March 2023. Some leases have the option to renew on either newly agreed upon terms or continuing with the current terms in place and other leases do not include a renewal clause.

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2021	2020 Restated*
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33 Contingencies

Litigation is in process against Davids for the recovery of monies to the value of R38 703. The claim is in favour of the NCPL (A criminal case is in process and the State Attorney advises to pend civil claim against employee).

Litigation is in process against the Department of Environment and Nature Conservation for the recovery of Provincial Gazette publication debt cost to the value of R15 037. The matter is with finance to finalise the payment.

Litigation is in process against Phokwane Municipality for the recovery of Provincial Gazette publication debt cost to the value of R15 037. Advice was given for the claim to be written off, and the matter is with finance.

Litigation is in process against Kola for the recovery of taxes of R12 655 paid in advance by NCPL on behalf of the former employee. The claim is in favour of the NCPL (A summons is to be issued).

Litigation is in process against Thulare Rabotapi for a claim against the driver of the Speaker, Clive Ricardo Lewis, to the value of R30 606. The State Attorney is assessing the liability.

34 Related parties

Relationships

Controlled entity	Northern Cape Political Party Fund (NCPPF)
Services in kind	refer to 18
Members of key management	refer to 20

NC Klaaste (Speaker)
M Matika (Deputy Speaker)
P.B. Moopelwa (Secretary)
H.J. Botha (Executive Manager: Lawmaking and House Business)
G.R. Botha (Chief Financial Officer)
N.H. Borchard (Acting Executive Manager: Committees, Research and Information Services, Public Education and Communication)

Related party balances

Transfer payments to related parties

Northern Cape Political Party Fund (NCPPF)	16 127 000	14 836 000
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Key management information

Class	Description
Speaker to the Legislature	NC Klaaste
Deputy Speaker	M Matika
Secretary to the Legislature	P.B. Moopelwa
Acting Executive Manager: Lawmaking and House Business	H.J. Botha
Chief Financial Officer	G.R. Botha
Acting Executive Manager: Corporate Services	Vacant
Acting Executive Manager: Committees, Research and Information Services, Public Education and Communication	N.H. Borchard

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2021	2020 Restated*
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35 Risk management

Financial risk management

The Legislature's exposure to financial risk is minimal due to its nature of activities which are wholly funded from the provincial budget. The Legislature is not allowed to borrow funds and issue guarantees.

Liquidity risk

The Legislature's risk to liquidity is a result of the funds available to cover future commitments. The Legislature manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The maturity dates of the Legislature's liabilities are set out below:

Figures in Rand	Less than 1 year		Between 1 and 2 years	
	2021	2020	2021	2020
Finance lease obligation	61 101	69 079	188 057	165 982
Payables from exchange transactions	24 387 284	18 813 935		
Aid assistance	3 807	18 582		
Other payables from exchange transactions	971 283	26 038		
	25 423 475	18 927 634	188 057	165 982

Credit Risk

Credit risk consists mainly of cash deposits, cash equivalents and receivables. The Legislature only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end are as follows:

Financial instruments	2021	2020
Cash and cash equivalents	1 924 559	6 837 182
Other receivables from exchange transactions	142 995	170 602
Investments	312 592	268 274
Receivables from exchange transactions	1 163 301	2 049 658

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2021	2020 Restated*
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Market Risk

Interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes. The Legislature's exposures to interest rates on financial assets and financial liabilities are detailed below:

At year-end, financial instruments exposed to interest rate risk due to being linked to prime interest rate were as follows:

- Cash and cash equivalents
- Finance Lease Obligation

The Legislature's interest rate risk arises from the above financial instruments being linked to the prime interest rate. The prime interest rate is used as a factor in calculating the interest received or interest charged on these financial instruments. Fluctuations in the prime interest rate during the year give rise to a possible interest rate risk affecting the Legislature.

Foreign exchange risk

The Legislature does not enter into significant foreign currency transactions and has had very limited exposure to foreign currency risk.

36 Going concern

We draw attention to the fact that at 31 March 2021, the Legislature had an accumulated surplus of R19 438 473 and that the Legislature's total assets exceed its liabilities by R34 372 101.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The entity is funded by way of grants and is not dependant on the sale of goods or services. Therefore it is not expected that COVID-19 will have a material impact on the ability of the entity to continue as a going concern.

