

**THE NORTHERN CAPE PROVINCIAL LEGISLATURE**  
**ANNUAL PERFORMANCE REPORT (APR)**  
**REFLECTING PERFORMANCE AGAINST**  
**PREDETERMINED OBJECTIVES**  
**FOR THE FINANCIAL YEAR**  
**01 APRIL 2019 TO 31 MARCH 2020**



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





Northern Cape  
Provincial Legislature

## **ANNUAL REPORT 2019/2020**

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 2019 to 31 March 2020.**

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**MR. PB MOOPELWA**  
**SECRETARY TO THE LEGISLATURE**  
**15 MARCH 2021**

# NORTHERN CAPE PROVINCIAL LEGISLATURE

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## OFFICE BEARERS



**Hon N Klaaste, MPL (ANC)  
Speaker**



**Hon M Matika, MPL (ANC)  
Deputy Speaker**



**MPL G van  
Staden  
(Chair of chairs ANC)**



**MPL L Koloi  
(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)**



**MPL PSJ Isaacs  
(DA)**



**MPL O Mokae  
(DA)**



**MPL R Liebenberg  
(DA)**



**MPL S Tihale  
(Whip EFF)**



**MPL G Lepolesa  
(EFF)**



**MPL N Baartman  
(EFF)**



**MPL J Coetzee  
(Leader VF Plus)**

## LIST OF ABBREVIATIONS

APP	Annual Performance Plan
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

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PART A:

**GENERAL  
INFORMATION**

## FOREWORD BY THE SPEAKER

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**Hon. N Klaaste- SPEAKER**

It gives me great pleasure to present the Annual Report of the Northern Cape Provincial Legislature for the 2019/20 financial year, on behalf of the Legislature and its Presiding Officers.

This annual report, which is guided by the five-year strategic plan gives a full account of the achievements and shortcomings for the year under review. It also serves as a footprint towards the 6<sup>th</sup> Legislature and a guiding tool that should be used to follow up on



the promises made to our people, in an attempt to address the areas of non-delivery through extensive oversight over the executive arm of government.

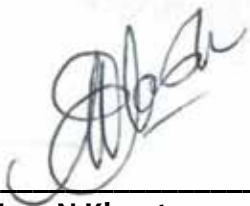
Our people have spoken, and have put their political representatives in the Legislature through their vote. The May 2019 general elections paved a way for the 6<sup>th</sup> Legislature, with the African National Congress being the majority party, the Democratic Alliance as the official opposition, the Economic Freedom Fighters as well as the Freedom Front Plus also being represented in the Northern Cape Provincial Legislature. We thank our communities for making their voices heard and encourage them to continue to exercise their democratic rights.

For the Legislature to contribute towards changing the current landscape of inequality, shortcomings and achievements documented in the annual reports should build on new strategies aimed at improving the lives of the community we serve. Whilst Government has to ensure service delivery to the people, the Legislature has a Constitutional mandate to oversee this critical process and to ensure that the strategic outcomes, and the promises we make to our people, are fulfilled.

I am particularly pleased that the Legislature, under the Parliamentary Business and Public Participation division, has maintained a record of 100% facilitation of public hearings and the submission of NCPL mandate to the National Council of Provinces (NCOP) over the past MTEF period. This indeed emphasizes the commitment to fulfilling a critical component of our Constitutional Mandate, that of public involvement in all legislative processes.

Enhancing public involvement to deepen and entrench a people centred democracy will always remain one of our key policy priorities, to ensure that the Northern Cape community is not only involved in legislative processes but is empowered through the opportunities created by the Legislature.

The Northern Cape Provincial Legislature will continue to strive to be the voice of our people and fulfil their aspirations, as an activist Legislature and maintain to be a "Home for All" to our people in the Northern Cape Province. We shall remain, "Vigilant, Always for our People!"

A handwritten signature in black ink, appearing to read 'N. Klaaste', written in a cursive style. The signature is positioned above a horizontal line.

**Hon. N Klaaste**  
**SPEAKER- Northern Cape Provincial Legislature**

## STATEMENT BY THE DEPUTY SPEAKER

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**Hon. M. Matika- DEPUTY SPEAKER**

The financial year 2019/20 started, like previous years, with a plan to change the lives of the People of the Northern Cape Province. It however, ended with the sad reality of the CoVID-19 pandemic impacting the daily lives; and even changing the conditions which our people were used to. The preservation of life and livelihoods became the central focus of government(s) and institutions globally.



We started the financial year -2019/20 - full of hope and energy.

The 6<sup>th</sup> Legislature finalised its Strategic plan for the next five (5) years which ultimately will serve as the barometer for measuring our performance. This Strategic Plan; a product of comprehensive engagement with ALL relevant stakeholders; clearly articulate the mission of this Legislature term. It states that we will be “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”.

The task ahead – as we know – is not easy but we committed ourselves to service for our people when we took our Oath of Office following the General and Provincial Elections in May 2019.

The Northern Cape Provincial Legislature remained focus on its mandate as envisaged in the Constitution of the Republic of South Africa.

The Committees actively worked towards ensuring the Executive and organs of state account for its work and the resources entrusted to them by means of robust engagement and oversight initiatives. We are pleased to indicate that the Chair of Chairs and Committee Chairpersons continuously strive to streamline the work of committees; thus ensuring Members sufficient space to work in their respective Constituencies.

The Law-making mandate is central to the work of the Legislature. We must congratulate our Members and Communities for their positive contribution to the law-making process. The Province is indeed making its voice heard and weight count in the National Law-making process. We have ensured that the Northern Cape facilitated public hearings or engagement on section 76 legislation and the submission of provincial mandates to the National Council of Provinces (NCOP).

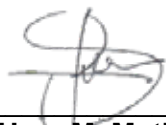
The 6<sup>th</sup> Legislature actively started working in modernising the Northern Cape Provincial Legislature. This, we believe, will provide future Legislators with tools to improve its oversight

work, streamline law-making and ensuring our people actively forms part of the law-making process.

We acknowledge that the work ahead is far from done but must take comfort that the foundation laid by the Speaker, Hon Newrene Klaaste, and Members of this Legislature, can only serve as a springboard for further growth.

We wish to thank the Secretary, Mr PB Moopelwa, for steering the Administration. The work of the Members can only be complete with a competent and capable administration.

Lastly, the Northern Cape Provincial Legislature remain an Activist for Our People and by being Vigilant Always!



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**Hon. M. Matika**  
**DEPUTY SPEAKER- Northern Cape Provincial Legislature**

## REPORT OF THE ACCOUNTING OFFICER

Mr PB Moopelwa- SECRETARY TO THE LEGISLATURE

The South African Government is divided into three arms of state, i.e. legislative, executive and judicial authority. Legislative authority has the power to enact, amend, and repeal legislation and exercise oversight of the executive authority. Executive authority has the power to implement and enforce legal rules and the responsibility to rule the country through different departments and ministries. Judicial Authority has the power to interpret legal rules, and apply them to specific cases, thus making sure that those who do not keep to the law are being



punished. Within the confinements of the law and through the allocated financial resources, the Northern Cape Provincial Legislature likewise exercises a watchdog function over the actions of the executive.

The 2019/2020 financial year effectively marked the end of the fifth (5<sup>th</sup>) term of the Legislature. The Legislature's 5<sup>th</sup> term of office ended in May 2019 following the National and Provincial General Elections in line with section 108 of the Constitution of the Republic of South Africa. Equally, this marked the end of the Legislature's 2015/16-2019/20 Strategic Plan that was developed and adopted at the commencement of the term as a guiding performance framework for the institution. The strategic plan provided a solid foundation to deliver on the institution's constitutional mandate. The plan was further dissected into Annual Performance Plans (APP) on an annual basis to coherently reflect how the set strategic goals and objectives will be attained. Guided by various planning frameworks and principles, all these APPs contained the carefully crafted programme performance indicators with measurable targets for each and every programme in the administration. This Annual Report comprehensively accounts for financial performance, performance achievements and areas of underperformance with a foresight of the tenancy of the term.

Considering that amongst the fundamental pillars of the Legislature's constitutional mandate is the facilitation of public involvement during the process of introducing new laws, all legislatures are expected to put in place systems and mechanisms for this purpose. This is done at the backdrop of one of the founding values of the Republic of South Africa, as set out in the Constitution, is a system of democratic government to ensure accountability, responsiveness and openness. The NCPL has designed its function of Parliamentary Business in such a manner consistent with attainment of this goal.

Under the Parliamentary Business and Public Participation, the Legislature has maintained a record of 100% facilitation of public hearings and the submission of NCPL mandates to the National Council of Provinces (NCOP) over the past MTEF period. As part of the integrated service approach to deliver as envisaged, the Legal Services, with its limited capacity has ensured that over the same period, a total of twelve (12) legislation summaries have been produced as required, such legislations are translated into either of the four (4) prevalent languages in the province. The obligation of submitting both the negotiating and final mandates on all legislations, from the NCPL to the NCOP, have been fully executed and the legislature will continue to perform this function as required. Significantly, this does signal a strong basis of accountability that NCPL has carried without fail, the wishes and aspirations of the people of the Northern Cape in terms of this constitutionally imperatives of section 76 legislations.

The Legislature could not compromise on the above mentioned constitutional mandated responsibilities as this might adversely impact on the trust the citizens have in government and further violate citizens right to participate in law-making and all other legislative processes. It is also worth noting that, public participation in the South African law-making process is essential. South Africa is a participatory democracy and where legislation is passed without facilitating public participation, especially by those members of the public most affected, that will be against the spirit of the constitution. These are amongst other key areas that the Northern Cape Provincial Legislature aims to maintain and even enhance in the 6<sup>th</sup> term of the Legislature for the ultimate good of deepening and entrenching the South Africa's hard earned democracy.

In order for the Legislature to undertake its mandates adequately and relatively to be competitive with the rest of the other Legislatures in the country, the Northern Cape Provincial Legislature's budget nominally grew from R156 million in 2014/2015 to just above R200 million in 2019/2020 financial year representing a growth of R44 million over a five year period. Considering the budget that has been growing at such a disproportionate level to operational demands, in 2016 the Legislature reviewed its organizational structure and this exercise resulted in a reduction of staff compliment from 187 to 156 positions in the structure. At the end of the term, owing to budgetary constraints and related challenges, the Legislature's occupancy rate for critical positions stands at 77.78% as at the end of the 2019/2020 financial year. With the vacancy rate of 28.93%, of which at the Executive Management and Management level, the vacancy rate is 40% and 33.3% respectively, the institution did manage to maintain an overall institutional performance of above 60% of the set performance targets over the term. A breakdown of these performance highlights and the actual expenditure is provided further throughout the report.

At the start of the 5<sup>th</sup> term, as the leadership of the legislature took a firm decision to enhance the institution's governance, to maintain financial prudence, to enforce accountability in the administration and improve the audit outcome. It is an honour for me as the Accounting Officer to report to our stakeholders that, through the collective efforts of management and the rest of the



employees of Northern Cape Provincial Legislature, we have managed to live up to the commitment made in this regard. In 2016/2017 and 2017/2018 NCPL was accorded clean audit for two consecutive financial years by the Auditor General of South Africa. In 2018/2019 and 2019/2020 the institution received unqualified audit opinion with findings not exceeding five in both financial years.

These and other key performance indicators in financial management, performance information and human resource management were not by default or luck. At an appropriate time and space as it was necessary, management moved swiftly to put in place systems and protocols that could enable such performance. Among others, this included introduction of tighter measures in procurement with a clear objective of adherence to the rules and regulations of supply chain management. The finance division had to ensure that there is proper budgeting, managing of expenditure and improvement on the turn-around times in payment of suppliers and processing. In Human Capital, systems were put in place for leave management and other human capital related matters. All these did not occur without challenges and with introduction of new systems such as SAGE system, we intend to continue enhancing the administrative efficiency in the Legislature.

The enactment into law of Financial Management of Parliament and Provincial Legislatures Act No. 10 of 2009 (FMPPLA) brought about systematic changes whereby the act further confers the treasury function of the Provincial Legislature in the Speaker of the Legislature. In order to streamline the budgetary process with the FAMPPA during this term, the Northern Cape Provincial Legislature (NCPL) abandoned the PMTEC forum of the Executive that was in essence not in line with the requirements of the act, in particular the provisions of sections 17 (1) (a) – (d) as well as 17 (2)(c) of the FMPPLA. The NCPL therefore entered into terms of engagements (by way of signing an MOU) between the Speaker to the Legislature and the Member of the Executive Council for Finance. The anticipation with this new process of budget consultations remains to be that the legislature will be treated differently from the rest of provincial departments on the budget allocations in a manner that will enable the institution to effectively discharge its constitutional Mandate despite and or relative to the economic challenges.

Part of the unfortunate legacies that the 6<sup>th</sup> term will unavoidably inherent is stabilization of management and completion of the structural defects and precinct renovation project. For some time, vacancies at the Executive Management could not be filled owing to a number of reasons. The recruitment and selection processes have already began and the anticipation is that appointments will be done in the near future. On the renovation of the NCPL Precinct (structural defects), this project started in 2016 at an initial value of R26 million and readjusted allocation to augment the project fund to the total value of R30 million. This project was primarily aimed at repairing the structural defects of the entire precinct. However, due to unforeseen challenges that has caused serious delays particularly at the project management level, this project have now

went beyond its life span with two (2) years. That being the case, the project remained within its budget and should all plans remain in place, the project is unlikely to go beyond its budget at the completion stage.

The Northern Provincial Legislature provide for the financial and administrative support to all political parties represented at the legislature in line with section 116(2)(c) of the Constitution of the Republic of South Africa. The administration administer three funds aimed at financially supporting political parties represented at the Legislature. These funds include party political funding, caucus fund and constituency fund. In the financial year under review and for all the years during this term, the administration disbursed 100% of these funds all political parties represented in the Legislature. Between the administration and the respective political party, the funds are properly management and accounted for in line with relevant regulations and laws.

As we end this term of office, we pledge the unweaving support and commitment to the 6<sup>th</sup> administration. The administration will continue to provide the necessary support to the Members of Provincial Legislature as required by law. The support staff and the core business staff will maintain the administrative functions and systems that enables MPLs to perform the oversight over the executive and ensure that there is accountability for the public resources. Employees and Members will be supported through various capacity building programmes in the Legislature as part of efforts to build a strong administrative capacity that will deliver on its constitutional mandate.

In conclusion, I am pleased to report to Executive Authority of the Legislature, Members of the Provincial Legislature and all our stakeholders that for the 2019/2020 financial year, the Legislature closes its books on a positive bank balance. Our financial statements as contained in this report shows that of the total allocation of R225 million, 97% of the allocated budget has been spent as appropriated and there are no budget overruns. The underspending of R5.8 million is mainly associated with capital expenditure rolled forward to the next financial year. The Legislature will continue to maintain strong systems that will enable absolute financial prudence at all times.



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**MR PB MOPELWA**  
**SECRETARY TO THE LEGISLATURE**

## 1. OVERVIEW OF THE FINANCIAL RESULTS OF THE LEGISLATURE

### 1.1. DEPARTMENTAL RECEIPTS

Departmental receipts	2019/2020			2018/2019		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Sale of goods and services other than capital assets</b>	229	-	229	216	57	159
<b>Interest, dividends and rent on land</b>	3 064	1 004	2 060	2 901	1 015	1 886
<b>Sale of capital assets</b>	-	-	-	-	-	-
<b>Financial transactions in assets and liabilities</b>	-	-	-	-	14	(14)
<b>Total</b>	<b>3 293</b>	<b>1 004</b>	<b>2 289</b>	<b>3 117</b>	<b>1 086</b>	<b>2 031</b>

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

## 1.2. PROGRAMME EXPENDITURE

Analysis of the 2019/20 financial year									
Programmes	R'000						Budget Full Year	Avail Budget	% Exp on Full Budget
	Exp Q1	Exp Q2	Exp Q3	Exp Q4	Exp YTD				
Administration	17 256	15 891	26 712	22 578	82 437	78 912	3 525	104	
Members Facilities	12 438	13 939	13 226	17 344	56 947	59 747	-2 800	95	
Parliamentary Services	13 197	10 254	15 658	9 479	48 588	53 219	-4 631	91	
Statutory Amounts	6 939	8 275	6 399	10 463	32 076	34 051	-1 975	94	
<b>TOTALS</b>	<b>49 830</b>	<b>48 359</b>	<b>61 995</b>	<b>59 864</b>	<b>220 048</b>	<b>225 929</b>	<b>-5 881</b>	<b>97</b>	

- I. NCPL spent 97% against total available budget, which is 3% lesser than the expected norm of 100% for the year.
- II. The R5.8 million underspending is mainly associated with capital expenditure rolled forward to the next year particularly for Speaker and Deputy's Speaker official cars and building project.
- III. The 4% over spending on administration programme is mainly associated with compensation of employees under the office of the speaker.
- IV. The 10% overspending on transfers is mainly associated with loss of office gratuity paid upon dissolution of 5<sup>th</sup> legislature.
- V. Cash/Budget, savings represented by cash available at year end.

### APPROVAL AND SIGN OFF



**PB MOOPELWA**  
**SECRETARY TO THE LEGISLATURE**  
**DATE: 15 MARCH 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 2020.

