EASTERN CAPE

PROVINCIAL LEGISLATURE

ANNUAL REPORT

2024 - 2025

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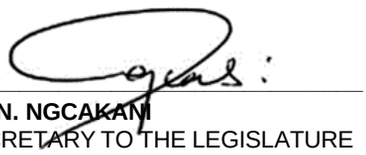
List of Abbreviations

AC	Audit Committee
AGSA	Auditor-General of South Africa
AIDS	Acquired Immunodeficiency Syndrome
AIP	Audit Improvement Plan
AO	Accounting Officer
APP	Annual Performance Plan
ASB	Accounting Standards Board
CIO	Chief Information Officer
CPA	Commonwealth Parliamentary Association
DEDEAT	Department of Economic Development, Environmental Affairs and Tourism
DFFE	Department of Forestry, Fisheries and the Environment
DOE	Department of Education
DRDAR	Department of Rural Development and Agrarian Reform
EC	Eastern Cape
ECPL	Eastern Cape Provincial Legislature
ERP	Enterprise Resource Planning
FMPPLA	Financial Management of Parliament and Provincial Legislature's Act
GRAP	Generally Recognised Accounting Practice
HDI	Historically Disadvantaged Individuals
HIV	Human Immunodeficiency Virus
HOA	Homeowners Allowance
HRD	Human Resource Development
ICT	Information and Communication Technology
IEBSA	International Ethics Standards Board for Accountants
IHRM	Integrated Human Resource Management
IMF	International Monetary Fund
ISAs	International Standards on Auditing
MBAARMA	Money Bills Amendment and Related Matters Act, 2020
MoA	Memorandum of Agreement
MPLs	Members of the Provincial Legislature
MTEF	Medium-Term Expenditure Framework
NCOP	National Council of Provinces
NDP	National Development Plan
OR Tambo	Oliver Reginald Tambo District Municipality
PAA	Public Audit Act
PAYROLL	Payroll Management System
PDP	Provincial Development Plan
PERSAL	Personnel and Salary System
PESTEL	Political, Economic, Social, Technological, Environmental, and Legal
POPIA	Protection of Personal Information Act
PPPFA	Preferential Procurement Policy Framework Act
PPR	Preferential Procurement Regulations
PRECCA	Prevention and Combating of Corrupt Activities Act
PSR	Public Service Regulations
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDG	Sustainable Development Goal
SMS	Senior Management Service
SOPA	State of the Province Address
TLTTP	Taking Legislature to the People
TVET	Technical and Vocational Education and Training

SUBMISSION OF THE 2024/25 ANNUAL REPORT BY THE SECRETARY TO THE LEGISLATURE

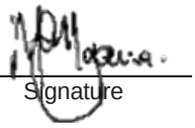
The Accounting Officer is required by section 59 of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009) to submit Parliament's Annual Report to the Executive Authority within five months of the end of the financial year. I have pleasure to present the Annual Report of the Eastern Cape Provincial Legislature for the year ending 31 March 2025.



MS N. NGCAKANI
SECRETARY TO THE LEGISLATURE

OFFICIAL SIGN OFF

MS N.P. MOSANA
General Manager
Office of the Secretary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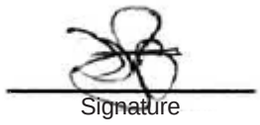
31 August 2025
Date

MS F NKOMONYE
Executive Manager
Corporate Services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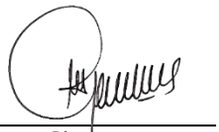
ADV K. BEJA
Executive Manager
Parliamentary Services

Signature

31 August 2025
Date

MS U MAHLASELA
Chief Financial Officer


Signature

31 August 2025
Date

MS N. NGCAKANI
Secretary to the Legislature

Signature

31 August 2025
Date

MS H.M. SAULS-AUGUST (MPL)
Speaker of the Legislature

Signature

31 August 2025
Date

i. FOREWORD BY THE EXECUTIVE AUTHORITY

2024/25 marked an election year for the 7th National and Provincial Elections (NPE). Following the NPE which was held on the 29th of May 2024 the Legislature had to contend with several issues including an increased number of Members of the Eastern Cape Provincial Legislature. The period under review was also characterised by the establishment of internal structures, reconfiguration of our committees for the 7th Legislature and an intensive workshop program for our members and staff.