37 Events after the reporting date

COVID-19 will have an effect on every entity in the future. The extent (financial and other) is undetermined. This is an unique event throughout the world and there is no past events to use to simulate an expected outcome. The entity is funded by way of grants and is not dependent on the sale of goods and services. The government funding received by the entity might be influenced in the future and this could have an impact on the functionality of the entity depending on the severity of the change

38 Unauthorised expenditure

Opening balance	3 881 878	3 881 878
Less: Condoned with funding	(3 881 878)	-
Add: Current year unauthorised expenditure	1 811 000	-
	<u>1 811 000</u>	<u>3 881 878</u>

Unauthorised expenditure relates to amount that were overspend in previous years and related cashflow funded from accumulated surplus. It is disclosed as a current receivable as soon as approval is granted by the Legislature and Treasury funds such expenditure. During the year under review the unauthorised expenditure was approved and Treasury funds received.

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2021	2020 Restated*
39 Fruitless and wasteful expenditure			
Opening balance as previously reported		5 160 468	4 837 640
Opening balance as restated		5 160 468	4 837 640
Add: Expenditure identified current period		13 981	322 828
Add: Expenditure identified prior period		-	-
Closing balance		5 174 449	5 160 468
Interest and penalties		13 981	322 828
		13 981	322 828
		2021	2020
Interest and penalties			
40 Irregular expenditure			
Opening balance		20 978 605	20 953 189
Add: Irregular Expenditure - current year		-	25 416
		20 978 605	20 978 605

41 Budget differences

Material differences between budget and actual

The budget and the accounting bases differ. The annual financial statements for the Legislature are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The budget is prepared on the cash basis.

The amounts in the annual financial statements were recast from the accrual basis to the cash basis and reclassified by functional classification to be on the same basis as the final approved budget.

- Compensation of employees underspent with 7% or R9.395M as a result of Political Parties Staff Salaries expenditure allocated to transfers and subsidies for budget year 2020-21
- Goods and services underspent with 12% or R3.083M particularly on traveling and subsistence due to Covid 19 regulations
- Transfer and subsistence overspent with 30% or R11.163M as results of advance to political parties and loss of office gratuity, as well as transfer of Political Party Staff salaries expenditure to Caucus account
- Capital payment were exceed by 94% or R4.623M of the initial budget which is provided by means of retention fees as well as subsequent virements that could not be appropriated on the adjustment budget

Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2021	2020 Restated*
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42 Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

As at 31 March 2020

	As previously reported	Correction of error	Restated
Receivables from exchange transactions	2 913 703	(864 045)	2 049 658
Cash and cash equivalents	6 789 859	(8 913)	6 780 946
Finance lease obligation (current)	434 520	(365 441)	69 079
Payables from exchange transactions	18 006 242	(8 913)	17 997 330
Finance lease obligation (non-current)	257 946	(91 964)	165 982
Work in progress additions	4 616 537	816 604	5 433 142
	33 018 807	(522 672)	32 496 135

Statement of financial performance

As at 31 March 2020

	As previously reported	Correction of error	Restated
Goods and services	46 001 164	864 045	46 865 209
Compensation of employees	134 484 771	(11 241 097)	123 243 674
Transfers and subsidies	41 905 015	11 241 097	53 146 112
Surplus for the year	222 390 950	864 045	223 254 995

Cash flow statement

As at 31 March 2020

	As previously reported	Correction of error	Restated
Suppliers	(40 257 649)	(8 913)	(40 266 562)
	(40 257 649)	(8 913)	(40 266 562)

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Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2021	2020 Restated*
Errors			
The following prior period errors adjustments occurred:			
Error 1			
Finance lease obligations		2020	2019
		91	
Non current liability		964	
		365	
Current liability		441	
Accumulated surplus		(457 405)	
		<u>-</u>	
Error 2			
		2020	2019
		861	
T&S: Domestic		305	
		2	
Entertainment		740	
Receivables from exchange transactions - Unallocated payments		(864 045)	
		<u>-</u>	
Error 3			
		4	
Travel and subsistence - overseas		440	
Travel and subsistence - local		(4 440)	
		<u>-</u>	

43 Comparative figures

Certain comparative figures have been restated due to prior year adjustments. Refer to note 42 for the details.

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