Yours faithfully



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**PB MOPELWA**  
**SECRETARY TO THE LEGISLATURE**  
**DATE: 15 MARCH 2021**

## 2. STRATEGIC OVERVIEW

### VISION

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

### MISSION

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

### MOTTO

“Vigilant always for our people”

### VALUES

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

## 3. LEGISLATIVE AND OTHER MANDATES

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

- 3.1.1. The Constitution of the Republic of South Africa;
- 3.1.2. Northern Cape Provincial Legislature Service Act, No.2 of 2011;
- 3.1.3. Powers, Privileges and Immunities of Parliaments and Provincial Legislatures Act, No.4 of 2004;
- 3.1.4. Northern Cape Petitions Act, No. 8 of 2009;
- 3.1.5. Northern Cape Party Political Fund Act, No 7 of 2009;
- 3.1.6. Northern Cape Legislature Witness Act, No 3 of 2013.
- 3.1.7. Financial Management of Parliament Act, No. 10 of 2009 as amended by Act 34 of 2014.
- 3.1.8. Labour Relations Act, No. 66 of 1995 and other related labour legislation;
- 3.1.9. Remuneration of Public Office Bearers Act, No. 92 of 1997;

### **3.2. 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.*

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

The Legislature also abides by the following:

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

### **3.4. New policy mandates during the 5<sup>th</sup> term:**

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

### **3.5. Relevant court rulings in the 5<sup>th</sup> 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

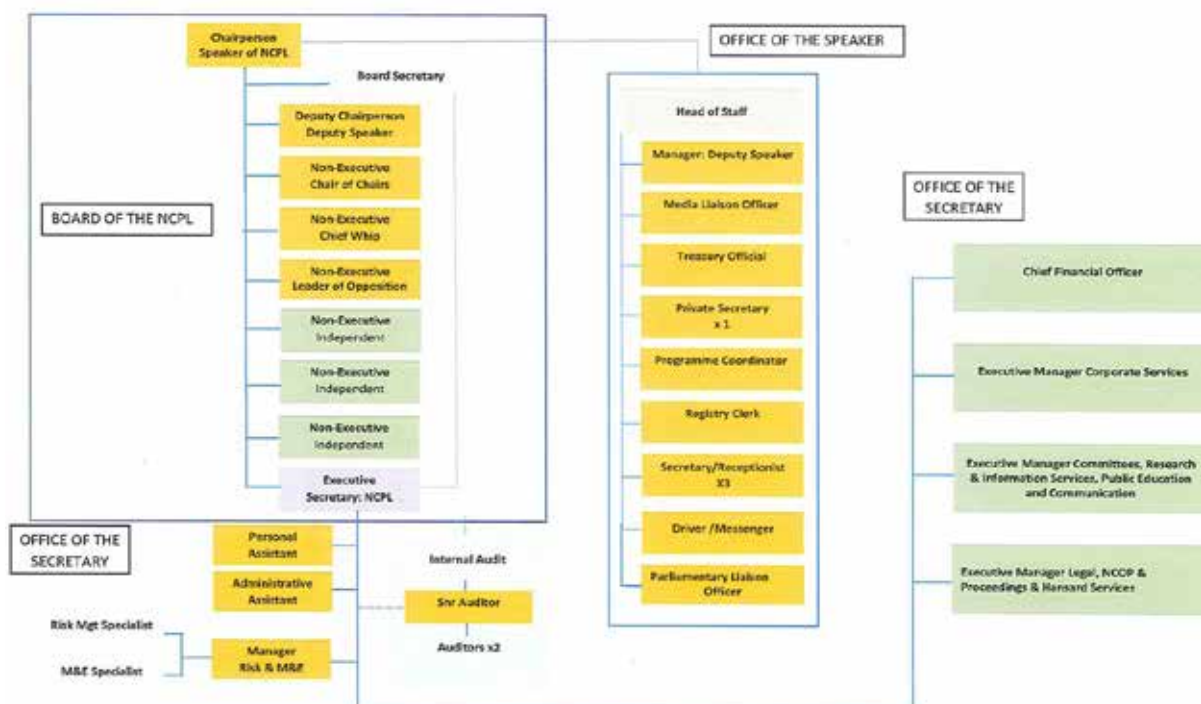
### 3.6. Planned policy initiatives:

Previously, the Speakers Forum has resolved to strengthen and formalize cooperation of Legislatures through legal mechanism, namely the Legislative Sector Bill. The Bill also reaffirms the establishment of the National Bargaining Forum/Council to establish centralized bargaining and regulate labour relations amongst Sector employees. The need for the project started in the previous terms of Legislatures as a result of disparities in the conditions of service and benefits of employees in the Sector. Consultation with stakeholders including all unions and employees in general was conducted.

The progress report on Collective Bargaining for the Legislative Sector was tabled for consideration by the Speakers' Forum (SF) in 2018. The resolution of the SF was that the sector may proceed with the project but being cautious of the fact that more work still need to be done. This will inter alia have to determine the extent of challenges on bargaining, identification of key principles and values that should guide harmonization in the sector as well as exploring the administrative and political implications of the collective bargaining.

## 4. ORGANISATIONAL STRUCTURE

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





## 5. ENTITIES REPORTING TO THE SPEAKER

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

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

PART B:

**PERFORMANCE  
INFORMATION**

## 1. OVERVIEW OF LEGISLATURE PERFORMANCE

### Service Delivery Environment

#### 1.1 Situational analysis

As the Northern Cape Provincial Legislature transitions from the fifth (5<sup>th</sup>) to sixth (6<sup>th</sup>) legislature, at the centre of performance remained commitment to implement the institution's constitutional mandate. The 2019 National and Provincial Legislature has ushered in a new term compounded to continue the constitutional mandate of people centred and democratic Legislature. The Financial Management of Parliament and Provincial Legislature Act) Act 10 of 2009) amongst many other legislative frameworks governing the sector, become an instrumental tool to level up the ground and set ourselves clear policy priorities, outcome orientated goals and objectives on exactly the trajectory we endeavour as a public institution for the people of the Northern Cape.

Post the general elections and commencement of the new term in 2019, the administrative component of the Legislature mainly concentrated on putting systems in place for the establishment of the new legislature in accordance with the constitution of the republic and other frameworks. The constitutional mandate of the Legislature remained that of law-making, oversight and to enforce accountability by the executive as well as to facilitate the public participation in the activities of the legislature, in particular, throughout the processes of developing new laws.

The Annual Performance Plan for 2019/2020 financial year was drawn from the Legislature's 2015/16-2019/20 Strategic Plan that was developed and adopted at the commencement of the term as a guiding performance framework for the institution. The strategic plan provided a solid foundation to deliver on the institution's constitutional mandate. This 5 year plan was further dissected into Annual Performance Plans (APPs) on an annual basis to coherently reflect how the set strategic goals and objectives will be attained. In the next financial year, the new APPs will be developed from the new Strategic Plan for the 6<sup>th</sup> administration.

In terms of our constitutional mandate and purpose for the existence, role and responsibilities of the Provincial Legislature is primarily that of oversight, law-making and public participation. In essence, these services are of great significance given their binding nature and the repute of compliance with the legislation governing the institution. Central to this competency, the space and resources must enable the effective undertaking of the mandate imposed on the Legislature by the constitution and other legal prescripts.

Across all three performance programmes of the Legislature, the programme performance indicators and targets as contained in the APP reflect the exact mandate of the institution. These performance targets as clearly stipulated, the performance therein is monitored and reported on quarterly basis. Section 52 of the Financial Management of Parliament and Provincial Legislature Act makes in mandatory for this aspect of institutional reporting.

## 1.2. Performance environment

The Administration of the Legislature led by Secretary to the Legislature accounts to the Executive Authority of the Provincial Legislature. In this instance Financial Management of Parliament and Provincial Legislatures Act, section 55 directs that for each financial year, the Accounting Officer must prepare an annual report and the purpose therein is to;

- a) Provide a record of the activities of the Legislature's administration during the financial year to which the report relates;
- b) Provide a report on performance of Legislature's administration;
- c) Promote accountability for decisions made during the year by the Legislature's administration.

This report is therefore compiled and submitted to promote the principle of accountability for the services delivered by the entire legislature during the year under review. For the purpose of accountability with measurable indicators, the institutional programme performance is in line with the constitutional mandate and all legal frameworks that governs the role and functions of the Northern Cape Provincial Legislature. Furthermore, in terms the Constitution, the mandate of the Legislature is clearly stipulated as that of the law making, exercising oversight over the executive in ensuring accountability for the use of public funds, as well as facilitating public participation. The NCPL also functions in accordance with different sector frameworks and policies or even benchmark with different best cooperate practices where necessary. Some of those frameworks are:

- a) Monitoring and Evaluation Framework for the South African Legislative Sector of 2013.
- b) NCPL Sector Oversight Model which is the overarching strategy that drives oversight processes of the legislature.
- c) NCPL Performance Information Policy.

In this Annual Report, a summary is developed in line with the institutional performance of the Legislature in terms of the set strategic goals and objectives. The summary provides a link between the set strategic objectives in the 5<sup>th</sup> term of the Legislature and annual programme performance indicators. This therefore provide a measuring tool to measure the average performance of the institution on its set strategic objective making use of the performance of the linked programme performance indicators.

### 1.3. Organisational Environment

Amongst a number of Committees of the Northern Cape Provincial Legislature, one of the critical Standing Committees is the Standing Committee (SC) on Rules which is a committee established and mandated to fulfil an anchor role in the activities of the NCPL including the general and financial management of the NCPL. Further to strengthening the roles of the committee, there are established sub-committees of the SC on Rules specifically to deal with the operational part of the activities of the institution namely the Legislature's Budget, Review of Rules and Parliamentary Practice and Internal Arrangements. The formation of the NCPL is built up as follows:

- a) Seat allocation of a maximum of thirty (30). Seat allocation of the Provincial Legislature is based on proportional representation in accordance with the provisions of the Constitution-Section 105 (2).
- b) The Speaker of the Legislature is the Executive Authority of the Provincial Legislature as contemplated by FMPPLA.
- c) Legislature's configuration of the first term is made up of the Premier of the province, Ten (10) Members of the Executive Council and Nineteen (19) Members of the Provincial Legislature (MPLs) inclusive of the Speaker and the Deputy Speaker of the Legislature.

On the administrative component of the Legislature, the institution adopted a three (3) programme structure. To ensure effective performance and accountability, each sub-programme is headed by an Executive Manager. Key performance areas are in line with the parliamentary function as set out in Chapter 6 of the Constitution of the Republic of South Africa, 1996 as well as the administrative support function rendered by the Administration to Members and officials. The detailed key performance indicators reflect the planned performance of the Northern Cape Provincial Legislature Administration, Members Facilities and Parliamentary Services. The organizational structure provides an opportunity to be optimal, efficient and deliver on its mandate provided the structure was fully funded.

Over and above all the different functions of the Legislature, central to the institution's performance planning and coordination on committees' work is the Office of the Speaker which amongst others houses the Chairperson of Committees (OCoC). This office's primary role is to monitor and evaluate the discharge of mandates by the respective House Committees (Portfolio Committees) and to ensure strategic management of Committees and committee business, thereby ensuring that the mandates of the institution as a whole is delivered. It is mainly through the OCoC that the very core objectives of the institution are actually realized given that the constitutional mandate of the institution is given effect and executed through the House Committees.

## 2. Strategic Outcome Oriented Goals and Summary of 5 year Performance

The Legislature has three (3) strategic goals that are linked to its strategic objectives and operational activities. Institutional performance in line with these strategic goals and objectives, was preliminary reported in the previous financial while anticipating that 2019/2020 as the last financial year of the term, will cover a final and comprehensive report on these strategic targets.

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

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

#### Summary of 5 year Strategic Plan Overview on Strategic Goal 1

At the commencement of the 5<sup>th</sup> Legislature and in line with Strategic Goal number 1, the Legislature initiated and concluded the work-study and institutional skills audit. These exercises were undertaken to streamline and strengthen the institutional operations through a cost effective means of resource allocation and enriched governance structures. The process resulted in a new organisational structure and the implementation soon after it was approved. This structure was introduced with the aim of ensuring that the limited resources at the disposal of the NCPL are optimally, properly and effectively channelled in discharging the mandate of the institution.

Ordinarily, the institution had to develop its five (5) year Strategic Plan which was later approved as the overarching plan that provided for strategic goals, objectives and targets for the Legislature. The strategic objectives contained therein were further condensed to measurable programme performance indicators with clear targets for implementation in each year through the Annual Performance Plan. Between 2014/2015 and 2018/2019 financial years, these performance indicators were shaped and moulded to truly reflect the performance of the institution towards implementing its Strategic Plan. Towards the end of the term, the programme performance indicators of the Legislature increased significantly with other indicators being merged and where necessary, these performance indicators were rephrased to make them much more conformed to the SMART principle.

Going forward, a lot of emphasis needs to be placed on the core business of the NCPL - that of Law making, House Business, Public Participation and Oversight (Programme Three (3)). As detailed in the four (4) previous reports of the institution, the performance of programme three (3), particularly the oversight has been undesirable year on year. Noting the number of challenges from limited resources to inadequate staffing, the institution will have to deliberate on workable solutions in the next strategic planning circle in order to shape the methods and means of performance in core business.

Important observation as evidently espoused in the annual reports is that of the quality and efficacy in delivery of work produced by the administrative support in core business. For an instance, the quality of committee reports and minutes as well as the research analysis provided to the MPLs, as a demonstrable reflection of the actual work of the committees of the legislature to as part of executing their constitutional mandate. The budgetary constraints and or re-prioritization of the available budget, more especially on the personnel budget, could have been the major stumbling block throughout the term.

This observation is closely linked with the fewer number of external house sittings and committee meetings that were undertaken during the term. It is concerning given that this is part of the efforts of taking the legislature to the people which is in line with our strategic goal of entrenching a people centred democracy in the Northern Cape through improved public education and public participation. It will be crucial to reflect on whether throughout the five year term has the pattern of delivery improved or deteriorated. The findings in this regard will serve as a build up in a next strategic plan of how the situation will be addressed in order to improve performance.

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

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

### Summary of 5 Year Strategic Plan Overview Strategic Goal 2

The NCPL did not meet the target to establish the new strategies over the period April 2015 to March 2020 that was to enable the institution to implement the public education, public participation and communication initiatives. However, in line with the Public Participation Framework (PPF) that was approved by the sector at the commencement of the fifth (5th) Legislature, the institution commenced with the customisation of the NCPL PPF but the NCPL Framework is yet to be tabled for approval. In line with the framework, a number of strategic and legislative activities were undertaken by the NCPL in order to fulfil its mandate and objectives. These included Public Participation activities in the form of Public Education, Outreach, School Educational Programmes, Petitions Workshops and External Petitions Hearings.

As an activist Legislature all constituencies, stakeholders, members of the public and stakeholders were targeted to actively participate on consultation forums and issues pertinent to the political and socio-economic development of the country. Section 43 of the Constitution provides that legislative authority of the National Government is vested in Parliament (National Assembly and National Council of Provinces), the Provincial Legislature for provincial Government and Municipal Council for Local Government.

Section 114(2) of the Constitution requires the Provincial Legislature to provide mechanism to ensure that all provincial organs of state are accountable to it and maintain oversight in respect of areas of concurrent and exclusive provincial legislative competence. Section 59, 72 and 118 of the Constitution directs the Legislature towards public participation in the activities of the Institution. In 2016, extensive External Petitions Public Hearings were held to provide petitioners an opportunity to make presentations to the Committee in accordance to the Northern Cape Provincial Legislature Petitions Act Section 9 (1).

In 2016/17 the NCPL and the Legislative Sector marked the 20th anniversary of the signing into law the Constitution of the Republic of South Africa by President Nelson Mandela on 10 December 1996. The NCPL for the 2017/18 financial year joined the Legislative sector in celebrating and



participating in the 20-year anniversary of the constitution and NCOP. By honouring and commemorating the 20 years anniversary the institution hosted a number of activities and events to commemorate this milestone achievement in the history of the country.

The NCPL developed public participation programmes and activities, which supported in line with the guidelines stipulated in the concept document developed by Parliament. All programmes and activities was supported by purposeful communication initiatives aimed to intensify these programmes. These included the NCPL website, NCPL official Facebook page, marketing and print material, advertisements in regional and local newspapers as well as all community radio stations in province.

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

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

**Performance in line with Strategic Goal- The implementation of the NCPL Standing Rules, the Northern Cape Oversight Model, NCPL committee work cycle and Sector based strategic frameworks on an annual basis commencing in April 2015.**

- **NCPL Standing Rules**

The Northern Cape Provincial Legislature has adopted the standing rules as early as the first term of the legislature. These standing rules provides for the protocol and processes in execution of the business of the Legislature, particularly the house business. These standing rules are reviewed annually by the Members of Provincial Legislature with the assistance of the NCOP and Proceedings section and Legal Services of the institution as part of the administrative support. These is done with a sole aim of ensuring that the Legislature as a law making institution, uphold the legislative decorum as would be expected.

During the term that is under review, the Legislature's Rules Book have been consistently reviewed and such this exercise remains an on-going project. The establishment of the different committees and sub-committees of the Legislature is mainly guided by these Standing Rules. The rules empowers committees to execute their constitutional mandate in line with the aspirations of the constitution of the republic. Importantly, the rules ascertain that the processes and actual work of law-making, public participation and oversight on the executive is done in a democratic and transparent manner.

- **Northern Cape Oversight Model and NCPL committee work cycle**

The Legislative Sector adopted the Sector Oversight Model in 2014. This model was customised to cater for the needs of the Northern Cape Provincial Legislature and became the Northern Cape Provincial Legislature Oversight Model. It was adopted during the fourth Legislature and implemented through a phased-in approach. By the end of the 2018/2019 financial year, it was applied across all thirteen (13) provincial budget votes, all entities resorting under the various Departments, as well as the 31 Northern Cape municipalities which were dealt with on an adhoc basis.

During the phased-in approach three (3) departments were dealt with at first – Health, Education and Agriculture. In the financial year 2014/2015 the APPs, budgets, all quarterly reports and annual reports of these three (3) departments were dealt with, whilst the other 10 departments were only scrutinized in terms of their APPs, budgets, 1st quarterly reports and annual reports. During the 2015/2016 financial year, the focus moved to five (5) departments and Public Works and Cooperative Governance, Human Settlements and Traditional Affairs (COGHSTA) were added to the previous year's SOM departments. In the following year, a decision was taken that all thirteen (13) departments will be dealt with in terms of the SOM requirements.

In the 2016/2017 financial year, Members started to do oversight over entities affiliated to departments e.g. Northern Cape Tourism Authority, Northern Cape Liquor Board, Kalahari Kid, McGregor Museum, etc.

In addition, municipal oversight was also conducted over municipalities on their annual reports. However, this was conducted on an ad hoc basis.

During the 2019/2020 financial year committees in the Legislature continued with its oversight responsibilities by engaging with Annual Performance Plan, budgets and Annual Reports of Departments and entities.

### 3. PERFORMANCE INFORMATION BY PROGRAMME

Key performance areas are in line with the parliamentary function as set out in Chapter 6 of the Constitution of the Republic of South Africa as well as the administrative support function rendered by the Administration to Legislature officials and Members. As such, a detailed programme performance indicators and the annual targets reflect the planned performance of the Northern Cape Provincial Legislature Administration, Members Facilities and Parliamentary Services.

Provided below are the programmes and sub-programmes approach of the Legislature in the 5<sup>th</sup> term as modelled in accordance with the implementation of the new organisational structure in terms of performance alignment and reporting:

Programme (Appropriation Level)	Sub-programme (Appropriation Level)	Sub – Sub – Programme (Administrative Level)	
<b>1. Administration</b>	1.1. Office of the Speaker	1.1.1 Office of the Speaker	
		1.1.2 Office of the Deputy Speaker	
		1.1.3 Office of the Chair of Chairs	
	1.2. Office of the Secretary	1.2.1 Secretary Support	
		1.2.2 Strategic Planning & Risk Management	
		1.2.3 Internal Audit	
	1.3. Corporate Services	1.3.1 Executive Manager Support	
		1.3.2 Human Capital	
		1.3.3 Members Affairs	
		1.3.4 Security and Records Management	
	1.4. Financial Management & ITC	1.4.1 CFO support	
		1.4.2 Financial Management	
		1.4.3 Supply Chain Management	
		1.4.4 Information Technology	
	<b>2. MPL and Political Party Support</b>	2.1. Members Facilities	2.1.1 Members Facilities
		2.2. Represented Party Support	2.2.1 Political Parties Support
<b>3. Parliamentary Services</b>	3.1. Law making & House Business	3.1.1. Legal Services	
		3.1.2. NCOP and Proceedings	
	3.2. Public Participation & Oversight	3.1.3. Hansard Services	
		3.1.4. Portfolio Committees	
		3.1.5 Public Education	
		3.1.6. Research and Information Services	

### 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 1:** Strengthen the governance and oversight structure of the Legislature.