As a Legislature we equally had to contend with the daring outcomes of the State Capture Judicial Commission of Inquiry regarding the effectiveness of our oversight and holding the Executive to account as the Legislative arm of the state. Further to that we were also faced with a difficult question of rebuilding public trust and reinforcing the legitimacy of democratic institutions particularly as deemed urgent by the electoral outcomes and voter turnout in the 2024 NPE.

To answer some of these questions would require a legislature that enables people to fully participate in the administration of their own affairs using our programmes as vehicles for transformation, make transparency a nucleus of what we do in holding the Executive and organs of state to account and to assert the authority of the Legislature as an institution of people's power.

As such during the period under review we managed to push barriers that sought to define us, by successfully for the first time since the dawn of democracy hosted a Parliament for the Creative Sector and in line with Rule 18 of the Standing Rules which requires that we conduct at least two Sectoral Parliaments in a financial year also hosted a successful Workers Parliament. We also managed to successfully host one of our flagship programmes that promote mass participation in the form of Taking Legislature to the People (TLTTP). This is in spite of the hosting district experiencing floods that displaced many families. The legislature was agile enough to rearrange the program and dedicate the first day of the TLTTP to helping communities affected by the floods.

We also reviewed our SOP on petitions and cleaned up our Petitions Register in preparation for consideration of petitions through the Standing Committee on PPP&E. This process also involved the consideration of 417 petitions emanating from the Taking Legislature to the People held in Despatch, Nelson Mandela Metropolitan Municipality in 2024.

Finally, during the period under review a lot of work had to be put in place to ensure that the ERP implementation phases are brought to finality. The last module was deployed at the beginning of the current financial year. Among the work undertaken in this regard was an intensive training program of our end-users and the management of the transition to the new system with the least number of glitches. All the undertaken during the period under review was with an understanding that these separate but related tasks are building blocks for a conducive environment to achieve the goal of building a capable, ethical and developmental state.

The Annual Report is developed as requirement of Section 59 of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009), however it is also a tool for oversight as Members and Committees evaluate our performance against the Annual Performance Plan to inform improvement. Indeed the 7th Term will seek to respond to challenges previously encountered and continue with introducing efficiencies in the processes of the work of the Legislature making it more responsive towards improvement of life for all.

Ms H.M SAULS-AUGUST (MPL)
SPEAKER TO THE EASTERN CAPE PROVINCIAL LEGISLATURE

ii. OVERVIEW BY THE ACCOUNTING OFFICER

This report covers the period commencing from 01 April 2024 until 31 March 2025.

The Legislature was engaged in implementing the undertakings of the 2020-2025 Strategic Plan including the transitional arrangements from the Sixth to the Seventh Term.

The work of the Legislature was affected by the transitional period as some of the usual programmes were deferred because of the transitional period from the Sixth to the Seventh Term.

The introduction of budget votes and the tabling of policy speeches was not done as planned in April and this was done during the month of August after the 29 May 2024 national and provincial elections. The first sitting of the Seventh Legislature presided over by the Acting Judge President sat on 14 June 2024.

The work of Parliamentary Services continued with voter education and the programme of oversight visits during the first quarter with the Committee of the whole House led by the Portfolio Committee on Health. This culminated in a report tabled in the House.

In terms of law-making, a number of bills were considered including; Railway Safety Bill, Transport Appeal Tribunal Amendment Bill, Marine Pollution – Prevention of Pollution from Ships Bill, Public Procurement Bill, Electricity Regulation Amendment Bill, Basic Education Laws Amendment Bill, Preservation and Development of Agricultural Land Bill and Older Persons Amendment Bill.

During the extended recess period prior to the elections, a multi-disciplinary team was tasked with preparing for the exit and the onboarding of Members. The project involved the revamp of the Chamber to accommodate the increase in the number of elected representatives, the swearing in and induction of members as provided for in the Standing Rules of the Eastern Cape Legislature, the distribution to tools of trade and the allocation of office and housing accommodation. While most of this project's milestones have been achieved, there is still work outstanding which is intended to be completed over the mid-term period. Currently there are two major projects that are part of this work, which are the construction of a new office block to accommodate the Legislature's office needs as well as the completing of the ICT revamp of the Chamber.