**Strategic Objective 2:** To ensure sound financial management and financial accountability in the administration of the Legislature

**Strategic Objective 3:**

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

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

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

- **Strategic Plan targets: Programme 1**

<b>Strategic Objective Title: Strengthen the governance and oversight structures of the Legislature</b>						
<b>Strategic objective statement/ Indicator</b>	<b>Strategic Plan target</b>	<b>Summary of Performance in line with Strategic Plan Target</b>	<b>Estimated performance 2019/2020</b>	<b>Estimated performance 2019/2020</b>	<b>Reasons for deviation/ Comment on performance</b>	
Strengthen the governance and oversight structures of the Legislature by overseeing the financial and financial performance of the Legislature on a quarterly basis, through the establishment and implementation of an institutional governance framework, governance mechanisms and structures by March 2020.	March 2020	Through compliance with the Financial Management of Parliament and Provincial Legislatures Act (Act 10 of 2009) and the Performance Management Policy of 2014, the institutional reporting to the oversight structures has been done consistently and timeously on quarterly and annual basis. This included Quarterly Performance Reports, Budget Expenditure Reports, and Annual Reports to the Rules Committee, Standing Committee and	Timeous reporting to oversight structures	Timeous reporting to oversight structures	Target achieved	

Strengthen the governance and oversight structures of the Legislature by overseeing the financial and financial performance of the Legislature on a quarterly basis, through the establishment and implementation of an institutional governance framework, governance mechanisms and structures by March 2020.	March 2020	The Workplace Skills Plan was regularly enhanced and implemented.	The Workplace Skills Plan was regularly enhanced and implemented.	Implementation of the approved Workplace Skills Plan	Target achieved
Audit Committee. Various governance structures that were also established are the Audit Committee, Risk Management Committee and ICT Steering Committee.	Annually	Security Audit recommendations were received and implemented annually throughout the term.	Addressing security audit recommendations to ensure compliance	Addressing security audit recommendations to ensure compliance	Target achieved





- Annual Performance Targets: Programme 1

**PROGRAMME 1: ADMINISTRATION**

Indicator No.	Performance Indicator	Actual Performance 2018/2019	Actual Performance against planned target		Variance	Reasons for deviation
			Planned Target 2019/2020	Actual Achievement 2019/2020		
<b>SUB-PROGRAMME: OFFICE OF THE SPEAKER</b>						
P1.1	Number of Quarterly Expenditure reports considered by the Rules Committee.	3 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	None	
P1.2	Facilitate Treasury consultation meetings with the MEC for Finance	2 Bi-annually treasury consultation meetings facilitated	2 Bi-annually treasury consultation meetings facilitated	2 Bi-annually treasury consultation meetings facilitated	None	
P1.3	Bi-annual reports on the coordination of protocol activities for institutional events and functions.	No consolidated Reports on Protocol activities undertaken submitted	2 consolidated Reports on Protocol activities undertaken	0	Total deviation	The reporting lines and coordination in the institution in terms of the Legislature protocol activities have been unclear as a result, there were no proper reporting in regard.
P1.4	Number of 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	

**PROGRAMME 1: ADMINISTRATION**

Indicator No.	Performance Indicator	Actual Performance 2018/2019	Actual Performance against planned target		Variance	Reasons for deviation
			Planned Target 2019/2020	Actual Achievement 2019/2020		
P1.5	Number of quarterly Programme Frameworks developed.	4 quarterly programme schedules developed	4 quarterly programme schedules developed	4 quarterly programme schedules developed	None	
P1.6	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	4 quarterly committee performance analysis reports developed	None	
P1.7	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	4 reports on the implementation of House Resolutions developed	None	
P1.8	An annual committee schedule developed	1 Annual committee schedule developed	1 Annual committee schedule developed	1 Annual committee schedule developed	None	

**PROGRAMME 1: ADMINISTRATION**

Indicator No.	Performance Indicator	Actual Performance 2018/2019	Actual Performance against planned target		Variance	Reasons for deviation
			Planned Target 2019/2020	Actual Achievement 2019/2020		
<b>SUB-PROGRAMME: OFFICE OF THE SECRETARY</b>						
P1.9	Number of Institutional policies reviewed and recommended for approval by the Executive Authority.	2 policies reviewed and recommended for approval to the Executive Authority	8 policies reviewed and recommended for approval to the Executive Authority	0	Total deviation	All the policy consultation sessions scheduled during the financial year, were unfortunately postponed due to other commitments. Most of the institutional policies are consultation stages and will be completed in the next financial year.
P1.9	Number of Audit Committee meetings held.	4 Audit Committee meetings not held.	4 Audit Committee meetings not held.	4 Audit Committee meetings not held.	None	
P1.11	Timeous submission of APP.	1 submission of APP.	1 submission of APP.	1 submission of APP.	None	
P1.12.	Timeous submission of QPR to Speaker.	4 submissions of QPR to Speaker.	4 submissions of QPR to Speaker.	4 submissions of QPR to Speaker.	None	
P1.13	Number of Audits Completed by Internal Audit	No Audits completed by Internal Audit	4 Audits Completed by Internal Audit	2 Audits Completed by Internal Audit	Underperformance with 2 Audits	Budgetary constraints limited the number of internal audit performed.

**PROGRAMME 1: ADMINISTRATION**

Indicator No.	Performance Indicator	Actual Performance 2018/2019	Actual Performance against planned target		Variance	Reasons for deviation
			Planned Target 2019/2020	Actual Achievement 2019/2020		
P1.14	Number of risk management reports.	4 risk management reports.	4 risk management reports.	4 risk management reports.	None	
<b>SUB-PROGRAMME: FINANCIAL MANAGEMENT &amp; ITC</b>						
P1.15	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	
P1.16	Number of Reports on the implementation of the Audit Action Plan.	3 Reports on the implementation of the Audit Action Plan.	3 Reports on the implementation of the Audit Action Plan.	3 Reports on the implementation of the Audit Action Plan.	None	
P1.17	Nature of the audit opinion for the financial year.	Unqualified audit opinion with one finding	Clean Audit	Audit is on going	N/A	
P1.18	Number of Quarterly financial reports presented to the Executive Management.	4 Quarterly financial reports presented to the Executive Management.	4 Quarterly financial reports presented to the Executive Management.	2 Quarterly financial reports presented to the Executive Management.	Underperformed with 2 Quarterly financial reports presented to the Executive Management.	The implementation of the ERP System led to delays in generation reliable financial records in quarters.

**PROGRAMME 1: ADMINISTRATION**

Indicator No.	Performance Indicator	Actual Performance 2018/2019	Actual Performance against planned target		Variance	Reasons for deviation
			Planned Target 2019/2020	Actual Achievement 2019/2020		
P1.19	Number of a GRAP compliant Asset register submitted.	New Indicator	2 updated GRAP compliant Asset register submitted.	1 updated GRAP compliant Asset register submitted.	Underperformed 1 updated GRAP compliant Asset register.	There was only 1 updated GRAP compliant Asset register submitted.
P1.20	Number of reports on advertisement of bids on official website of the Legislature.	New Indicator	4 reports on advertisement of bids on official website of the Legislature.	0	Total deviations	For the greater part of the financial year, the Supply Chain Management unit did not have a Manager. This led to poor performance and reporting on performance of the unit.
P1.21	Number of consolidated Demand Management Plans submitted to the Executive Management	New Indicator	2 consolidated Demand Management Plans submitted to the Executive Management.	0	Total deviations	Same as above.
P1.22	Number of reports on the maintenance and update of the NCPL Suppliers Database	New Indicator	2 reports on the maintenance and update of the NCPL Suppliers Database	0	Total deviations	Same as above.
P1.23	Number of reports on the maintenance and update of the NCPL Contracts Register.	New Indicator	1 report on the maintenance and update of the NCPL Contracts Register.	0	Total deviations	Same as above.

**PROGRAMME 1: ADMINISTRATION**

Indicator No.	Performance Indicator	Actual Performance 2018/2019	Actual Performance against planned target		Variance	Reasons for deviation
			Planned Target 2019/2020	Actual Achievement 2019/2020		
<b>SUB-PROGRAMME: COOPERATE SERVICES</b>						
P1.24	Number of Accredited learning and Development Programmes.	2 Accredited learning and Development Programmes.	10 Accredited learning and Development Programmes.	2 Accredited learning and Development Programmes	Underperformance with 8 Accredited learning and Development Programmes	There was a limited budget for the training and development in the financial year.
P1.25	Percentage implementation of the annual security audit.	60% implementation of the annual security audit recommendations	60% implementation of the annual security audit recommendations	60% implementation of the annual security audit recommendations	None	

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

- The Management has taken decision to expedite the Recruitment and Selection process to appoint the Manager for Supply Chain Management unit. This is expected improve the performance of the unit and ensure that there accountability and proper reporting in line with the institution's frameworks. Also it is expected that the disciplinary processes of the CFO will be concluded within the next three months and thus the Financial Management and ICT department will return to stability.
- Management has approved the new policy review model that will reduce the prolonged consultation process on policies. This will give an opportunity to move with speed on the process of policy development and review.
- In the upcoming planning cycle, Rules Committee and its subcommittees such as budget subcommittee will be planned at a high level. The scheduled Rules Committee meetings will be contained in the Annual Performance Plan and this will ensure that there are no deviations in convening of Rules Committee and as result budget and other important matters will be tabled before the committee on quarterly basis.

### **Sub-programme expenditure**

Sub-Programme Name	2018/2019		2019/2020	
	Final Appropriation R'000	Actual Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000
Office of the Speaker	10 824	11 883	13 325	19 495
Office of the Secretary	8 636	6 295	7 524	6 100
Financial Management	25 997	25 976	26 160	28 349
Corporate Services	37 186	31 838	31 903	28 493
<b>Total</b>	<b>82 643</b>	<b>75 992</b>	<b>78 912</b>	<b>82 437</b>
				(Over)/Under Expenditure R'000
		(1 059)	(6 170)	(6 170)
		2 341	1 424	1 424
		21	(2 189)	(2 189)
		5 348	3 410	3 410
		<b>6 651</b>	<b>(3 525)</b>	<b>(3 525)</b>

- Material variance for 2019/20 was as a results of over spending of compensation of employees in the Office of the Speaker. Material variance is also associated with audit fees hosted under Financial Management.

### 3.1.6. Link to other Plans- Institutional Projects: Programme One

IP No.	PLANNED TARGET/ PROJECT NAME	PROJECT DESCRIPTION	ANNUAL TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENT ON DEVIATIONS
IP1	Implementation of Organisational Structure	% of vacant and funded positions filled	80% of vacant and funded positions filled.	8% of vacant and funded positions filled.	Under performance with 72%.	Throughout the financial year, the time frames for recruitment and selection lapse due to the discussions for possible absorption of employees who have been on fixed term contracts for over a long period. These discussions were done with an aim of avoiding litigation and ensuring that employees are not left disadvantaged.
IP2	Implementation of the Organisational Employment Equity Strategy	Transformation – Achieving Employment Equity Targets	1 EE Report of overall target percentage in line with EE Strategy.	1 EE Report of overall target percentage in line with EE Strategy submitted.	None	
IP3	Implementation of the Organisational Wellness Strategy	Improve employee health and wellness through Organisation Wellness programmes	4 x Organisational Wellness Programmes	No well Programme Held	Total deviation	All wellness programmes were cancelled due to budgetary constraints.
IP4	Building a Learning Culture by processing bursary applications	Building a Learning Culture by processing bursary applications	Process 100% bursary applications for 1 <sup>st</sup> and 2 <sup>nd</sup> semester by due dates	100% of bursary applications for 1 <sup>st</sup> and 2 <sup>nd</sup> semester by due dates were processed.	None	
IP5	Technical identification and specification of work for addressing major and minor defects	Addressing major and minor defects of the NCPL Building	Overseeing the structural defects project aimed at addressing all identified structural defects at main facility	Report on overseeing the structural defects project aimed at addressing all identified structural defects at main facility was submitted.	None	
IP6	Development and Submission of NCPL Five Year Strategic Plan.	Develop and submit a new Strategic Plan in line with FMPPLA for the new Legislature term.	1 NCPL Five Year Strategic Plan.	1 NCPL Five Year Strategic Plan produced.	None	



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

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

2.3.2. **Strategic Objective 3:** To empower Members of the Provincial Legislature through financial support.

<b>PROGRAMME 2: MPL AND POLITICAL PARTY SUPPORT</b>						
Indicator No.	Performance Indicator	Actual Performance 2017/2018	Actual Performance against planned target		Variance	Reasons for deviation
			Planned Target 2018/2019	Actual Achievement 2018/2019		
<b>SUB-PROGRAMME 1. MEMBERS FACILITIES</b>						
<b>2. POLITICAL PARTIES SUPPORT</b>						
P2.1	Number of payments made in line with the law, policy and regulations	21 payments made in line with policy and legislation	16 payments made in line with policy and legislation.	16 payments made in line with policy and legislation.	None	
P2.2	% of Spending in line with the budget	100% of the budget spent	100% of the budget spent	100% of the budget spent	None	
P2.3	Number of Accredited Learning & Development Programmes implemented	New Indicator	2 Accredited Learning & Development Programmes implemented	0	Total deviation	The programme for learning and development of Members has been scheduled to start in late 2020 due a focus on induction for the new members.

This programme is mainly structured in response to the constitutional obligation imposed to the Provincial Legislature by the South African Constitution as set out in section 116(2)(c). The NCPL support political parties represented at the Legislature through annual budget allocations and quarterly transfers in respect of the proportional representative formula. For the remainder of the 5<sup>th</sup> legislature term extending into the 6<sup>th</sup> term post the 2019 national and provincial elections, the NCPL transferred amounts in respect of constituency and caucus allowance to the following represented parties:

1. African National Congress (ANC)
2. Democratic Alliance (DA)
3. Economic Freedom Fighters (EFF)
4. Congress of the People (COPE)/ Freedom Front Plus (FF+)

Furthermore, the NCPL and each political party represented, entered into a Service Level Agreement to administrate the payment of salaries to political party staff on behalf of the political party. In addition to payment of salaries, the Service Level Agreement guides the level of administrative support to political parties beyond payment of salaries.

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

The learning and development programmes for new members have been scheduled to take place in second semester of the 2020 academic year.

### 2.3.4. Sub-programme expenditure

Sub- Programme	2018/2019			2019/2020		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Members Facilities	7 594	5 025	2 569	6 879	5 713	1 166
Political Parties Support	53 010	53 766	(756)	52 868	51 234	1 634
<b>Total</b>	<b>60 604</b>	<b>58 791</b>	<b>1 813</b>	<b>59 747</b>	<b>56 947</b>	<b>1 750</b>

- Material variance for 2019/20 was as a result of under spending of members' facilities as well as a compensation of Political Party staff.

#### 2.4. Programme 3: Parliamentary Business

2.4.1. **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.

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

**Strategic Objective 5:** To promote the role of the Legislature by facilitating public participation in the Legislature and Committee processes.

**Strategic Objective 6:** Build a capable and productive parliamentary service.

- **Strategic Plan targets: Programme 3**

Strategic Objective Title 4: To improve oversight through the implementation of the Northern Cape Oversight model					
Strategic Objective Title 5: To promote the role of the Legislature by facilitating public participation in the Legislature and Committee processes					
Strategic Objective Title 6: Build a capable and productive parliamentary service					
Strategic objective statement	Strategic Plan target	Summary of Performance in line with Strategic Plan Target	Estimated performance by 2019/2020	Actual performance by 2019/2020	Comment on performance/ Reasons for deviation
To improve the effectiveness of oversight conducted over the executive through the implementation of the Northern Cape Oversight Model;	the implementation of the Northern Cape Oversight Model by December 2019	The model was customized for the Northern Cape to also make provision for oversight over municipalities and a decision was taken to start with the implementation of the Northern Cape Oversight Model (SOM) with three (3) departments namely Health, Education and Agriculture. In the financial year 2014/2015 the APPs, budgets, all quarterly reports and annual reports of these three (3) departments were dealt with, whilst the other 10	Implementation of the Northern Cape Oversight Model.	The Northern Cape Oversight Model implemented.	Target achieved

<p>ensuring that the executive implements the objectives of the Medium Term Strategic Framework (MTSF 2014-2019) by December 2019.</p>		<p>departments were only scrutinized in terms of their APPs, budgets, 1st quarterly reports and annual reports.</p> <p>During the 2015/2016 financial year, the focus moved to five (5) departments and Public Works and Cooperative Governance, Human Settlements and Traditional Affairs (COGHSTA) were added to the previous year's SOM departments. In the following year, a decision was taken that all thirteen (13) departments will be dealt with in terms of the SOM requirements. Research analyses for APPs, budgets, all quarterly reports as well as annual reports were prepared and availed to Members in order to fulfil their oversight role over the Executive and departments. In the 2016/2017 financial year, Members started to do oversight over entities affiliated to departments e.g. Northern Cape Tourism Authority, Northern Cape Liquor Board, Kalahari Kid, McGregor Museum, etc. and Researchers were requested to prepare analyses on the APPs and annual reports of these entities as well.</p>			
<p><b>Strategic objective statement</b></p>	<p><b>Strategic Plan target</b></p>	<p><b>Summary of Performance in line with Strategic Plan Target</b></p>	<p><b>Estimated performance by 2019/2020</b></p>	<p><b>Actual performance by 2019/2020</b></p>	<p><b>Reasons for deviation</b></p>
<p>Enhanced public involvement in the processes of the legislature to realise participatory democracy through the</p>	<p>Public Participation Framework to be developed and approved</p>	<p>Even the NCPL did not meet the target to develop the new strategies for the period April 2015 to March 2020 that was to enable the institution to implement the public education, public participation and communication initiatives, a significant work was done. However, in line with the of the Public Participation Framework During that was approved by the sector at the commencement of the fifth (5th) Legislature, the institution commenced with the</p>	<p>Public Participation Framework developed and approved</p>	<p>Public Participation Framework was developed but not approved</p>	<p>Target not achieved</p>

<p>implementation the Public Participation Framework by March 2019.</p>		<p>customisation of the NCPL PPF but the NCPL Framework is yet to be tabled for approval. In line with the framework, a number of strategic and legislative activities were undertaken by the NCPL in order to fulfil its mandate and objectives. These included Public Participation activities in the form of Public Education, Outreach, School Educational Programmes, Petitions Workshops and External Petitions Hearings.</p> <p>As an activist Legislature all constituencies, stakeholders, members of the public and stakeholders were targeted to actively participate on consultation forums and issues pertinent to the political and socio-economic development of the country. Section 43 of the Constitution provides that legislative authority of the National Government is vested in Parliament (National Assembly and National Council of Provinces), the Provincial Legislature for provincial Government and Municipal Council for Local Government.</p>			
<p><b>Strategic objective statement</b></p>	<p><b>Strategic Plan target</b></p>	<p><b>Summary of Performance in line with Strategic Plan Target</b></p>	<p><b>Estimated performance by 2019/2020</b></p>	<p><b>Actual performance by 2019/2020</b></p>	<p><b>Reasons for deviation</b></p>
<p>Build a capable and productive parliamentary service that delivers enhanced support to Members of the Legislature in order</p>	<p>Implementation of the Integrated Services model</p>	<p>During the 5<sup>th</sup> term, the administration developed an Intergrated Service Model as planned for parliamentary services at the Legislature. The following set of plans are examples to illustrate that Law-making and House Business clearly operates by way of an Integrated Services Model which also encompass responsibility flow between this division and Committees and Research:</p> <p>I. Integrated Service Plan;</p>	<p>Implementation of the Integrated Services model</p>	<p>Integrated Service model not developed.</p>	<p>Target achieved</p>

<p>that they may efficiently fulfill their constitutional functions</p>		<ul style="list-style-type: none"> <li>II. Project Plan;</li> <li>III. Responsibility Flow chart in respect of processing of Bills;</li> <li>IV. Standards of operation for Legal services;</li> <li>V. Legal Services Policy Register for Summaries;</li> <li>VI. Hansard Policy;</li> <li>VII. Register of transcribing;</li> <li>III. Register of translation.</li> </ul>			
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- Annual Targets: Programme 3

**PROGRAMME 3: PARLIAMENTARY BUSINESS**

Indicat or No.	Performance Indicator	Actual Performance 2018/19	Actual Performance Target Against Planned Target		Variance	Reasons for deviation
			Planned Target 2019/2020	Actual Achievement 2019/2020		
<b>SUB PROGRAMME: LAW MAKING AND HOUSE BUSINESS</b>						
<b>SUB-SUB-PROGRAMME: LEGAL SERVICES</b>						
P3.1	Number of legislation summaries produced	4 legislation summaries produced	4 legislation summaries produced	4 legislation summaries produced	None	
P3.2	Number of compliance manuals produced	1 compliance manual produced	1 compliance manual produced	1 compliance manual produced	None	
P3.3	Percentage of legal advice and opinions provided.	100% legal advice and opinions provided within 2 months of receipt of request.	100% legal advice and opinions provided.	100% legal advice and opinions provided.	None	
<b>SUB-SUB-PROGRAMME: NCOP AND PROCEEDINGS</b>						
P3.4	Number of house sittings held outside the Legislature seat (Kimberley).	3 house sittings held outside the Legislature seat.	1 house sittings held outside the Legislature seat.	0	Total deviation	The transition from 5 <sup>th</sup> to 6 <sup>th</sup> Legislature and the induction of new members were prioritised as a results there were no house sittings held outside the Legislature seat.

**PROGRAMME 3: PARLIAMENTARY BUSINESS**

Indicat or No.	Performance Indicator	Actual Performance 2018/19	Actual Performance Target Against Planned Target		Variance	Reasons for deviation
			Planned Target 2019/2020	Actual Achievement 2019/2020		
<b>SUB PROGRAMME: LAW MAKING AND HOUSE BUSINESS</b>						
P3.5	% of mandates submitted to the NCOP for each Sec 76 bill referred to the NCPL	100% of mandates submitted to the NCOP.	100% of mandates submitted to the NCOP.	100% of mandates submitted to the NCOP.	None	
P3.6	Number of House Sitting held where opportunities to pose questions to the Premier and Executive is created	5 House Sitting held where opportunities to pose questions to the Premier and Executive is created.	2 House Sitting held where opportunities to pose questions to the Premier and Executive is created.	2 House Sitting held where opportunities to pose questions to the Premier and Executive is created.	None	
<b>SUB-SUB-PROGRAMME: HANSARD SERVICES</b>						
P3.7	% of electronic transcripts of House debates available within 5 working days.	90% of electronic transcripts of House debates available within 5 working days	90% of electronic transcripts of House debates available within 5 working days.	92% of electronic transcripts of House debates available within 5 working days	Target exceeded by 2%.	



**PROGRAMME 3: PARLIAMENTARY BUSINESS**

Indicat or No.	Performance Indicator	Actual Performance 2018/19	Actual Performance Target Against Planned Target		Variance	Reasons for deviation
			Planned Target 2019/2020	Actual Achievement 2019/2020		
<b>SUB PROGRAMME: LAW MAKING AND HOUSE BUSINESS</b>						
P3.8	% of public hearings where at least one interpreter for an identified/prevalent language is available.	92% of public hearings where at least one interpreter for an identified/ prevalent language is available.	80% of public hearings where at least one interpreter for an identified/ prevalent language is available	75% of public hearings where at least one interpreter for an identified/ prevalent language is available.	Underperformance with 5%.	For most of the financial year, public hearings were limited.
P3.9	Number of Production of multilingual documents.	25 multilingual documents produced.	30 multilingual documents produced.	8 multilingual documents produced.	Underperformance with 22 production of multilingual documents.	In the first two quarters of the financial year, there were no requests for translation required. The performance of this indicator depends on the requests by other units for translation of documents.

**PROGRAMME 3: PARLIAMENTARY BUSINESS**

Indicator No.	Performance Indicator	Actual Performance 2018/19	Actual Performance Target Against Planned Target		Variance	Reasons for deviation
			Planned Target 2019/2020	Actual Achievement 2019/2020		
<b>SUB PROGRAMME: PUBLIC PARTICIPATION &amp; OVERSIGHT</b>						
<b>SUB-SUB-PROGRAMME: PORTFOLIO COMMITTEES</b>						
P3.10	Percentage of draft Committee reports prepared on the meetings held with provincial departments, and entities and municipalities to monitor and evaluate performance.	100% of Committee reports prepared on the meetings held with provincial departments to monitor and evaluate performance.	100% of Committee reports prepared on the meetings held with provincial departments to monitor and evaluate performance.	100% of Committee reports prepared on the meetings held with provincial departments to monitor and evaluate performance.	None	
P3.11	Number of draft contracts presented to the Chairperson of a respective Portfolio Committee.	13 contracts entered into with departments	13 draft contracts presented to the Chairperson of a respective Portfolio Committee.	13 draft contracts presented to the Chairperson of a respective Portfolio Committee.	None	
P3.12	Percentage of Public Hearings facilitated	100% Percentage of Public Hearings facilitated	100% Percentage of Public Hearings facilitated	100% Percentage of Public Hearings facilitated	None	
P3.13	Number of draft oversights reports produced	3 oversight reports produced	4 oversight reports produced	1 oversight report produced	Underperformance with 3 oversight report.	The Programming Committee scheduled only one oversight visit in the financial year.

**PROGRAMME 3: PARLIAMENTARY BUSINESS**

Indicator No.	Performance Indicator	Actual Performance 2018/19	Actual Performance Target Against Planned Target		Variance	Reasons for deviation
			Planned Target 2019/2020	Actual Achievement 2019/2020		
<b>SUB PROGRAMME: PUBLIC PARTICIPATION &amp; OVERSIGHT</b>						
<b>SUB-SUB-PROGRAMME: PORTFOLIO COMMITTEES</b>						
P3.14	Number of Committee meetings held outside the Legislature seat	5 meetings held outside the legislature seat.	8 meetings held outside the legislature seat	1 meeting held outside the legislature seat	Underperformance with 7 meetings outside the legislature seat	In terms of the Legislature Programme, there was only 1 committee meeting scheduled to take place outside the seat of Legislature.
3.15	Percentage of draft Committee minutes available to the line manager within 5 days after the meeting	88% of committee minutes made available within 5 days after the meeting	100% of committee minutes available within 5 days after the meeting	72% committee minutes available within 5 days after the meeting.	Underperformance with 28% committee minutes available within 5 days after the meeting.	The lack of discipline in the unit has resulted in some of the committee meetings submitted late.
P3.16	Percentage of House Resolutions communicated to Executive and the Legislature after being tabled and adopted within 7 days after the House Sitting.	71% of House Resolutions have been 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 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.	Underperformance with 12% on House Resolutions communicated to executive and the Legislature after being tabled and adopted within 7 days after the House Sitting.	The lack of discipline in the unit has led to staff responsible for communication with departments submitting resolutions after 7 days. However, all resolutions were communicated to the executive and legislature.

**PROGRAMME 3: PARLIAMENTARY BUSINESS**

Indicator No.	Performance Indicator	Actual Performance 2018/19	Actual Performance Target Against Planned Target		Variance	Reasons for deviation
			Planned Target 2019/2020	Actual Achievement 2019/2020		
<b>SUB PROGRAMME: PUBLIC PARTICIPATION &amp; OVERSIGHT</b>						
<b>SUB-SUB-PROGRAMME: PUBLIC EDUCATION</b>						
P3.17	Number of public education programmes held	129 public education programmes were held.	120 public education programmes held	37 public education programmes held	Underperformance with 83 public education programmes.	Budgetary contains owing to re-prioritization of the activities on the transition from 5 <sup>th</sup> Legislature to the 6 <sup>th</sup> Legislature.
P3.18	Number of public educational tours to the NCPL building	0 public educational tour to the NCPL building was done.	20 public educational tours to the NCPL building	0	Total deviations	The construction work at Legislature building has been on-going and as a result, public educational tours to the building were discouraged.
P3.19	Number of public education / communication products.	27 public education / communication products were produced.	16 public education / communication products.	29 public education / communication products.	Over performance with 13 public education / communication products.	The inauguration of the 6 <sup>th</sup> Legislature led to more communications products to keep the public informed about developments at the Legislature hence the over performance as recorded.

**PROGRAMME 3: PARLIAMENTARY BUSINESS**

Indicator No.	Performance Indicator	Actual Performance 2018/19	Actual Performance Target Against Planned Target		Variance	Reasons for deviation
			Planned Target 2019/2020	Actual Achievement 2019/2020		
<b>SUB PROGRAMME: PUBLIC PARTICIPATION &amp; OVERSIGHT</b>						
<b>SUB-SUB-PROGRAMME: PUBLIC EDUCATION</b>						
P3.20	Number of reports submitted to Standing Committee on Constitutional Affairs, Public Participation and Petitions on Petitions and Public Participations held.	4 reports submitted to Standing Committee on Constitutional Affairs, Public Participation and Petitions on Petitions and Public Participations held were submitted.	4 reports submitted to Standing Committee on Constitutional Affairs, Public Participation and Petitions on Petitions and Public Participations held.	4 petitions reports were submitted to Standing Committee on Constitutional Affairs, Public Participation and Petitions on Petitions and Public Participations held.	None	
P3.21	Updates on NCPL Website	3 updates on the NCPL Website were made.	24 updates on the NCPL Website	7 updates on the NCPL Website were made	Underperformance with 17 website updates.	For most of the financial year, the institution's website was not functional due to the arrangement with SETA that was not concluded timeously Due to limited capacity and budgetary constraints, Legislature depends on the assistance of SETA to provide website updates.

**PROGRAMME 3: PARLIAMENTARY BUSINESS**

Indicator No.	Performance Indicator	Actual Performance 2018/19	Actual Performance Target Against Planned Target		Variance	Reasons for deviation
			Planned Target 2019/2020	Actual Achievement 2019/2020		
<b>SUB PROGRAMME: PUBLIC PARTICIPATION &amp; OVERSIGHT</b>						
<b>SUB-SUB-PROGRAMME: RESEARCH AND INFORMATION SERVICES</b>						
P3.22	Number of Research Reports (Analyses) produced and submitted to immediate line manager.	51 Research Reports (Analyses) produced and submitted to immediate line manager.	64 of Research Reports (Analyses) produced and submitted to immediate line manager.	38 of Research Reports (Analyses) produced and submitted to immediate line manager.	Underperformance with 26 of Research Reports (Analyses) produced and submitted to immediate line manager.	The Legislature was confined to more prescriptive processes that were followed during the establishment of 6 <sup>th</sup> Legislature and Committees of the Legislature in line Constitution after the May 2019 General Elections. As a result, Committee work effectively began in the second quarter.
P3.23	% of research Report (Analyses) made available 2 days prior to the meeting.	80% of research Report (Analyses) made available 2 days prior to the meeting.	85% of research Report (Analyses) made available 2 days prior to the meeting.	82% of research Report (Analyses) made available 2 days prior to the meeting.	Underperformance with 3% of Research Report (Analyses) made available 2 days prior to the meeting.	There are limited Researchers and that places capacity constraints in the unit. Deadline of 2 days normally becomes a challenge as one Researcher is assigned to more than three departments.
P3.24	Percentage of information requests processed	100% Percentage of information requests processed.	100% Percentage of information requests processed.	100% Percentage of information requests processed.	None	

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

During the national and provincial election year, there are processes that are beyond the authority of the legislature alone. There are critical dates that are announced ahead of the elections which to some great extent affect the planning cycle and actual performance of the legislature which also have framework of compliance significance. For an example APPs are tabled more than three months ahead of the President of the Republic announces the election dates. Followed by this become the tasks to constitute the Legislature and its Committees, the time frames thereof also cannot be easily predictable as they are informed by number factors during and post elections. In future, all these important dates and tasks aligned with national and provincial elections will be strongly factored into the planning cycle in order to set performance targets to much reasonable levels. In doing this, the underperformance in core business that is committees, public participation and parliamentary services, will be better forecasted and managed.

### 2.4.4. Sub-programme expenditure [Finance to submit updated information post audit]

Sub- Programme Name	2018/2019			2019/2020		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Public Participation and Oversight	31 980	33 935	(1 955)	37 263	32 842	4 421
Law making and House Business	19 296	14 108	5 188	15 956	15 746	210
<b>Total</b>	<b>51 276</b>	<b>48 043</b>	<b>3 233</b>	<b>53 219</b>	<b>48 588</b>	<b>4 631</b>

- Material variance for 2019/20 was due to underspending on compensation of employees as a result of vacancies within the programme.

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. There are oversight structures which mandated by the various legislation frameworks in the sectors and or Treasury. In some instances where the sector has not completed the governance frameworks, the Legislature opt to for the replica of the norms and standards of the other arms of the state. In that way, the best practices as practiced in other sector closes the gapes that would exists in our structures.

In the Legislature, depending on the type of the governance structure, a structure would be established by the Speaker or the Secretary to the Legislature. All of these governance structures work towards one common goal and consistently advice on mitigations, actions and means appropriate to improve or enhance further the institution's systems of operations. On an annual basis, these governance structures are budgeted for and provided with adequate administrative support to execute their mandate. In order to keep internal control systems well intact, the institution is dependent on their advice and guidance to continue improving.

Currently, due to limited resources, the legislature have opted for a co-sourcing approach on the Internal Audit function. Both the external service provider and the Internal Auditor of the institution execute the functions of Internal Auditing even though as such the scope would be limited as a result of limited resources at our disposal.

## **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 maintain 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.

The Risk Management Committee (RMC) is an oversight committee established by the Secretary in terms of the Northern Cape Provincial Legislature's Risk Management Charter. The committee comprises of twelve members whom are internal employees at management level and is chaired by an external candidate who is a Senior Manager at Northern Cape Provincial Treasury. Due to some unforeseen challenges, the committee could not be as effective as it should have been in the financial year under review. The relevant office will sort alternatives to revive the RMC.

### **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**

The Annual Report of 2018/2019 tabling to SCOPA was delayed due to late submission of the Annual Report and Annual Financial Statements for audit by AGSA.

## **8. INTERNAL AUDIT REPORT**

This Internal Audit Annual Report of the Northern Cape Provincial Legislature Audit Committee and Internal Audit function, is covering the internal audit activities for the period 1 April 2019 to 31 March 2020.

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

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

## **Introduction**

The purpose of this report is to summarise the activities of the internal audit function throughout the 2019/2020 financial year.

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

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

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

Due to circumstance beyond the control of the Internal Auditor, the program of work had to be reduced.

## **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<sup>3</sup>. Objectivity is presumed to be impaired if an Internal Auditor provides assurance services for an activity for which the internal auditor had responsibility within the previous year.

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.

## **Organizational 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.

## **Internal Audit Co-sourced**

The internal audit function of the NCPL was not co-sourced for the current fiscal year (FY) 2019/20. The internal audit unit co-source the internal audit activity every year to assist the Internal Audit Department due to the following reasons:

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

Although the function is co-sourced, the internal audit budget was severely constraint which lead to certain functions of the internal audit plan not being fulfilled.

## **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 Risk Management Plan
    - Business Continuity Plan;
    - Fraud and Corruption Plan;
    - Financial Plan;
    - Quality Assurance;
    - regulatory matters;
    - implementation of recommendations
    - 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 were not 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:

Internal Audit Charter;

- 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.

## **Attendance register for Audit Committee meetings 2019/20**

The Audit Committee Charter requires the Committee to meet at least four times per year, with one of these meetings to include review and endorsement of the annual audited financial reports and external audit opinion.

## **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

The Audit Committee is pleased to present its report for the financial year ended 31 March 2020 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:

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

#### *Meeting attendance*

Name	Qualification	Role	No Meetings Scheduled	No Meetings Attended
Adv. J. Lubbe SC	Senior Advocate (B. Juris LLB)	Chairperson	2	2
Mr J. Besnaar (CA) SA	Chartered Accountant South Africa	Member	2	2
Adv. N. van Heerden	Advocate (BA LLB)	Member	2	1

The committee held two (2) formal meetings during the 2019/20 financial year. The committee considered the Annual Financial Statements and Annual Performance Report prepared by Executive Management and recommended adoption to the Executive Authority subject to certain amendments.

The Audit Committee provided written reports to the Executive Management that summarise the committee's findings and recommendations.

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

### **AUDIT COMMITTEE RESPONSIBILITY**

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 municipality. The audit committee is concerned that in certain instances the matters reported by the external auditors and the internal audit function 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.

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 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 2019/20 annual plan.

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

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

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 were not submitted for auditing within two months after the end of financial year to the Auditor General of South Africa, as required by section 57(a) of the FMPPL Act.

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 November 2020. The Chairperson and members of the Audit Committee confirmed their end of term on approval of the annual report for the 2018/19 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 currently in the process of reducing the vacancy rate and ensuring that the vacant funded positions are permanently filled through recruitment and selection processes. 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.

### **Human Capital intends to address the following Priorities:**

- 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. IMPLEMENTATION OF THE ORGANISATIONAL STRUCTURE**

The appointment of one (1) African female appointed during the month of November 2019 in a management position, this was part of the Legislature's effort to meet the employment equity targets.

The following positions were advertised to strengthen the management of the institution.

- Executive Manager: Committees, Research and Information Services, Public Education and Communication
- Executive Manager: Corporate Services
- Manager: Finance Manager: Risk, Monitoring and Evaluation
- Manager: SCM
- Manager: Committees

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 (14) 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. Offering of bursaries to employees further supports the Legislatures objective to ascertain that employees are trained, developed and skilled in various related areas.

### 1.3. EMPLOYEE WELLNESS

The Northern Cape Provincial Legislature employees are comfortable accessing the Employee Wellness Program (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 very good, and 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 2019/20

Period	No. of Cases	Annualised Utilisation Rate <sup>1</sup>
	160 Employees	
Northern Cape Provincial Legislature Apr – Jun 2019	5	12.50%
Northern Cape Provincial Legislature Jul – Sep 2019	4	10.00%
Northern Cape Provincial Legislature Oct – Dec 2019	6	15.00%
Northern Cape Provincial Legislature Jan – Mar 2020	5	12.50%
Government Sector Jan – Mar 2020	-	7.61%
Careways Benchmark Jan – Mar 2020	-	9.57%

The Northern Cape Provincial Legislature could not attend the 6<sup>th</sup> National Inter- Legislative Games which were held in Kwazulu- Natal from 28 November to 01 December 2019 due to budget constraints, it was earmarked as an Organizational Wellness Programme for this reporting period. Another wellness event was planned for the last quarter for the 20<sup>th</sup> of March 2020, however it was postponed due to the pandemic. 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.

<sup>1</sup> 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 PROGRAMME

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 6<sup>th</sup> 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 6<sup>th</sup> 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 will take place virtually on-line. The 2020/21 academic year will commence during July 2020.