The Official Opening of the Legislature address took place during this period and was hosted in Ntabankulu in the Alfred Nzo District Municipality on 1 August 2024. This was preceded by the constitution of all oversight and governance committees by the Rules Committee. The establishment of these committees was published in the Announcements, Tablings and Committee Reports (ATC) as required in terms of the Standing Rules.

The implementation of this project has not been without its challenges as limitations of the budget allocation have hindered the effective delivery of this project and the subsequent support of the work of the Seventh Term of the Legislature. The increase in the number of Members and the resultant increase in the support staff have not been adequately funded in the allocation for the 2024/2025 financial year and as such put immense pressure on the budget in particular for Programme Two. Submissions were made during this period for an adjusted allocation for the financial year in question and for the MTEF period to take into account the increases in the number of members and staff.

It is critical to report that Budget Votes of departments were considered by the new reconfigured Committees enabling tabling thereof to the House without contravention of legislation. In addition is the highlight of the Budget and Money Bills Committee that for the first time, tabled its report to the House with recommendations on the Appropriation Bill. This made the Eastern Cape Provincial Legislature to be the first provincial legislature to implement the Money Bills Amendment and Related Procedures Act in the country.

Strategic Plan for the Seventh Term
The finalization of the Strategic Plan for the Seventh Term was concluded with the reviewed vision and mission having been adopted by the Rules Committee.

Parallel to this process was the development of the draft annual performance plan as well as the operational plan for the financial year 2025/2026 and these were aligned to the budget and policy speech for tabling in April 2025.

Sectoral Parliaments and Special Days
Our annual Nelson Mandela Day for 2024/25 took place in Zikhova Administrative Area in Ward 31, Buffalo City Municipality and our flagship Taking Legislature to the People Programme was hosted in Despatch under Nelson Mandela Bay Municipality. Due to a flooding disaster across the Nelson Mandela Bay Municipality, the first day of the TLTTP was cancelled to allow Members of the Legislature, Executive Council of the Province and the leadership from the Bay to be on the ground to assist with and monitor the relief efforts and response.

The period January to March 2025 has been one of the busiest periods in the calendar of the Legislature. A number of activities that took place such as the State of the Province Address, Men's Parliament, Parliament for the Creative Industry as well as the tabling of the Appropriation Bill through the Budget Speech. This was indicative of the work of the Legislature having been in full swing after the constitution of the Seventh Administration in June 2025.

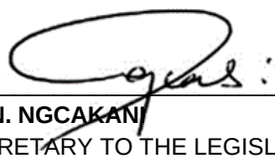
These projects were preceded by one of the mainstay programmes of the Legislature, the school's readiness oversight program which took place in January. The Portfolio Committee on Education led to the work of the Committee of the Whole House to assess the readiness of schools as well as the Department of Education for the academic year 2025.

Committees were also engaged during the month of March in a committee planning session and the work that was done was incorporated into the strategy of the Legislature for the term as well as the annual plans for the 2025/2026 financial year going forward.

Commonwealth Parliamentary Association (CPA) benchmarking exercise
Legislature was also visited by the CPA secretariat to conduct a benchmarking exercise on the work of the Legislature focusing on both parliamentary services as well as the auxiliary function which in the main is supported by the administration. During the exercise, the CPA secretariat consulted with the various governance and oversight committees which included both members and management. The overall objective of the exercise was to provide feedback on the effectiveness of the work of the Legislature and also to make recommendations and provide funding when necessary to support the improvement in identified areas. The report shall be processed through the Exco when received.

Conclusion
Despite these challenges, the Legislature has been able to remain stable with the administrative leadership with its hand on the pulse on all that is required to enhance the support to members. The induction and handover reports in almost all committees have been done.

The Legislature’s administration owes its gratitude to the Executive Committee under the leadership of the Honourable Speaker, the Legislature Oversight Committee and the Audit Committee for providing the necessary governance and oversight assurance to be able to achieve its targets.



Ms N. NGCAKANI
SECRETARY TO THE LEGISLATURE

DATE: 31 AUGUST 2025

PART A

GENERAL INFORMATION

1. GENERAL INFORMATION

1.1 STRATEGIC OVERVIEW

1.1.1 VISION

An activist and responsive People's Assembly for good governance and improvement of quality of life for all.

1.1.2 MISSION

- To exercise oversight that will ensure responsiveness and accountability of the government to the people of the Province;
- To initiate, pass and monitor implementation of laws that uphold citizens' rights;
- To ensure meaningful public involvement, education and advocacy;
- To ensure that vulnerable groups are integrated in all programs of the Legislature; and
- To foster relations with local and international institutions supporting democracy

1.1.3 VALUES

Excellence	Discharging our responsibilities with utmost care and offering the highest levels of service to those we serve.
Integrity	Pursuing ethical practices by being open, honest, transparent and consistent in our actions
Commitment	Focusing on achieving our goals without let or hindrance
Professionalism	Conducting our business with our stakeholders with highest levels of diligence, competence and responsibility.
Accountability	Accepting full responsibility for our actions or inactions and consequences thereof.
Loyalty	Espousing the principles and ethos enshrined in the Constitution of the Republic of South Africa.
Responsiveness	An institution that responds to stakeholders within a reasonable time frame
Respect	Having due regard to the rights of the citizens
Transparency	ensuring a People's Assembly that is accessible and provides information to the public
Openness	Giving meaning to the extent to which Legislature is able to build high levels of accountability and trust amongst citizens

1.1.4 STRATEGIC GOALS OF THE EASTERN CAPE PROVINCIAL LEGISLATURE

Strategic Goal 1	**Strengthened oversight role of the legislature for improved service delivery**
Goal Statement	Maintain vigorous oversight of the executive to ensure sustainable development of the Province and its people.
Justification	Oversight over the executive is a constitutional requirement for the legislature
Links	Oversight Committees are required to conduct oversight of the members of the executive council.

Strategic Goal2	**Effective law making**
Goal Statement	To ensure legislature passes laws that contribute to the transformation of Eastern Cape society towards better life
Justification	Law making is a mandate of the legislature prescribed in the Constitution
Links	The legislature must monitor implementation of policies and legislation that seeks to transform the conditions in which the people live.

Strategic Goal 3	Deepened public participation
Goal Statement	Promote active citizenship through meaningful public involvement in the work and processes of the legislature.
Justification	The deepen democracy and ensure that the will of the people prevails at all times.
Links	Through public participation, petitions and public education, citizens drive government policies and legislation

Strategic Goal 4	Strengthened good governance for public affairs
Goal Statement	Adherence to legislation, ethical standards, best practices and internal policies.
Justification	To maintain clean governance and preserve good reputation of the institution.
Links	The Legislature must be managed in a manner that contributes to efficient, effective and developmental oriented public service entity that promotes fair and inclusive citizenship.

Linking Strategic Goals with Strategic Objectives

Strategic Goal 1:	Strengthened oversight role of the legislature for improved service delivery
Strategic Objective 1.1:	Full implementation of the Eastern Cape Legislature oversight model
Strategic Goal 2:	**Effective Law Making**
Strategic Objective 2.1 Strategic Objective 2.2	Effective participation of the legislature in the national law-making processes Enhance the capacity of the legislature to make, amend and pass laws
Strategic Goal 3:	**Deepened public participation**
Strategic Objective 3.1	To promote public involvement in legislative processes
Strategic Objective 3.2	Increased public involvement through effective awareness and access to information.
Strategic Goal 4	**Strengthened good governance for public affairs**
Strategic Objectives 4.1	To provide political leadership to ensure attainment of the mandate of the Legislature
Strategic Objectives 4.2	To create an enabling environment through provision of strategic and technical support to MPLs
Strategic Objective 4.3	Compliance with corporate governance through effective internal control environment
Strategic Objectives 4.4	Facilitate mainstreaming of special programmes in the Legislature business
Strategic Objective 4.5	Provision of legal support to the institution

1.2 LEGISLATIVE AND OTHER MANDATES

a. Constitutional Mandate

The Eastern Cape Provincial Legislature derives its mandate from sections 104 – 124 of the Constitution of the Republic of South Africa, 1996. Section 114 of the Constitution enjoins the Legislature that:

(1) 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 for money Bills

(2) A provincial legislature must provide mechanisms.
   (a) to ensure that all Provincial executive organs of state in the province are accountable to it, and
   (b) to maintain oversight of the provincial executive authority in the province, including the implementation of legislation and any provincial organ of state.

Section 118 prescribes that.