## 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 2019 and 31 March 2020*

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	51 189	51 034	77	155		51,48%	663
Members Facilities	11 241	11 241	79			11,34%	142
Parliamentary Services	37 012	36 857	45	155		37,18%	819
<b>Total</b>	<b>99 441</b>	<b>99 131</b>	<b>201</b>	<b>310</b>	<b>0</b>	<b>100%</b>	<b>493</b>

*Table 3.1.2 Personnel costs by salary band for the period 1 April 2019 and 31 March 2020*

<b>Salary band</b>	<b>Personnel expenditure (R'000)</b>	<b>% of total personnel cost</b>	<b>No. of employees</b>	<b>Average personnel cost per employee (R'000)</b>
Lower Skilled (Grade A1–A3)	5 159	5,19%	15	<b>344</b>
Skilled (Grade B1–B5)	19 756	19,87%	38	<b>520</b>
Highly skilled production (Grade C1-C5)	38 711	38,93%	46	<b>842</b>
Senior Management and Top Management(Grade D2–E2)	23 799	23,93%	20	<b>1190</b>
Other (Public Party Support Services)	12 017	12,08%	82	<b>147</b>
<b>Total</b>	<b>99 441</b>	<b>100.00%</b>	<b>201</b>	<b>495</b>

*Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2019 and 31 March 2020*

<b>Programme</b>	<b>Salaries</b>		<b>Overtime</b>		<b>Home Owners Allowance</b>		<b>Medical Aid</b>	
	<b>Amount (R'000)</b>	<b>Salaries as a % of personnel costs</b>	<b>Amount (R'000)</b>	<b>Overtime as a % of personnel costs</b>	<b>Amount (R'000)</b>	<b>HOA as a % of personnel costs</b>	<b>Amount (R'000)</b>	<b>Medical aid as a % of personnel costs</b>
Administration	42 937	43,31%	-	-	1 836	1,85%	1 597	1,61%
Members Facilities	10 910	11,01%	-	-	29	0,03%	29	0,03%
Parliamentary Services	28 085	28,33%	-	-	1 347	1,36%	2 386	2,41%
<b>Total</b>	<b>81 932</b>	<b>82,65%</b>	<b>-</b>	<b>-</b>	<b>3 211</b>	<b>3,24%</b>	<b>4 012</b>	<b>4,05%</b>

*Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2019 and 31 March 2020*

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)	3 877	3,91%	-	-	361	0,36%	374	0,38%
Skilled (Grade B1-B5)	15 875	16,01%	-	-	788	0,79%	1 249	1,26%
Highly skilled production (Grade C1-C5)	31 235	31,51%	-	-	1 158	1,17%	1 845	1,86%
Senior Management (Grade D2-E2)	19 261	19,43%	-	-	875	0,88%	516	0,52%
Other (Public Party Support Services)	11 684	14,26%	-	-	29	0,03%	29	0,03%
<b>Total</b>	<b>81 932</b>	<b>82,65%</b>	<b>-</b>	<b>-</b>	<b>3 211</b>	<b>3,24%</b>	<b>4 012</b>	<b>4,05%</b>

### 3.2 Employment and Vacancies

*Table 3.2.1 Employment and vacancies by programme as on 31 March 2020*

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	95	68	28.42%	3
Members Facilities	-	-	-	79
Parliamentary Service	64	45	29.69%	-
<b>Total</b>	<b>159</b>	<b>113</b>	<b>28.93%</b>	<b>82</b>

*Table 3.2.2 Employment and vacancies by salary band as on 31 March 2020*

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	36	29.41%	2
Highly skilled production (Grade C1–C5)	77	53	31.17%	1
Professionally Qualified(Grade D1-D3)	15	13	13.33%	-
Executive Managers (D4 – E1)	5	3	40%	-
Secretary to the Legislature	1	1	-	-
Other (Public Party Support Services)	-	-	-	79
<b>Total</b>	<b>159</b>	<b>113</b>	<b>28.93%</b>	<b>82</b>

*Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2020*

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: Human Capital	1	0	100%	-
Manager: Finance	1	0	100%	-
Manager: Committees	1	0	100%	-
Internal Auditor	1	0	100%	-
Executive Secretary – CFO' s Office	1	0	100%	-
Financial Accountant	1	0	100%	-
Accounts Administrator	6	4	33.3%%	-
Demand & Acquisitions Coordinator	1	0	100%	-
Facilities Supervisor	1	0	100%	-
Network Administrator	1	0	100%	-
Senior Human Capital Practitioner	1	0	100%	-
Security Officer	1	0	100%	-
<b>Total</b>	<b>18</b>	<b>4</b>	<b>77.78%</b>	<b>-</b>

### 3.3 Filling of SMS Posts

*Table 3.3.1 SMS post information as on 31 March 2020*

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%
<b>Total</b>	<b>21</b>	<b>14</b>	<b>66.7%</b>	<b>7</b>	<b>33.3%</b>

*Table 3.3.2 SMS post information as on 31 March 2020*

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%
<b>Total</b>	<b>21</b>	<b>14</b>	<b>66.7%</b>	<b>7</b>	<b>33.3%</b>

*Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2019 and 31 March 2020*

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%
<b>Total</b>	<b>21</b>	<b>14</b>	<b>66.7%</b>	<b>7</b>	<b>33.3%</b>

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2019 and 31 March 2020

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.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 2019 and 31 March 2020

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 2019 and 31 March 2020*

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	-	-	-	-	-	-
<b>Total</b>	<b>159</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

*Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2019 and 31 March 2020*

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

*Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2019 and 31 March 2020*

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

*Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2019 and 31 March 2020*

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

<b>Employees with a disability</b>	-	-	-	-	-
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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 2019 and 31 March 2020*

Salary band	Number of employees at beginning of period - 1 April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower Skilled (Grade A1-A3)	8	-	1	12.5%
Skilled (Grade B1-B5)	30	-	1	3.3%
Highly skilled production (Grade C1-C5)	47	1	1	2.08%
Managers (Grade D1-D3)	10	1	1	9.1%
Exec Management (Grade D4-E1)	3	-	-	-
Secretary to the Legislature	1	-	-	-
Contracts	17	1	-	-
<b>Total</b>	<b>116</b>	<b>3</b>	<b>4</b>	<b>3.36%</b>



*Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2019 and 31 March 2020*

Critical Occupation	Number of employees at beginning of period- 1 April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Manager: Supply Chain Management	1	-	1	100%
Manager: Human Capital	0	1	-	-
Librarian	1	-	1	100%
Private Secretary	0	1	0	-
Accounts Administrator	4	-	1	25%
Security Official	6	-	1	16.7
Contract	17	1	-	-
<b>Total</b>	<b>29</b>	<b>3</b>	<b>4</b>	<b>12.5%</b>

*Table 3.5.3 Reasons why staff left the department for the period 1 April 2019 and 31 March 2020*

Termination Type	Number	% of Total Resignations
Death	-	-
Resignation	4	100%
Expiry of contract	-	-
Dismissal – operational changes	-	-
Dismissal – misconduct	-	-
Dismissal – inefficiency	-	-
Discharged due to ill-health	-	-
Retirement	-	-
Transfer to other Public Service Departments	-	-
Other	-	-
<b>Total</b>	<b>4</b>	<b>100%</b>
<b>Total number of employees who left as a % of total employment</b>		<b>3.45%</b>

*Table 3.5.4 Promotions by critical occupation for the period 1 April 2019 and 31 March 2020*

Occupation	Employees 1 April 2019	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
	-	-	-	-	-
	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-

*Table 3.5.5 Promotions by salary band for the period 1 April 2019 and 31 March 2020*

Salary Band	Employees 1 April 2019	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)	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

### 3.6 Employment Equity

*Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2020*

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
<b>Total</b>	<b>35</b>	<b>13</b>	<b>-</b>	<b>1</b>	<b>45</b>	<b>17</b>	<b>1</b>	<b>4</b>	<b>116</b>
<b>Employees with disabilities</b>	-	-	-	-	-	-	-	-	-

*Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2020*

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
<b>Total</b>	<b>35</b>	<b>13</b>	<b>-</b>	<b>1</b>	<b>45</b>	<b>17</b>	<b>1</b>	<b>4</b>	<b>116</b>
<b>Employees with disabilities</b>	-	-	-	-	-	-	-	-	-

*Table 3.6.3 Recruitment for the period 1 April 2019 to 31 March 2020*

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
Skilled technical & academically qualified workers, Junior management, supervisors, foreman & superintendents (C1 –C4)	-	-	-	-	1	-	-	-	1
Semi-skilled & discretionary decision making (B1 – B4)	-	-	-	-	-	-	-	-	-
Unskilled & defined decision making (A2– A3)	-	-	-	-	-	-	-	-	-
Temporary employees	-	-	-	-	1	-	-	-	1
<b>Total</b>	-	-	-	-	<b>3</b>	-	-	-	<b>3</b>
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.4 Promotions for the period 1 April 2019 to 31 March 2020

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	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-
<b>Employees with disabilities</b>	-	-	-	-	-	-	-	-	-

*Table 3.6.5 Terminations for the period 1 April 2019 to 31 March 2020*

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-	-
Professionally qualified & experienced specialists and mid-management	1	-	-	-	-	-	-	-	1
Skilled technical & academically qualified workers, junior management, supervisors, foreman & superintendents	-	-	-	-	1	-	-	-	1
Semi-skilled & discretionary decision making	-	1	-	-	-	-	-	-	1
Unskilled & defined decision making	-	-	-	-	-	1	-	-	1
Contracts	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>4</b>
<b>Employees with disabilities</b>	-	-	-	-	-	-	-	-	-

*Table 3.6.6 Disciplinary action for the period 1 April 2019 and 31 March 2020*

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dismissal	-	-	-	-	-	-	-	-	-
Demotion	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

*Table 3.6.7 Skills development for the period 1 April 2019 and 31 March 2020*

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
<b>Total</b>	<b>32</b>	<b>10</b>		<b>1</b>	<b>43</b>	<b>16</b>		<b>1</b>	<b>103</b>
<b>Employees with disabilities</b>	-	-	-	-	-	-	-	-	-

### 3.7 Signing of Performance Agreements by SMS Members

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

*Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 March 2020*

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%
<b>Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>100%</b>

### 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 2020**

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 2020**

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 2019 and 31 March 2020**

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

Male	-	-	-	-	-
Female	-	-	-	-	-
<b>Coloured</b>	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
<b>White</b>	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

*Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2019 and 31 March 2020*

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)	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

*Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2019 and 31 March 2020*

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

*Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2019 and 31 March 2020*

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	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

### 3.9 Foreign Workers

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

*Table 3.9.1 Foreign workers by salary band for the period 1 April 2019 and 31 March 2020*

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)	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

*Table 3.9.2 Foreign workers by major occupation for the period 1 April 2019 and 31 March 2020*

Major occupation	01 April 2019		31 March 2020		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 2019 to 31 March 2020*

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)	43	26	7	87.5%	6.14	36 302.25
Semi-Skilled and Discretionary Decision Making (B1-B5)	232	116	32	82.05%	7.25	290 377.05
Skilled Tech & academically qualified Junior Man (Grade C1 -C5)	330	195	41	74.54%	8.05	705 319.11
Professionally qualified, experienced specialists and mid management (D1 to D3)	67	36	9	64.29%	7.44	226 697.82
Executive Management (D4 to E1)	9	0	2	66.67%	4.5	38 478.34
Top Management (E2 –E4)	2	2	1	100%	2	10 487.57
<b>Total</b>	<b>683</b>	<b>375</b>	<b>92</b>	<b>76.67%</b>	<b>7.42</b>	<b>1 307 62.14</b>

*Table 3.10.2 Disability leave (temporary and permanent) for the period 1 April 2019 and 31 March 2020*

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)	150	100%	3	7.69%	50	119 084
Highly skilled production (Grade B3-C1)	72	100%	2	3.64%	36	132 900
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
<b>Total</b>	<b>222</b>	<b>100%</b>	<b>5</b>	<b>4.16%</b>	<b>44.4</b>	<b>251 984</b>

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

**Table 3.10.4 Annual Leave for the period 1 April 2019 to 31 March 2020**

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Unskilled & defined decision making (A1-A3)	257	8	32.13
Semi-Skilled and Discretionary Decision Making (B1-B5)	952	37	25.73
Skilled Tech & academically qualified Junior Man (Grade C1 -C5)	1450	50	29.00
Professionally qualified, experienced specialists and mid management (D1 to D3)	355	14	25.35
Executive Management (D4 to E1)	70	3	23.33
Top Management (E2 –E4)	10	1	10
<b>Total</b>	<b>3094</b>	<b>113</b>	<b>27.39</b>

**Table 3.10.4 Capped Leave for the period 1 April 2019 to 31 March 2020**

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 2020
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)	1	0	2	2
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
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

*Table 3.10.5 Unpaid Leave for the period 1 April 2019 to 31 March 2020*

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)	104	1	104
Skilled Tech & academically qualified Junior Man (Grade C1 -C5)	2	1	2
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
<b>Total</b>	<b>106</b>	<b>2</b>	<b>106</b>

*Table 3.10.6 Annual Leave for the period 1 April 2019 to 31 March 2020*

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	460 136.74	2	230 086.37
<b>Total</b>	<b>460 136.74</b>	<b>2</b>	<b>230 086.37</b>

### 3.11 HIV/AIDS & Health Promotion Programmes

*Table 3.11.1 Steps taken to reduce the risk of occupational exposure*

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

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

Question	Yes	No	Details, if yes
1. Have the Legislature designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and positions.		<b>x</b>	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.	<b>x</b>		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		<b>x</b>	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.		<b>x</b>	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.	<b>x</b>		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.	<b>x</b>		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.		<b>x</b>	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.		<b>x</b>	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 2019 and 31 March 2020*

Subject matter	Date
Collective Agreement signed for the period 1 April 2019 – 31 March 2020	5 December 2019

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 2019 and 31 March 2020*

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	1	14%
Verbal warning	1	14%
Written warning	1	14%
Final written warning	1	14%
Suspended without pay	2	28%
Fine	-	-
Demotion	1	14%
Dismissal	-	-
Not guilty	-	-
Case withdrawn	-	-
<b>Total</b>	<b>7</b>	<b>100%</b>

*Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2019 and 31 March 2020*

Type of misconduct	Number	% of total
Gross Negligence in performance of duties	1	25%
Misrepresentation of information	1	25%
Sexual Harassment	1	25%
Negligence in performance of duties	1	25%
<b>Total</b>	<b>4</b>	<b>100%</b>



*Table 3.12.4 Grievances logged for the period 1 April 2019 and 31 March 2020*

<b>Grievances</b>	<b>Number</b>	<b>% of Total</b>
Number of grievances resolved	2	40%
Number of grievances not resolved	3	60%
<b>Total number of grievances lodged</b>	<b>5</b>	<b>100%</b>

*Table 3.12.5 Disputes lodged with Councils for the period 1 April 2019 and 31 March 2020*

<b>Disputes</b>	<b>Number</b>	<b>% of Total</b>
Number of disputes upheld	-	-
Number of disputes dismissed	2	66%
Number of disputes settled	-	-
Number of disputes in progress	1	33%
<b>Total number of disputes lodged</b>	<b>3</b>	<b>100%</b>

*Table 3.12.6 Strike actions for the period 1 April 2019 and 31 March 2020*

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 2019 and 31 March 2020*

Number of people suspended	1
Number of people who's suspension exceeded 30 days	1
Average number of days suspended	<b>6 months (up till now employee is still on suspension)</b>
Cost of suspension(R'000)	<b>R702 432</b>

### 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 2019 and 31 March 2020*

Occupational category	Gender	Number of employees as at 1 April 2019	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	-	3	-	3
Professionally Qualified, Experienced Specialists and Mid Management	Female	3	-	5	-	5
	Male	7	-	5	-	5
Skilled Tech & Academically qualified	Female	27	-	17	-	17
	Male	21	-	9	-	9
Semi – Skilled and Discretionary Decision Making	Female	21	-	6	-	6
	Male	9	-	5	-	5
Unskilled & Defined Decision Making	Female	4	-	3	-	3
	Male	3	-	3	-	3
Temporary/Contract Employees	Female	11	-	-	-	-
	Male	7	-	-	-	-
<b>Sub Total</b>	<b>Female</b>	<b>67</b>	<b>-</b>	<b>31</b>	<b>-</b>	<b>31</b>
	<b>Male</b>	<b>49</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>25</b>
Additional to the Establishment	Female	-	-	-	-	-
	Male	-	-	-	-	-
<b>Total</b>		<b>116</b>	<b>-</b>	<b>56</b>	<b>-</b>	<b>56</b>

*Table 3.13.2 Training needs identified for the period 1 April 2019 and 31 March 2020*

Occupational category	Gender	Number of employees as at 1 April 2019	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	-	1	-	1
Professionally Qualified, Experienced Specialists and Mid Management	Female	3	-	7	-	7
	Male	7	-	9	-	9
Skilled Tech & Academically qualified	Female	27	-	24	-	24
	Male	21	-	19	-	19
Semi – Skilled and Discretionary Decision Making	Female	21	-	25	-	25
	Male	9	-	11	-	11
Unskilled & Defined Decision Making	Female	4	-	4	-	4
	Male	3	-	3	-	3
Temporary/Contract Employees	Female	11	-	-	-	-
	Male	7	-	-	-	-
<b>Sub Total</b>	<b>Female</b>	<b>67</b>	<b>-</b>	<b>60</b>	<b>-</b>	<b>60</b>
	<b>Male</b>	<b>49</b>	<b>-</b>	<b>43</b>	<b>-</b>	<b>43</b>
Additional to the Establishment	Female	-	-	-	-	-
	Male	-	-	-	-	-
<b>Total</b>		<b>116</b>	<b>-</b>	<b>103</b>	<b>-</b>	<b>103</b>

The following tables provide basic information on injury on duty.

*Table 3.14.1 Injury on duty for the period 1 April 2019 and 31 March 2020*

Nature of injury on duty	Number	% of total
Required basic medical attention only	2	100%
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
<b>Total</b>	<b>2</b>	<b>100%</b>

### 3.14 Utilisation of Consultants

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

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

*Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2019 and 31 March 2020*

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Leave Management System	1	365	R 29 659.00

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 2019 and 31 March 2020*

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 2019 and 31 March 2020*

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 2019 and 31 March 2020*

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

### 3.16 Severance Packages

*Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2019 and 31 March 2020*

<b>Salary band</b>	<b>Number of applications received</b>	<b>Number of applications referred to the MPSA</b>	<b>Number of applications supported by MPSA</b>	<b>Number of packages approved by department</b>
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)	-	-	-	-
<b>Total</b>	-	-	-	-

PART E:

**FINANCIAL  
INFORMATION**

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## Report on the audit of the financial statements

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### Opinion

1. I have audited the financial statements of the Northern Cape Provincial Legislature set out on pages 115 to 165, which comprise the appropriation statement, statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Northern Cape Provincial Legislature as at 31 March 2020, 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 this auditor's report.
4. I am independent of the provincial legislature in accordance with sections 290 and 291 of the *Code of ethics for professional accountants* and parts 1 and 3 of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
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 43 to the financial statements, the corresponding figures for 31 March 2019 were restated as a result of an error in the financial statements of the Northern Cape Provincial Legislature at, and for the year ended 31 March 2020.

## **Responsibilities of the accounting officer 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 the FMPPLA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting officer is responsible for assessing the Provincial Legislature's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is intention to either liquidate the Provincial Legislature or to cease operations, or there is no realistic alternative but to do so.

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

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.

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

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### **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 approved performance planning documents of the provincial legislature. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the provincial legislature enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
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 annual performance report of the provincial legislature for the year ended 31 March 2020:



Programme	Pages in the annual performance report
Programme 3 - Parliamentary Business	52 – 60

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 determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

16. I did not identify any 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 x to x for information on the achievement of planned targets for the year and 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 on the reported performance information of Parliamentary Business. As management subsequently corrected the misstatements, we did not raise material findings on the usefulness and reliability of the reported performance information.

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## Report on the audit of compliance with legislation

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### 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 Provincial Legislature's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

21. The material findings on compliance with specific matters in key legislation are as follows:

### **Expenditure Management**

22. Appropriate steps were not taken to prevent fruitless and wasteful expenditure amounting to R322 828, as disclosed in note 40 to the annual financial statements, as required by section 7(e) of the FMPPLA. The majority of the fruitless and wasteful expenditure was caused by the Northern Cape Provincial Legislature not paying their suppliers on time.
23. Payments were not made within 30 days after receipt of an invoice or statement, as required by section 33(2)(e) of the FMPPLA.