(1) A provincial legislature must:
   (a) Facilitate public involvement in the legislative and other processes of the Legislature and its committees.

b. Legislative Mandate

In addition to the above, there are various pieces of legislation that govern or have direct bearing on the programmes and activities of the Legislature including:

- The Constitution of the Republic of South Africa,1996
- Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No.10 of 2009);
- Remuneration of Public Office Bearers Act, 1998 (Act No.20 of 1998);
- Mandating Procedures of Provinces Act, 2008 (Act No.52 of 2008);
- Powers, Privileges and Immunities of Parliament and Provincial Legislatures Act, 2004 (Act No.4 of 2004);
- Basic Conditions of Employment Act, 1997 (Act No.75 of 1997);
- Labour Relations Act, 1995 (Act No.66 of 1995);
- Employment Equity Act, 1998 (Act No.55 of 1998);
- Skills Development Act, 1998 (Act 97 of 1998);
- Political Party Funding Act, 2018 (Act No.6 of 2018) and
- Electoral Act, 1998 (Act No.73 of 1994).
- Eastern Cape Money Bills Amendment Procedure and Related Matters Acts, 2020.

c. Policy Mandates

The business and operations of the Legislature are further regulated by a number of policy directives, including (among others):

a. Standing Rules of the Eastern Cape Legislature which provide for the powers, duties, functions and procedures of different legislature structures
b. Rules and Executive Committee policy pronouncements relating to matters concerning the legislature.
c. Adopted policies of the Legislature including Management and Financial, Supply Chain Management, Integrated Human Resource Management policies and procedures.

d. Relevant Court Rulings

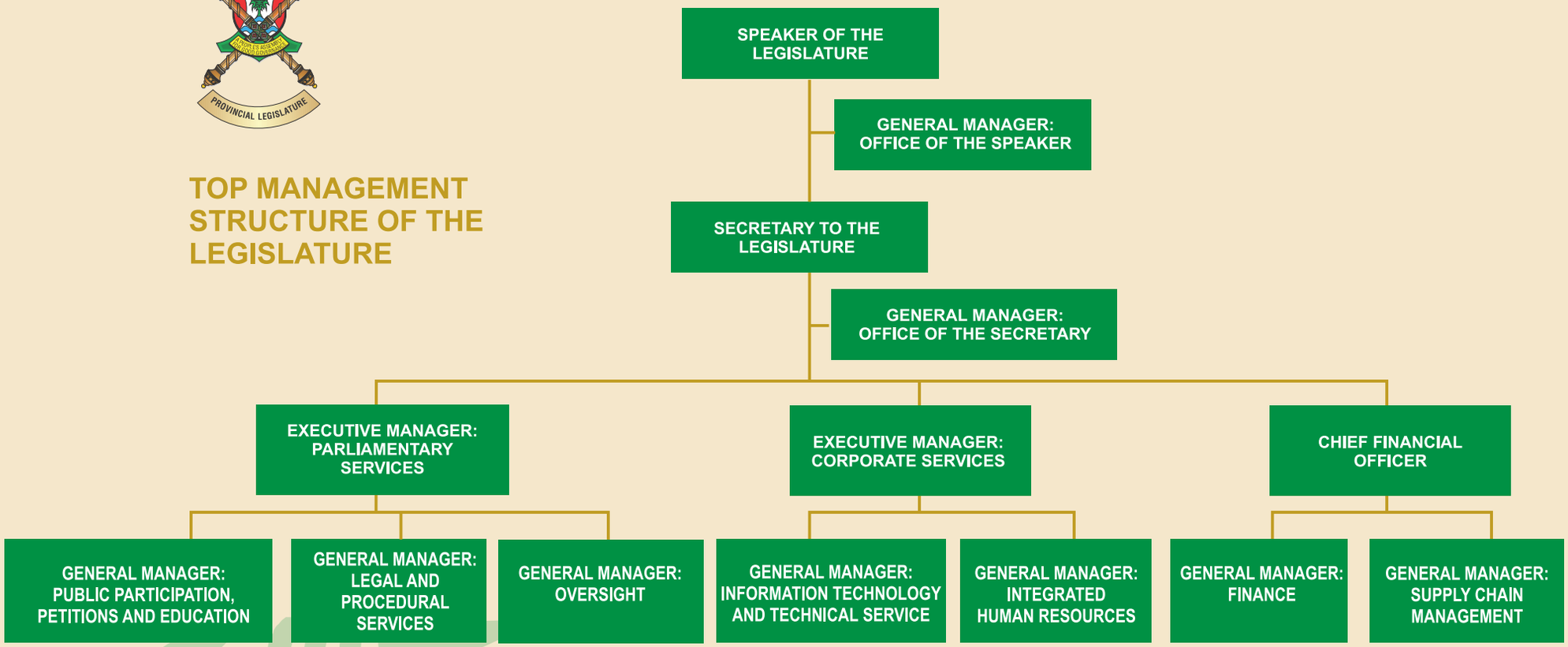
d. New Nation Movement NPC and Others v President of the Republic of South Africa and Others CCT 110/19
e. Land Access Movement of South Africa v Chairperson of the National Council of Provinces and Others 2016 (10) BCLR 1277 (CC)
f. Mazibuko v Speaker of the National Assembly and Others CCT 115/12 [2013] ZACC 28
g. Economic Freedom Fighters v Speaker of the National Assembly and Others and Democratic Alliance v Speaker of the National Assembly and Others 2016(3) SA 580 (CC)
h. Economic Freedom Fighters and Others v Speaker of the National Assembly and Others 2018 (2) SA 571 (CC)