### **Procurement and Contract Management**

24. Some of the contracts were awarded to bidders who had not submitted a declaration indicating whether they are employed by the state, in contravention of Parliament's SCM regulation 8(1).

### **Consequence Management**

25. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred Irregular, Fruitless and wasteful and Unauthorised expenditure as required by section 7(e) of the FMPPLA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular, fruitless and wasteful and unauthorised expenditure.

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## **Other information**

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26. 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.
27. 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.
28. 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.
29. 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.

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## Internal control deficiencies

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30. 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 the annual performance report and the findings on compliance with legislation included in this report.
31. Leadership did not take appropriate action with regard to a lack of controls in the finance directorate to facilitate the continuous monitoring of internal controls which resulted in misstatements in the Receivables from exchange transactions (Unallocated payments) and Expenditure (goods and services).
32. Leadership did not exercise adequate oversight responsibility over regular monitoring of compliance with laws and regulations.
33. The internal audit unit did not adequately review the financial and performance reports to confirm the reliability of the reports before their submission to the audit committee or external auditors.
34. The audit committee did not have regular meetings for the period under review (Only one meeting could be validated during the audit process).

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## Other reports

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35. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the provincial 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.
36. 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 (whether there is prima facie evidence or not).

Auditor General

Kimberley

02 March 2021



*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 confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



**Northern Cape**  
**Provincial Legislature**

Northern Cape Provincial Legislature  
Annual Financial Statements  
for the year ended 31 March 2020

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Legal form of entity</b>	Provincial Legislature
<b>Nature of business and principal activities</b>	The Northern Cape 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 issues challenging the inhabitants of the province.
<b>Registered office</b>	Nobengula Extension Galeshewe Kimberley 8301
<b>Business address</b>	Nobengula Extension Galeshewe Kimberley 8301
<b>Postal address</b>	Private Bag X5066 Kimberley 8300
<b>Bankers</b>	Absa Bank
<b>Auditors</b>	Auditor-General of South Africa
<b>Secretary</b>	Mr P.B. Moopelwa
<b>Attorneys</b>	State Attorney of South Africa

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

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

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FMPPLA	Financial Management of Parliament and Provincial Legislatures Act, 2009
ASB	Accounting Standards Board
GRAP	Generally Recognised Accounting Practice
LSS	Legislative Sector Support
NCPL	Northern Cape Provincial Legislature
UIF	Unemployment Insurance Fund

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Accounting Officer's Responsibilities and Approval

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The Accounting Officer is required by the Finance Management of Parliament and Provincial Legislatures Act 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 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 on 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 or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 4 to 57, which have been prepared on the going concern basis, were approved by the Accounting Officer on 29 September 2020 and were signed on its behalf by:



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**Mr P.B. Moopelwa**  
**Secretary to the Legislature**

**Kimberley**

**29 September 2020**



# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Statement of Financial Position as at 31 March 2020

Figures in Rand	Note(s)	2020	2019 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	3	-	84 502
Operating lease asset	4	67 063	-
Receivables from exchange transactions	5	2 913 703	2 773 642
Prepayments and advances	6	816 127	935 349
Other receivables from exchange transactions	7	170 602	-
Cash and cash equivalents	8	6 846 095	15 626 903
		<b>10 813 590</b>	<b>19 420 396</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	9	46 827 071	44 589 501
Intangible assets	10	246 093	426 956
Heritage assets	11	39 000	39 000
Investments	12	268 274	387 314
		<b>47 380 438</b>	<b>45 442 771</b>
<b>Total Assets</b>		<b>58 194 028</b>	<b>64 863 167</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Finance lease obligation	13	434 520	434 520
Operating lease liability	4	-	4 060
Payables from exchange transactions	14	18 006 242	19 673 913
Other payables from exchange transactions	15	26 038	-
Aid assistance	16	18 582	20 798
		<b>18 485 382</b>	<b>20 133 291</b>
<b>Non-Current Liabilities</b>			
Finance lease obligation	13	257 946	32 324
<b>Total Liabilities</b>		<b>18 743 328</b>	<b>20 165 615</b>
<b>Net Assets</b>		<b>39 450 700</b>	<b>44 697 552</b>
Reserves			
Funds unutilised		6 775 497	15 894 497
Accrued revenue		13 412 998	12 408 971
Accumulated surplus		19 262 205	16 394 084
<b>Total Net Assets</b>		<b>39 450 700</b>	<b>44 697 552</b>

\* See Note 43

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Statement of Financial Performance

Figures in Rand	Note(s)	2020	2019 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Sale of goods and services other than capital assets		-	56 767
Transactions in financial assets and liabilities		-	14 407
Interest and dividends	18	1 004 028	1 015 060
<b>Total revenue from exchange transactions</b>		<b>1 004 028</b>	<b>1 086 234</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Services-in-kind income	17	9 852 020	9 485 362
<b>Transfer revenue</b>			
Government grants and subsidies	19	225 929 000	220 580 000
<b>Total revenue from non-exchange transactions</b>		<b>235 781 020</b>	<b>230 065 362</b>
<b>Total revenue</b>		<b>236 785 048</b>	<b>231 151 596</b>
<b>Expenditure</b>			
Employee related costs	20	(134 484 771)	(118 031 536)
Transfers and subsidies	21	(41 905 015)	(45 065 031)
Depreciation and amortisation	22	(3 735 274)	(5 199 298)
Payments for financial assets	23	(547 740)	(157 554)
Goods and services	24	(46 001 164)	(49 793 802)
<b>Total expenditure</b>		<b>(226 673 964)</b>	<b>(218 247 221)</b>
<b>Operating surplus</b>	25	<b>10 111 084</b>	<b>12 904 375</b>
Loss on disposal of assets and liabilities		-	(8 754)
Fair value adjustments	26	(119 040)	(60 597)
Impairment loss		(238 897)	-
Departmental revenue transferred to net assets		(1 004 027)	(1 086 234)
Revenue transferred to net assets		(5 881 000)	(11 175 163)
		<b>(7 242 964)</b>	<b>(12 330 748)</b>
<b>Surplus for the year</b>		<b>2 868 120</b>	<b>573 627</b>

\* See Note 43

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Statement of Changes in Net Assets

	Funds utilised	Accrued revenue reserve	Total reserves	Accumulated surplus	Total net assets
Figures in Rand					
<b>Balance at 01 April 2018</b>	<b>22 031 734</b>	<b>11 322 737</b>	<b>33 354 471</b>	<b>15 820 457</b>	<b>49 174 928</b>
Changes in net assets					
Surplus for the year	-	-	-	573 627	573 627
Transfers from accumulated surplus	11 175 763	1 086 234	12 261 997	-	12 261 997
Amounts paid back	(17 313 000)	-	(17 313 000)	-	(17 313 000)
Total changes	(6 137 237)	1 086 234	(5 051 003)	573 627	(4 477 376)
Opening balance as previously reported	15 894 497	12 408 971	28 303 468	17 625 887	45 929 355
Adjustments					
Prior year adjustments (Refer to Note 43)	-	-	-	(1 231 802)	(1 231 802)
<b>Restated* Balance at 01 April 2019 as restated*</b>	<b>15 894 497</b>	<b>12 408 971</b>	<b>28 303 468</b>	<b>16 394 085</b>	<b>44 697 553</b>
Changes in net assets					
(Deficit) surplus for the year	-	-	-	2 868 120	2 868 120
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)	2 868 120	(5 246 853)
<b>Balance at 31 March 2020</b>	<b>6 775 497</b>	<b>13 412 998</b>	<b>20 188 495</b>	<b>19 262 205</b>	<b>39 450 700</b>

\* See Note 43

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Cash Flow Statement

Figures in Rand	Note(s)	2020	2019 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Appropriation		225 929 000	220 580 000
Interest income		1 004 028	1 015 060
Other receipts		-	56 767
		<u>226 933 028</u>	<u>221 651 827</u>
<b>Payments</b>			
Employee costs		(133 020 735)	(118 233 491)
Suppliers		(40 257 649)	(40 695 263)
Grants and subsidies paid		(41 905 015)	(45 065 031)
		<u>(215 183 399)</u>	<u>(203 993 785)</u>
<b>Net cash flows from operating activities</b>	30	<b><u>11 749 629</u></b>	<b><u>17 658 042</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	9	<u>(5 745 759)</u>	<u>(4 857 949)</u>
<b>Cash flows from financing activities</b>			
Movement in aid assistance		(2 216)	(750 934)
Finance lease payments		217 538	(932 920)
Repayment of unutilised revenue		(15 000 000)	(17 313 000)
<b>Net cash flows from financing activities</b>		<b><u>(14 784 678)</u></b>	<b><u>(18 996 854)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(8 780 808)</b>	<b>(6 196 761)</b>
Cash and cash equivalents at the beginning of the year		15 626 903	21 823 664
<b>Cash and cash equivalents at the end of the year</b>	8	<b><u>6 846 095</u></b>	<b><u>15 626 903</u></b>

\* See Note 43

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Statement of financial performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Sales of goods and services other than capital assets	229 000	-	<b>229 000</b>	-	<b>(229 000)</b>	42
Interest and dividends	3 064 000	-	<b>3 064 000</b>	1 004 028	<b>(2 059 972)</b>	42
<b>Total revenue from exchange transactions</b>	<b>3 293 000</b>	<b>-</b>	<b>3 293 000</b>	<b>1 004 028</b>	<b>(2 288 972)</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Government grants and subsidies	197 929 000	28 000 000	<b>225 929 000</b>	225 929 000	-	
<b>Total revenue</b>	<b>201 222 000</b>	<b>28 000 000</b>	<b>229 222 000</b>	<b>226 933 028</b>	<b>(2 288 972)</b>	
<b>Expenditure</b>						
Compensation of employees	(126 935 000)	(1 726 000)	<b>(128 661 000)</b>	(128 263 586)	<b>397 414</b>	42
Transfer and subsidies	(34 196 000)	(14 574 000)	<b>(48 770 000)</b>	(48 925 145)	<b>(155 145)</b>	42
Payment for capital assets	-	(9 961 000)	<b>(9 961 000)</b>	(5 792 649)	<b>4 168 351</b>	42
Goods and services	(36 798 000)	(1 739 000)	<b>(38 537 000)</b>	(34 479 209)	<b>4 057 791</b>	42
<b>Total expenditure</b>	<b>(197 929 000)</b>	<b>(28 000 000)</b>	<b>(225 929 000)</b>	<b>(217 460 589)</b>	<b>8 468 411</b>	
<b>Surplus before taxation</b>	<b>3 293 000</b>	<b>-</b>	<b>3 293 000</b>	<b>9 472 439</b>	<b>6 179 439</b>	
<b>Actual amount on comparable basis as presented in the budget and actual comparative statement</b>	<b>3 293 000</b>	<b>-</b>	<b>3 293 000</b>	<b>9 472 439</b>	<b>6 179 439</b>	

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Reconciliation</b>						
<b>Basis difference</b>						
Services-in-kind income				9 852 020		
Services-in-kind rental expense				(9 852 020)		
Payments for financial assets - Other debts written off				(539 656)		
Payments for financial assets - Interest on finance leases				(8 084)		
Employee benefits (Bonus accrual)				(332 171)		
Employee benefits (Leave accrual)				1 131 116		
Accrued expenses				(1 609 666)		
Additions to property, plant and equipment				6 033 816		
Finance leased asset additions to property, plant and equipment				(288 057)		
Depreciation and amortisation				(3 735 274)		
Impairment loss				(238 897)		
Straight-lining of operating leases				71 123		
Fair value adjustments				(119 040)		
Departmental revenue transferred to net assets				(1 004 027)		
Revenue transferred to net assets				(5 881 000)		
Allowance for inventory obsolescence				(84 502)		
<b>Actual amount in the statement of financial performance</b>				<b>2 868 120</b>		

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Accounting Policies

Figures in Rand	Note(s)	2020	2019
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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1)(b) 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, are disclosed below.

These accounting policies are consistent with the previous period, except for the changes set out in note Changes in accounting policy.

#### 1.1 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity 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 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 2020

## Accounting Policies

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### 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 uses the incremental borrowing interest rate to discount future cash flows.



# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Accounting Policies

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

#### 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.

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.

### 14 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 Legislature; 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 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.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Accounting Policies

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

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value. The depreciation charge for each period is recognised in surplus or deficit.

Property, plant and equipment are 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:

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

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 9).

### 15 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.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Accounting Policies

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### 1.5 Intangible assets (continued)

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.

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 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:

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Item	Depreciation method	Average useful life
Computer software	Straight-line	2 years

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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 assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations. The Legislature has classified art collections, antiques 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 entity, and the cost or fair value of the asset can be measured reliably.

#### Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition, 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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# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Accounting Policies

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### 1.6 Heritage assets (continued)

#### Derecognition

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

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of a heritage asset 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 an asset and from its disposal at the end of its useful life.

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

### 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.

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# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Accounting Policies

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

#### 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 Legislature 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 assets is determined using the following approach:

#### Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the 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.

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

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Accounting Policies

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

#### 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.

### 19 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.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Accounting Policies

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### 19 Statutory receivables (continued)

#### 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.

#### 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.

# Northern Cape Provincial Legislature

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### 19 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. 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.

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.



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### 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:

<b>Class</b>	<b>Category</b>
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:

<b>Class</b>	<b>Category</b>
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

#### 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 instruments subsequently measured at fair value, which are measured at its fair value. Transaction costs are not included

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

The entity 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, or cost, are subject to an impairment review.

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# Northern Cape Provincial Legislature

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## Accounting Policies

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### 1.10 Financial instruments (continued)

#### 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 Legislature calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

#### 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 entity 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. 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.

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# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

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### 1.10 Financial instruments (continued)

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).

### 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.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

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### 1.11 Leases (continued)

#### Operating leases - lessee

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

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis 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, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### 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 33.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Accounting Policies

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### 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 required 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 32 - Commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be 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.

#### Interest

Revenue arising from the use by others of Legislature assets yielding interest or similar distributions is recognised when:

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

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

### 1.17 Revenue from non-exchange transactions

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

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

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

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Accounting Policies

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

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

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

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

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

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

#### Recognition

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

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

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

#### Measurement

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

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

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory receivables - 1.9. The Legislature applies the accounting policy on Statutory receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

#### Transfers

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

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

#### Interest

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Accounting Policies

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

#### Services in-kind

The Legislature recognises services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the Legislature and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the Legislature's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the Legislature discloses the nature and type of services in-kind received during the reporting period in note .

### 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.

### 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 cellphones) 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.

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.

# Northern Cape Provincial Legislature

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### 1.19 Employee benefits (continued)

#### 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 is 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 44 - Comparative figures.

### 1.22 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 40 - Fruitless and wasteful expenditure.

### 1.23 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 41 - Irregular expenditure.

### 1.24 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 2019/04/01 to 2020/03/31.

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 have been included in the annual financial statements. Refer to note .



# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Accounting Policies

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### 125 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 those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

The Legislature is exempt from disclosure requirements in relation to related party transactions if that 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 that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

### 126 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

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## Notes to the Annual Financial Statements

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### 2. New standards and interpretations

#### 21 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

##### **IGRAP 19: Liabilities to Pay Levies**

This Interpretation of the Standards of GRAP provides guidance on the accounting for levies in the financial statements of the entity that is paying the levy. It clarifies when entities need to recognise a liability to pay a levy that is accounted for in accordance with GRAP 19.

To clarify the accounting for a liability to pay a levy, this Interpretation of the Standards of GRAP addresses the following issues:

- What is the obligating event that gives rise to the recognition of a liability to pay a levy?
- Does economic compulsion to continue to operate in a future period create a constructive obligation to pay a levy that will be triggered by operating in that future period?
- Does the going concern assumption imply that an entity has a present obligation to pay a levy that will be triggered by operating in a future period?
- Does the recognition of a liability to pay a levy arise at a point in time or does it, in some circumstances, arise progressively over time?
- What is the obligating event that gives rise to the recognition of a liability to pay a levy that is triggered if a minimum threshold is reached?

Consensus reached in this interpretation:

- The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation;
- An entity does not have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the entity being economically compelled to continue to operate in that future period;
- The preparation of financial statements under the going concern assumption does not imply that an entity has a present obligation to pay a levy that will be triggered by operating in a future period;
- The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time;
- If an obligation to pay a levy is triggered when a minimum threshold is reached, the accounting for the liability that arises from that obligation shall be consistent with the principles established in this Interpretation of the Standards of GRAP; and
- An entity shall recognise an asset, in accordance with the relevant Standard of GRAP, if it has prepaid a levy but does not yet have a present obligation to pay that levy.

The effective date of the interpretation is for years beginning on or after 01 April 2019.

The entity has adopted the interpretation for the first time when the Minister sets the effective date for the interpretation.

The impact of the interpretation is not material.

##### **GRAP 108: Statutory Receivables**

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is for years beginning on or after 01 April 2019.

The entity has adopted the standard for the first time when the Minister sets the effective date for the standard.

The impact of the standard is not material.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

#### 22 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 2020 or later periods:

##### **GRAP 104 (amended): Financial instruments**

The revisions to the Standard of GRAP on Financial instruments are to better align the Standards of GRAP with recent international developments. The amendments will result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

- financial guarantee contracts issued;
- loan commitments issued;
- classification of financial assets;
- amortised cost of financial assets;
- impairment of financial assets; and
- disclosures.

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

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

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

##### **Guideline: Guideline on the application of materiality to financial statements**

The objective of the Guideline is to provide guidance that will assist entities to apply the concept of materiality when preparing financial statements in accordance with Standards of GRAP. The Guideline aims to assist entities in achieving the overall financial reporting objective. The Guideline outlines a process that may be considered by entities when applying materiality to the preparation of financial statements.

The guideline is encouraged to be used by entities.

The entity expects to adopt the guideline for the first time in the 2020/2021 annual financial statements.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

##### **GRAP 1 (amended): Presentation of financial statements**

Amendments to this Standard of GRAP, are primarily drawn from the IASB's amendments to the IFRS on Presentation of financial statements.

Summary of amendments are:

##### **Materiality and aggregation**

The amendments clarify that:

- information should not be obscured by aggregating or by providing immaterial information;
- materiality considerations apply to all parts of the financial statements; and
- even when a Standard of GRAP requires a specific disclosure, materiality considerations apply.

##### **Statement of financial position and statement of financial performance**

The amendments clarify that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

#### Notes structure

The amendments add examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order listed in the Standard.

#### Disclosure of accounting policies

Remove guidance and examples with regards to the identification of significant accounting policies that were perceived as being potentially unhelpful.

An entity applies judgement based on past experience and current facts and circumstances.

The effective date of this amendment is for years beginning on or after 01 April 2020.

The entity expects to adopt the amendment for the first time in the 2020/2021 annual financial statements.

The impact of the amendment is not material.

#### IGRAP 20: Accounting for adjustments to revenue

Adjustments to revenue already recognised in terms of legislation or similar means arise from the completion of an internal review process within entities, and/or the outcome of an external appeal or objection process undertaken in terms of legislation or similar means. Adjustments to revenue include any refunds that become payable as a result of the completion of a review, appeal or objection process. The adjustments to revenue already recognised following the outcome of a review, appeal or objection process can either result in a change in an accounting estimate, or a correction of an error.

As per the scope, this Interpretation clarifies the accounting for adjustments to exchange and non-exchange revenue charged in terms of legislation or similar means, and interest and penalties that arise from revenue already recognised as a result of the completion of a review, appeal or objection process. Changes to the measurement of receivables and payables, other than those changes arising from applying this Interpretation, are dealt with in accordance with the applicable Standards of GRAP. The principles in this Interpretation may be applied, by analogy, to the accounting for adjustments to exchange or non-exchange revenue that arises from contractual arrangements where the fact patterns are similar to those in the Interpretation.

The Interpretation sets out the issues and relating consensus with accounting for adjustments to revenue.

The effective date of the interpretation is for years beginning on or after 01 April 2020.

The entity expects to adopt the interpretation for the first time in the 2020/2021 annual financial statements.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

#### IGRAP 1 (revised): Applying the probability test on initial recognition of revenue

The amendments to this Interpretation clarifies that an entity should also consider other factors in assessing the probability of future economic benefits or service potential to the entity. Entities are also uncertain of the extent to which factors, other than the uncertainty about the collectability of revenue, should be considered when determining the probability of the inflow of future economic benefits or service potential on initial recognition of revenue. For example, in providing certain goods or services, or when charging non-exchange revenue, the amount of revenue charged may be reduced or otherwise modified under certain circumstances. These circumstances include, for example, where the entity grants early settlement discounts, rebates or similar reductions based on the satisfaction of certain criteria, or as a result of adjustments to revenue already recognised following the outcome of any review, appeal or objection process.

The consensus is that on initial recognition of revenue, an entity considers the revenue it is entitled to, following its obligation to collect all revenue due to it in terms of legislation or similar means. In addition, an entity considers other factors that will impact the probable inflow of future economic benefits or service potential, based on past experience and current facts and circumstances that exist on initial recognition.

An entity applies judgement based on past experience and current facts and circumstances.

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## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

The effective date of the amendment is for years beginning on or after 01 April 2020.

The entity expects to adopt the amendment for the first time in the 2020/2021 annual financial statements.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

#### **Directive 7 (revised): The application of deemed cost**

This Directive was originally issued by the Accounting Standards Board in December 2009. Since then, it has been amended by:

- Consequential amendments when the following Standards of GRAP were amended to clarify some of the principles:
  - Transfer of functions between entities under common control;
  - Mergers.
- Consequential amendments arising from the Standard of GRAP on Living and non-living resources issued in December 2017.
- Consequential amendments arising from the following Standards of GRAP in May 2018:
  - Separate financial statements;
  - Consolidated financial statements;
  - Investments in associates and joint ventures;
  - Joint arrangements;
  - Disclosure of interests in other entities.

The effective date of this Directive coincides with the effective dates of the applicable Standards of GRAP, as determined by the Minister of Finance. If an entity has assets that it previously could not recognise and/or measure in accordance with the Standards of GRAP on their initial adoption on the transfer date or the merger date because information about the acquisition cost of the assets was not available, an entity applies this Directive to those assets. The fair value of those assets is determined at the date of adopting the Standards of GRAP on the transfer date or the merger date in accordance with the Directive's Appendix paragraph A3.

The effective date of this revised directive is for years beginning on or after 01 April 2020.

The entity expects to adopt the directive for the first time in the 2020/2021 annual financial statements.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>3. Inventories</b>		
Inventory	84 501	84 502
	<u>84 501</u>	<u>84 502</u>
Inventories (write-downs)	(84 501)	-
	<u>-</u>	<u>84 502</u>

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.

An allowance for obsolescence for the inventory was provided for the year to reflect the decision of management.

Opening	84 502	84 669
Purchases	1 148 762	1 055 878
Issues	(1 148 763)	(1 056 045)
Allowance for obsolescence	(84 501)	-
	<u>-</u>	<u>84 502</u>

### Inventory pledged as security

No inventory was pledged as security.

### 4. Operating lease asset/(liability)

Current assets	67 063	-
Straight-lining liability	-	(4 060)
	<u>67 063</u>	<u>(4 060)</u>

### 5. Receivables from exchange transactions

Recoverable expenditure	288 770	248 107
Staff debt	480 621	345 825
Claims recoverable	908 424	961 070
Less: Allowance for impairment	(809 110)	(269 454)
Unallocated payments	2 044 998	2 670 566
Sundry receivables	-	(1 182 472)
	<u>2 913 703</u>	<u>2 773 642</u>

### Receivables from exchange transactions pledged as security

None of the receivables from exchange transactions were pledged as security.

### Credit quality of receivables from exchange transactions

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

### Fair value of receivables

Receivables	2 913 703	2 773 642
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The carrying value, less impairment allowance of receivables, is assumed to approximate their fair values due to their short term nature.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

Figures in Rand 2020 2019

### 5. Receivables from exchange transactions (continued)

#### Reconciliation of provision for impairment of receivables from exchange transactions

Opening balance	(269 454)	(269 454)
Provision for impairment	(809 110)	(269 454)
Unused amounts reversed	269 454	269 454
	<b>(809 110)</b>	<b>(269 454)</b>

### 6. Prepayments and advances

	2020	2019
Travel and subsistence	335 251	135 840
Staff allowance	144 608	441 241
Rental deposit	336 268	358 268
	<b>816 127</b>	<b>935 349</b>

### 7. Other receivables from exchange transactions

Salary control	124 135	-
Medical aid	46 467	-
	<b>170 602</b>	<b>-</b>

### 8. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	6 789 859	15 568 451
Other cash and cash equivalents	56 236	58 452
	<b>6 846 095</b>	<b>15 626 903</b>

Cash and cash equivalents held by the legislature is available for use by the legislature.

None of the bank accounts have been pledged as security.

The entity had the following bank accounts:

Description account number	Bank statement: 31 March 2020	Bank statement: 31 March 2019	Bank statement: 31 March 2018	Cashbook: 31 March 2020	Cashbook: 31 March 2019	Cashbook: 31 March 2018
ABSA Bank - Cheque Account: 9-4000-0440	6 789 859	15 568 451	21 014 278	6 789 859	15 568 451	21 014 278
ABSA Bank - Aid Assistance: 40- 7866-9107	56 236	58 452	809 386	56 236	58 452	809 386
	<b>6 846 095</b>	<b>15 626 903</b>	<b>21 823 664</b>	<b>6 846 095</b>	<b>15 626 903</b>	<b>21 823 664</b>

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

Figures in Rand

### 9. Property, plant and equipment

	2020		2019			
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Computer equipment	8 382 723	(5 571 886)	2 810 837	7 520 379	(4 608 189)	2 912 190
Furniture and office equipment	9 772 663	(6 244 702)	3 527 961	9 686 953	(4 968 215)	4 718 738
Leased assets	1 933 234	(1 692 854)	240 380	2 872 137	(2 447 322)	424 815
Library books	876 418	(312 156)	564 262	852 207	(262 745)	589 462
Other machinery and equipment	5 689 198	(2 761 254)	2 927 944	5 535 179	(2 192 935)	3 342 244
Transport assets	5 677 604	(2 211 995)	3 465 609	5 677 604	(1 749 093)	3 928 511
Buildings	33 290 078	-	33 290 078	28 673 541	-	28 673 541
<b>Total</b>	<b>65 621 918</b>	<b>(18 794 847)</b>	<b>46 827 071</b>	<b>60 818 000</b>	<b>(16 228 499)</b>	<b>44 589 501</b>



# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

Figures in Rand

### 9. Property, plant and equipment (continued)

#### 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)	-	564 262
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	4 616 537	-	-	-	33 290 078
	<b>44 589 501</b>	<b>6 033 816</b>	<b>(8 411)</b>	<b>(3 548 938)</b>	<b>(238 897)</b>	<b>46 827 071</b>

#### Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Other changes, movements	Depreciation	Impairment loss	Total
Computer equipment	4 090 947	293 081	(8 754)	2 668	(1 171 637)	(294 115)	2 912 190
Furniture and office equipment	5 933 455	46 169	-	-	(1 162 044)	(98 842)	4 718 738
Leased assets	1 331 551	159 125	-	-	(1 065 861)	-	424 815
Library books	553 467	91 385	-	-	(55 306)	(84)	589 462
Other machinery and equipment	3 871 728	12 439	-	-	(533 074)	(8 849)	3 342 244
Transport assets	4 547 518	-	-	-	(461 651)	(157 356)	3 928 511
Buildings	24 245 710	4 427 831	-	-	-	-	28 673 541
	<b>44 574 376</b>	<b>5 030 030</b>	<b>(8 754)</b>	<b>2 668</b>	<b>(4 449 573)</b>	<b>(559 246)</b>	<b>44 589 501</b>

#### Pledged as security

No items of property, plant and equipment were pledged as security.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

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Figures in Rand 2020 2019

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### 9. Property, plant and equipment (continued)

#### Reconciliation of Work-in-Progress 2020

	Included within Buildings	Total
Opening balance	28 673 541	28 673 541
Additions/capital expenditure	4 850 113	4 850 113
	<u><b>33 523 654</b></u>	<u><b>33 523 654</b></u>

#### Reconciliation of Work-in-Progress 2019

	Included within Buildings	Total
Opening balance	24 245 710	24 245 710
Additions/capital expenditure	4 427 831	4 427 831
	<u><b>28 673 541</b></u>	<u><b>28 673 541</b></u>

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 2020

## Notes to the Annual Financial Statements

Figures in Rand

### 10. Intangible assets

	2020		2019			
Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	
Computer software	921 849	(675 756)	246 093	921 849	(494 893)	426 956

### Reconciliation of intangible assets - 2020

Computer software	Opening balance	Amortisation	Total
	426 956	(180 863)	246 093

### Reconciliation of intangible assets - 2019

Computer software	Opening balance	Amortisation	Total
	617 435	(190 479)	426 956

### 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 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 2020

## Notes to the Annual Financial Statements

Figures in Rand

### 11. Heritage assets

	2020		2019		
Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
39 000	-	39 000	39 000	-	39 000

Art collections, antiquities and exhibits

#### Reconciliation of heritage assets 2020

	Opening balance	Total
39 000	39 000	39 000

Art collections, antiquities and exhibits

#### Reconciliation of heritage assets 2019

	Opening balance	Total
39 000	39 000	39 000

Art collections, antiquities and exhibits

#### Pledged as security

No heritage assets were pledged as security.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>12. Investments</b>		
<b>Designated at fair value</b>		
Listed shares	268 274	387 314
The Legislature holds 5 251 shares in Sanlam which have an active market value		
<b>Non-current assets</b>		
Designated at fair value	268 274	387 314
<b>Financial assets at fair value</b>		
<b>Fair value hierarchy of financial assets at fair value</b>		
For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements. The fair value hierarchy has 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.		
<b>Level 1</b>		
Sanlam shares	268 274	387 313
The Legislature holds 5 251 shares in Sanlam which have an active market value of R51.09 per share on 31 March 2020 (2019: R73.76).		
The shares are not pledged as security for any borrowings.		
<b>13. Finance lease obligation</b>		
<b>Minimum lease payments due</b>		
- within one year	165 982	454 632
- in second to fifth year inclusive	69 078	33 626
	235 060	488 258
less: future finance charges	(11 446)	(21 414)
<b>Present value of minimum lease payments</b>	<b>223 614</b>	<b>466 844</b>
<b>Present value of minimum lease payments due</b>		
- within one year	156 022	434 521
- in second to fifth year inclusive	67 592	32 323
	<b>223 614</b>	<b>466 844</b>
Non-current liabilities	257 946	32 324
Current liabilities	434 520	434 520
	<b>692 466</b>	<b>466 844</b>

The average lease term was 2 - 3 years. Interest rates are fixed at the contract date. Certain leases have fixed repayments and others escalate. No arrangements have been entered into for contingent rent.

The Legislature's obligations under finance leases are secured by the lessor's charge over the leased assets.

There were no defaults or breaches and no terms or conditions were renegotiated during the reporting period.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>14. Payables from exchange transactions</b>		
Trade payables	1 609 667	2 244 821
Bonus accrual	2 358 744	2 026 573
Leave accrual	11 877 294	13 008 410
Creditor retentions	2 160 537	2 394 109
	<b>18 006 242</b>	<b>19 673 913</b>
<b>Fair value of trade and other payables</b>		
Trade payables	18 006 241	19 068 646
The carrying value of the trade payables, is assumed to approximate their fair values due to their short term nature.		
<b>15. Other payables from exchange transactions</b>		
<b>Current liabilities</b>		
Garnishee orders	10 360	-
Loan	6 000	-
Official unions	8 978	-
UIF	700	-
	<b>26 038</b>	<b>-</b>
<b>16. Aid assistance</b>		
The aid assistance agreement states that funds which are not used should be paid back to LSS, therefore it is disclosed as a payable.		
<b>Aid assistance</b>		
Opening balance	20 798	653 758
Aid expenditure	(2 216)	(595 306)
Recoverable expenditure	-	(37 654)
	<b>18 582</b>	<b>20 798</b>
<b>17. Services-in-kind</b>		
<b>Other income</b>		
Services-in-kind income - Relating to rental expenses	9 852 020	9 485 362
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.		
The NCPL received a free service in the form of training for members, funded by National Parliament (Legislature Support Sector Funding).		
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).		
<b>18. Interest and dividends</b>		
Interest - financial institutions	990 921	1 002 878
Dividends - Investment in Sanlam shares	13 107	12 182
	<b>1 004 028</b>	<b>1 015 060</b>

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>19. Government grants and subsidies</b>		
<b>Operating grants</b>		
Appropriation	225 929 000	220 580 000
<b>Appropriation</b>		
Included in above are the following grants and subsidies received:		
Annual appropriation	191 878 000	194 523 000
Statutory appropriation	34 051 000	26 057 000
	<b>225 929 000</b>	<b>220 580 000</b>

### Government Grants and Subsidies

The following reconciliation for Government Grants and Subsidies:

Balance unspent at beginning of year	15 894 498	22 031 734
Current-year receipts	225 929 000	220 580 000
Conditions met	(220 048 001)	(209 404 236)
Paid during the year	(15 000 000)	(17 313 000)
	<b>6 775 497</b>	<b>15 894 498</b>

The balance is the total of the funds unutilised that form part of the Legislature's reserves.

### 20. Employee related costs

Basic	79 300 124	65 194 847
Bonus provision charge	332 171	192 003
Compensative/circumstantial	13 740 968	14 655 466
Leave pay provision charge	(1 131 116)	(393 958)
Medical aid - company contributions	3 525 891	3 316 624
Non-pensionable allowances	20 332 029	18 329 359
Pension	11 295 006	11 196 774
Service based other expense	3 011 627	1 185 948
Service bonus	3 817 747	4 104 605
UIF	260 324	249 868
	<b>134 484 771</b>	<b>118 031 536</b>

An increase in the current year expenditure was mainly due to first time implementation of the 60/40 salary structure and once-off benefit determined by the Speaker. An increase is also associated to loss of office gratuities paid.

### Remuneration of NC Klaaste - Speaker

Annual remuneration	888 898	-
Public Office Bearers Allowance	107 742	-
Contributions to UIF, Medical and Pension Funds	228 752	-
Housing allowance	231 438	-
Other	149 774	-
	<b>1 606 604</b>	<b>-</b>

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>20. Employee related costs (continued)</b>		
<b>Remuneration of MK Mmoiemang - Speaker</b>		
Annual remuneration	109 347	1 066 677
Bonuses	88 890	88 890
Public Office Bearers Allowance	12 258	120 000
Contributions to UIF, Medical and Pension Funds	28 991	271 666
Motor car subsistence	14 710	144 000
Other	27 751	286 562
	<b>281 947</b>	<b>1 977 795</b>

Mr Mmoiemang did not resign. The general elections in May 2019 led to the dissolve of the 5th Legislature and the commencement of the 6th Legislature on 08 May 2019. Mr Mmoiemang was Speaker of the Legislature until 07 May 2019 and received remuneration in his capacity as Speaker until 07 May 2019. While anticipating the outcome of the general elections of 08 May 2019, all Members of the Legislature including Mr Mmoiemang was terminated on the payroll system with effect from the said date. Subsequent to the elections, Mr Mmoiemang was re-elected as Member of the Legislature into the 6th Legislature effective from 08 May 2020. Mr Mmoiemang upon his return was then remunerated as an ordinary Member and no longer held the position of Speaker. Mr Mmoiemang was subsequent nominated to serve at National Assembly as NCOP delegate representing the Northern Cape Legislature. His being a Member of the Legislature came to an end with effect from the announcement by the Premier on 21 May 2019 and was remunerated as Ordinary Member of the Legislature from 08 May to 21 May 2019. No one acted as Speaker during period 08 to 21 May 2019.

Ms NC Klaaste did replace Mr Mmoiemang given her appointment by the Premier as Speaker of the Legislature with effect from 22 May 2019. Ms Klaaste was elected as a Member of the Legislature with effect from 08 May 2019 subsequent to the general elections (6th Legislature) and was remunerated as an ordinary member for the period 08 May to 21 May 2019. Ms Klaaste was subsequently appointed as Speaker of the Legislature on 22 May 2019 and remunerated as such with effect from the said date.

### Remuneration of M Matika - Deputy Speaker

Annual Remuneration	755 712	-
Public Office Bearers Allowance	117 742	-
Contributions to UIF, Medical and Pension Funds	218 905	-
Other	318 708	-
	<b>1 411 067</b>	<b>-</b>



# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>20. Employee related costs (continued)</b>		
<b>Remuneration of JT Beukes - Deputy Speaker</b>		
Annual remuneration	86 138	840 280
Bonuses	7 098	110 695
Public Office Bearers allowance	12 258	120 000
Contributions to UIF, medical and pension funds	23 769	238 540
Motor car subsistence	9 806	96 000
Office gratuity	1 224 562	-
Other	24 367	235 623
	<b>1 387 998</b>	<b>1 641 138</b>

Ms Beukes did not resign. The general elections in May 2019 led to the dissolve of the 5th Legislature and the commencement of the 6th Legislature on 08 May 2019. Ms Beukes was Deputy Speaker of the Legislature until 07 May 2019 and received remuneration in her capacity as Deputy Speaker until 07 May 2019. While anticipating the outcome of the general elections of 08 May 2019, all Members of the Legislature including Ms Beukes was terminated on the payroll system with effect from the said date. Subsequent to the elections, Ms Beukes was not re-elected as Member of the Legislature into the 6th Legislature. No one acted as Deputy Speaker during the period 08 to 21 May 2019.

Mr OM Matika did replace Hon Beukes given his appointment by the Premier as Deputy Speaker of the Legislature with effect from 22 May 2019. Mr Matika was elected as a Member of the Legislature with effect from 08 May 2019 subsequent to the general elections (6th Legislature) and was remunerated as an ordinary member for the period 08 May to 21 May 2019. Mr Matika was subsequently appointed as Deputy Speaker of the Legislature on 22 May 2019 and remunerated as such with effect from the said date.

### Remuneration of PB Moopelwa - Secretary

Annual remuneration	1 148 389	1 020 790
Car allowance	425 342	389 897
Bonuses	152 927	-
Contributions to UIF, medical and pension funds	1 785	187 948
Housing allowance	338 465	310 260
Basic salary backdated	-	31 900
Other	-	840 835
	<b>2 066 908</b>	<b>2 781 630</b>

A decrease in remuneration was as a result of leave pay-out upon the end of Mr Moopelwa's employment term in the previous year. Mr Moopelwa was appointed on short-term basis in the current year.

### Remuneration of HJ Botha - Executive Manager: Lawmaking and Housebusiness

Annual remuneration	913 984	888 596
Car allowance	36 572	36 572
Bonuses	197 877	76 165
Contributions to UIF, medical and pension funds	284 006	219 881
Housing allowance	12 725	12 725
Basic salary backdated	-	25 388
Other	198 981	278 578
	<b>1 644 145</b>	<b>1 537 905</b>

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>20. Employee related costs (continued)</b>		
<b>Remuneration of GR Botha - Chief Financial Officer</b>		
Annual remuneration	964 210	937 426
Car allowance	301 704	301 704
Basic salary backdated	-	26 784
Bonuses	128 401	-
Contributions to UIF, medical and pension funds	202 147	151 454
Other	138 954	202 147
	<b>1 735 416</b>	<b>1 619 515</b>
<b>Remuneration of NG Siyo - Acting Executive Manager: Corporate Services</b>		
Annual remuneration	453 155	755 258
Acting allowance	22 785	76 196
Car allowance	56 123	96 210
Contributions to UIF, medical and pension funds	146 331	122 600
Housing allowance	43 476	74 530
Basic salary backdated	-	21 579
Other	58 942	236 839
	<b>780 812</b>	<b>1 383 212</b>
NG Siyo was appointed as of 12 October 2016 until 31 July 2019.		
The position was vacant from 1 August 2019.		
<b>Remuneration of NH Borchard - Acting Executive Manager: Committees, Research and Information Services, Public Education and Communication</b>		
Annual remuneration	699 484	680 054
Acting allowance	154 707	153 479
Car allowance	60 357	60 357
Contributions to UIF, medical and pension funds	147 137	172 670
Housing allowance	40 368	40 368
Other	160 170	147 137
Bonuses	151 438	58 290
Basic salary backdated	-	19 430
	<b>1 413 661</b>	<b>1 331 785</b>
NH Borchard was appointed as of 12 October 2016.		
<b>21. Transfers and subsidies</b>		
Departmental agencies	487 582	483 300
Non-profit institutions	41 417 433	44 581 731
	<b>41 905 015</b>	<b>45 065 031</b>
<b>22. Depreciation and amortisation</b>		
Depreciation	3 548 938	4 449 573
Amortisation	180 863	190 479
	<b>3 729 801</b>	<b>4 640 052</b>

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>23. Payments for financial assets</b>		
Other debts written off	539 656	63 662
Interest on finance leases	8 084	93 892
	<b>547 740</b>	<b>157 554</b>
<b>24. Goods and services</b>		
Administrative fees	1 538 759	690 114
Advertising	1 007 631	472 208
Auditors remuneration	3 587 175	3 178 125
Bursaries	133 676	152 207
Capital expenditure	46 890	358
Catering	708 410	1 211 338
Communication	1 594 717	1 451 469
Computer expenses	1 726 379	1 850 596
Consultants: Business and advisory services	1 835 932	2 952 161
Consulting and professional fees	23 054	304 320
Consumables	1 109 426	987 391
Contractors	1 336 055	1 028 253
Entertainment	16 965	31 378
Fleet	623 634	457 081
Interest paid	35 563	-
Inventory expenses	91 501	68 487
Operating leases	2 074 461	7 689 986
Other expenses	1 321 783	1 501 619
Penalties and fines	287 265	-
Property payments	2 074 623	2 889 226
Rental expense - Services-in-kind	9 852 020	9 485 362
Security	43 064	-
Training	284 843	136 404
Travel and subsistence - local	10 030 759	10 523 977
Travel and subsistence - overseas	1 174 030	2 236 718
Venue expenses	3 442 549	495 024
	<b>46 001 164</b>	<b>49 793 802</b>
<b>25. Operating surplus</b>		
Operating surplus for the year is stated after accounting for the following:		
Loss on sale of property, plant and equipment	-	(8 754)
Impairment on property, plant and equipment	238 897	-
Depreciation on property, plant and equipment	3 735 274	5 199 298
Employee costs	134 484 771	118 031 536
<b>26. Fair value adjustments</b>		
Other financial assets		
• Sanlam investment	(119 040)	(60 597)
<b>27. Auditors' remuneration</b>		
Fees	3 587 175	3 178 125

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>28. Operating lease expense</b>		
Buildings	1 832 214	7 212 450
Equipment and machinery	396 141	481 975
	<b>2 228 355</b>	<b>7 694 425</b>
<b>29. Travel and subsistence</b>		
Travel and subsistence - Local	8 481 953	9 924 204
Travel and subsistence - Overseas	1 174 030	2 236 718
	<b>9 655 983</b>	<b>12 160 922</b>
<b>30. Cash generated from operations</b>		
Surplus	2 868 120	573 627
<b>Adjustments for:</b>		
Depreciation and amortisation	3 735 274	5 199 298
Loss on sale of assets and liabilities	-	8 754
Revenue utilised	1 004 027	1 086 234
Fair value adjustments	119 040	60 597
Impairment loss	238 897	-
Movements in operating lease assets and accruals	(71 123)	(64 008)
Payment for financial assets - other debts written off	539 656	-
Finance cost	8 084	93 892
Revenue transferred to net assets	5 881 000	11 175 163
Allowance for inventory obsolescence	84 502	-
Services-in-kind income	(9 852 020)	(9 485 362)
Rental expense services-in-kind	9 852 020	9 485 362
<b>Changes in working capital:</b>		
Inventories	-	167
Receivables from exchange transactions	(830 982)	(663 659)
Other receivables from exchange transactions	(170 602)	-
Prepayments and advances	119 222	2 202 103
Payables from exchange transactions	(1 801 524)	(2 014 126)
Other payables from exchange transactions	26 038	-
	<b>11 749 629</b>	<b>17 658 042</b>

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

Figures in Rand	2020	2019	
<b>31. Financial instruments disclosure</b>			
<b>Categories of financial instruments</b>			
<b>2020</b>			
<b>Financial assets</b>			
	At fair value	At amortised cost	Total
Cash and cash equivalents	-	6 846 095	6 846 095
Other receivables from exchange transactions	-	170 602	170 602
Investments	268 274	-	268 274
Receivables from exchange transactions	-	2 913 703	2 913 703
	<b>268 274</b>	<b>9 930 400</b>	<b>10 198 674</b>
<b>Financial liabilities</b>			
		At amortised cost	Total
Finance lease obligation		692 466	692 466
Other payables from exchange transactions		26 038	26 038
Aid assistance		18 582	18 582
Payables from exchange transactions		18 006 242	18 006 242
		<b>18 743 328</b>	<b>18 743 328</b>
<b>2019</b>			
<b>Financial assets</b>			
	At fair value	At amortised cost	Total
Cash and cash equivalents	-	15 626 903	15 626 903
Investments	387 314	-	387 314
Receivables from exchange transactions	-	2 773 642	2 773 642
	<b>387 314</b>	<b>18 400 545</b>	<b>18 787 859</b>
<b>Financial liabilities</b>			
		At amortised cost	Total
Finance lease obligation		466 844	466 844
Aid assistance		20 798	20 798
Payables from exchange transactions		19 673 913	19 673 913
		<b>20 161 555</b>	<b>20 161 555</b>
<b>32. Commitments</b>			
<b>Authorised capital expenditure</b>			
<b>Already contracted for but not provided for</b>			
• Property, plant and equipment		3 073 548	7 923 656
<b>Total capital commitments</b>		<b>3 073 548</b>	<b>7 923 656</b>
Already contracted for but not provided for		3 073 548	7 923 656

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>32. Commitments (continued)</b>		
<b>Authorised operational expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Operational commitments	83 026	1 052 468
<b>Total operational commitments</b>		
Already contracted for but not provided for	83 026	1 052 468
<b>Total commitments</b>		
<b>Total commitments</b>		
Authorised capital expenditure	3 073 548	7 923 656
Authorised operational expenditure	83 026	1 052 468
	<b>3 156 574</b>	<b>8 976 124</b>

This committed expenditure relates to plant and equipment and intangible assets and will be financed by available bank facilities, retained surpluses, mortgage facilities and existing cash resources etc.

### Operating leases - as lessee (expense)

<b>Minimum lease payments due</b>		
- within one year	11 132	875 249
- in second to fifth year inclusive	-	11 132
	<b>11 132</b>	<b>886 381</b>

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 2020 and 30 April 2020. 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 2020

## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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### 33. Contingencies

Litigation is in process against COPE and the Speaker of the NCPL for the recovery of cost to the value of R237 237. The claim is in favour of the NCPL (A warrant of execution was sent to COPE) (Case number 4098/13 and 1137/13).

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.

Litigation is in process against Flavio Fernandez for a claim against the driver of the Speaker, Morwanyana Peter Moseki, to the value of R54 139. The matter was referred to the Office of the Chief Whip to arrange for representation for Mr. Moseki. The State Attorney is to advise on closure of the matter.

The legislature is currently disputing an amount of R525 251 with the South African Revenue Services which was deducted and it is probable that the proceedings will result in the recovery of the full amount as it was incorrectly deducted.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

Figures in Rand 2020 2019

### 34. Related parties

Relationships	
Controlled entities	Northern Cape Political Party Fund (NCPFF)
Services-in-kind	Refer to note 17
Members of key management	Refer to note 20
	NC Kaatse (Speaker)
	M.K. Mmoiemang (Former Speaker)
	M Matika (Deputy Speaker)
	J.T. Beukes (Former Deputy Speaker)
	P.B. Moopelwa (Secretary)
	H.J. Botha (Executive Manager: Lawmaking and House Business)
	G.R. Botha (Chief Financial Officer)
	N.G. Siyo (Acting Executive Manager: Corporate Services)
	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 (NCPFF)	14 836 000	15 705 000
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#### Related party transactions

#### Key management information

Class	Description
Speaker to the Legislature	NC Kaatse
Former Speaker to the Legislature	M.K. Mmoiemang
Deputy Speaker	M. Matika
Former Deputy Speaker	J.T. Beukes
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	N.G. Siyo
Acting Executive Manager: Committees, Research and Information Services, Public Education and Communication	N.H. Borchard

### 35. Change in estimate

#### Property, plant and equipment

The estimated useful life of computer software as part of intangible assets was estimated to be 2 years. In the current period management have revised their estimated useful life to be 4 years. The effect of this revision has decreased the depreciation charges for the current and future periods.

The impact on the cash flow statement is R0, as depreciation is not in the form of cash.

### 36. 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.



# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

Figures in Rand 2020 2019

### 36. Risk management (continued)

#### Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity 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	
	2020	2019	2020	2019
Finance lease obligation	434 520	434 520	257 946	32 324
Payables from exchange transactions	18 006 242	19 673 913	-	-
Aid assistance	18 582	20 798	-	-
Other payables from exchange transactions	26 038	-	-	-
	<b>18 485 382</b>	<b>20 129 231</b>	<b>257 946</b>	<b>32 324</b>

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and receivables. The entity 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 were as follows:

Financial instrument	2020	2019
Cash and cash equivalents	6 846 095	15 626 903
Other receivables from exchange transactions	170 602	-
Investments	268 274	387 314
Receivables from exchange transactions	2 913 703	2 773 642

#### 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

### 37. Going concern

We draw attention to the fact that at 31 March 2020, the entity had an accumulated surplus (deficit) of R 19 262 205 and that the entity's total assets exceed its liabilities by R 39 450 700.

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

Figures in Rand 2020 2019

### 37. Going concern (continued)

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.

### 38. Events after the reporting date

On 6 March 2020 SA confirmed the first case of COVID-19 and the country went into lockdown at 00:00 on 26 March 2020.

The lockdown was extended multiple times after the original calling for a lockdown.

The lockdown is currently indefinite and the levels of the lockdown will be used to relief constraints placed on the country.

South Africa progressed to lockdown level 2 on 17 August 2020.

The extension of the lockdown meets the definition of an event after reporting date.

The extension as well as the initial lockdown will not have a material impact on the 2019/20 Annual Financial Statement Figures as the lockdown was called 5 days before year end. Therefore no adjustments are required for the 2019/20 Annual Financial Statement figures.

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 in funding.

### 39. Unauthorised expenditure

Opening balance as previously reported	3 881 878	3 881 878
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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.

### 40. Fruitless and wasteful expenditure

Opening balance as previously reported	4 837 640	1 632 723
<b>Opening balance as restated</b>	<b>4 837 640</b>	<b>1 632 723</b>
Add: Expenditure identified - current	322 828	-
Add: Expenditure identified - prior period	-	3 204 917
<b>Closing balance</b>	<b>5 160 468</b>	<b>4 837 640</b>
Interest and penalties	322 828	96 939
Overpayments	-	616 750
Payment discrepancies	-	868 230
Expenditure in absence of work done	-	1 622 998
	<b>322 828</b>	<b>3 204 917</b>

### 41. Irregular expenditure

Opening balance as previously reported	20 978 605	20 953 189
<b>Opening balance as restated</b>	<b>20 978 605</b>	<b>20 953 189</b>
Add: Irregular expenditure - prior period	-	25 416
<b>Closing balance</b>	<b>20 978 605</b>	<b>20 978 605</b>

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

Figures in Rand 2020 2019

### 42 Budget differences

#### Material differences between budget and actual amounts

Sale of goods and services other than capital assets: No goods and services were sold during the year.

Interest, dividends and rent on land: There was less cash on hand due to the increase in the Legislature spending trends which resulted in less interest received.

Compensation of employees: The variance is immaterial.

Transfers and subsidies: The variance is immaterial, but the overspending as a result of the loss of office gratuity that could not have been foreseen or expected.

Goods and services: The underspending was as a result of property payment credit note due to incorrect billing by the Municipality. The savings was as a result of the efficient cost containments measures applied.

Payment for capital assets: The underspending was as a result of the delay in the building project that was outside the control of the Legislature. Further overspending was as a result of delays in the acquisition of the Speaker's and Deputy Speaker's official cars.

#### Differences between budget and actual amounts basis of preparation and presentation

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.

### 43. 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

##### 2019

	Note	As previously reported	Correction of error	Restated
Inventories		84 502	-	84 502
Prepayments and advances		935 349	-	935 349
Receivables from exchange transactions		3 385 634	(611 992)	2 773 642
Cash and cash equivalents		15 626 903	-	15 626 903
Property, plant and equipment		44 601 480	(11 979)	44 589 501
Intangible assets		426 956	-	426 956
Heritage assets		39 000	-	39 000
Investments		387 314	-	387 314
Finance lease receivables (Current)		(434 520)	-	(434 520)
Operating lease asset		(4 060)	-	(4 060)
Payables from exchange transactions		(19 066 082)	(607 831)	(19 673 913)
Aid assistance		(20 798)	-	(20 798)
Finance lease obligation (Non-current)		(32 324)	-	(32 324)
Funds utilised		(15 894 497)	-	(15 894 497)
Accrued revenue		(12 408 971)	-	(12 408 971)
Accumulated (surplus)/deficit		(17 625 886)	1 231 802	(16 394 084)
		-	-	-

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

Figures in Rand 2020 2019

### 43. Prior-year adjustments (continued)

#### Statement of financial performance

##### 2019

	Note	As previously reported	Correction of error	Restated
Interest and dividends		1 015 060	-	1 015 060
Sale of goods and services other than capital goods		56 767	-	56 767
Transactions in financial assets and liabilities		14 407	-	14 407
Services-in-kind income		9 485 362	-	9 485 362
Government grants and subsidies		220 580 000	-	220 580 000
Employee related cost		(118 031 536)	-	(118 031 536)
Transfers and subsidies		(45 065 031)	-	(45 065 031)
Depreciation and amortisation		(5 184 755)	(14 543)	(5 199 298)
Payments for financial assets		(157 554)	-	(157 554)
Goods and services		(48 576 543)	(1 217 259)	(49 793 802)
Loss on disposal of assets and liabilities		(8 754)	-	(8 754)
Fair value adjustments		(60 597)	-	(60 597)
Revenue transferred to net assets		(11 175 163)	-	(11 175 163)
Departmental revenue transferred to net assets		(1 086 234)	-	(1 086 234)
<b>Surplus for the year</b>		<b>1 805 429</b>	<b>(1 231 802)</b>	<b>573 627</b>

#### Cash flow statement

##### 2019

	Note	As previously reported	Correction of error	Restated
<b>Cash flow from operating activities</b>				
Appropriation		220 580 000	-	220 580 000
Interest income		1 015 060	-	1 015 060
Other receipts		56 767	-	56 767
Employee cost		(118 233 491)	-	(118 233 491)
Suppliers		(40 697 827)	2 564	(40 695 263)
Grants and subsidies		(45 065 031)	-	(45 065 031)
		<b>17 655 478</b>	<b>2 564</b>	<b>17 658 042</b>
<b>Cash flow from investing activities</b>				
Purchase of property, plant and equipment		(4 855 385)	(2 564)	(4 857 949)
<b>Cash flow from financing activities</b>				
Movement in aid assistance		(750 939)	-	(750 939)
Finance lease payments		(932 915)	-	(932 915)
Repayment of unutilised revenue		(17 313 000)	-	(17 313 000)
		<b>(18 996 854)</b>	<b>-</b>	<b>(18 996 854)</b>

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>43. Prior-year adjustments (continued)</b>		
<b>Errors</b>		
The following prior period errors adjustments occurred:		
<b>Error 1</b>		
The depreciation for library books for the prior financial year was understated. The depreciation and accumulated depreciation for the library books for the 2018/2019 financial year were corrected:		
<b>Statement of financial position</b>		
<b>Property, plant and equipment</b>		
Library books - Accumulated depreciation		(14 543)
<b>Statement of financial performance</b>		
Depreciation and amortisation		14 543
		<u>-</u>
<b>Error 2</b>		
Library books that were acquired in the prior financial year were identified that were not recorded previously. The addition of the library books and the corresponding accruals for the 2018/2019 financial year were corrected.		
<b>Statement of financial position</b>		
<b>Property, plant and equipment</b>		
Library books - Cost		2 564
Payables from exchange transactions		(2 564)
		<u>-</u>
<b>Error 3</b>		
The expenditure relating to the professional membership and subscriptions, and the SITA dataline, were corrected and recorded in the 2018/2019 financial year.		
<b>Statement of financial position</b>		
Payables from exchange transactions		(324 702)
<b>Statement of financial performance</b>		
Goods and services		324 702
		<u>-</u>
<b>Error 4</b>		
The expenditure relating to the property payments and operating leases were corrected and recorded in the 2018/2019 financial year.		
<b>Statement of financial position</b>		
Payables from exchange transactions		(280 565)
<b>Statement of financial performance</b>		
Goods and services		280 565
		<u>-</u>
<b>Error 5</b>		
The expenditure relating to travel and subsistence and the suspense account relating thereto were corrected in the 2018/2019 financial year.		
<b>Statement of financial position</b>		
Receivables from exchange transactions		(611 992)

# Northern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

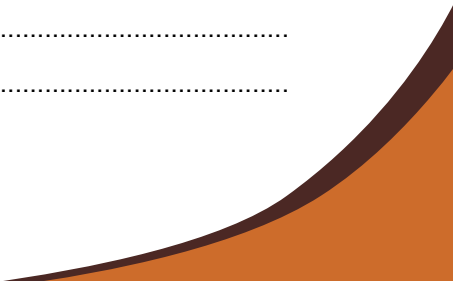
Figures in Rand	2020	2019
<b>43. Prior-year adjustments (continued)</b>		
<b>Statement of financial performance</b>		
Goods and services		611 992
		-

### 44. Comparative figures

Certain comparative figures have been restated. Refer to note 43 for details.

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