i. South Africa Veterinary Association v Speaker of the National Assembly and Others CCT 27/ 18
j. Economic Freedom Fighters and Others v Speaker of the National Assembly and Another [2017] ZACC 47
k. Merafong Demarcation Forum and Others v President of the Republic of South Africa and Others (2008) ZACC 10
l. Democratic Alliance v eThekwini Municipality (2011) ZASCA 221

e. Planned Policy Initiatives

m. The Legislature has passed the Eastern Cape Money Bills Amendment Procedure and Related Matters Act, 2020 as mandated by section 120 (3) of the Constitution of the Republic of South Africa Act, 1996.
n. The Legislative Sector Integrated Strategic Planning Framework is in the process of being finalised for adoption by the Speakers' Forum.
o. The Speakers' Forum is also in the process of finalising the Legislative Sector Bill whose intention is to standardise and regulate the work of the Legislative Sector.
p. The Legislature will embark on a process to draft the EC Draft Scrutiny of Subordinate Legislation Bill, a piece of legislation required in terms of section 140(4) of the Constitution of the Republic of South Africa, 1996.

TOP MANAGEMENT STRUCTURE OF THE LEGISLATURE



1.4. OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT

The Eastern Cape Province experienced a complex and evolving service delivery environment shaped by persistent socio-economic challenges, institutional reforms, and strategic development initiatives. The province continued to grapple with high levels of poverty, youth unemployment, and outmigration, as highlighted in the 2024 Socio-Economic Review and Outlook (SERO).

Human Development Index (HDI) and Socio-Demographic Trends
The Eastern Cape's HDI has shown gradual improvement, but remains below the national average, reflecting persistent challenges in health, education, and income.
Key findings include:

- Education: School attendance improved, especially among children aged 5–24. Disparities in educational outcomes persist, particularly in rural areas. Investments continue in early childhood development and vocational training.
- Health: High mortality rates and a significant burden of disability remain. SDG 3 (Good Health and Well-being) is a challenge, with mobile health services and nutrition programs being implemented.
- Income and Inequality: The Gini coefficient remains high. Over 65.6% of households rely on social grants, while only 49% derive income from salaries.
- Migration and Population Decline: Over 2 million people have left the province since 2011, contributing to a declining population and aging demographic profile.

2. Progress on UN Sustainable Development Goals (SDGs)
The Eastern Cape has aligned its development agenda with the SDGs, with mixed progress across goals.

Key Achievements:

- SDG 1 (No Poverty): The province leads in social grant coverage and school nutrition programs, with R1.83 billion allocated to feed over 1.5 million children.
- SDG 2 (Zero Hunger): Initiatives like the Green Revolution Programme aim to capacitate 100,000 households in food production.
- SDG 4 (Quality Education): Significant investment in infrastructure and teacher development, though rural-urban disparities persist.
- SDG 6 (Clean Water and Sanitation): Access to piped water and sanitation has improved, though challenges remain in remote areas.

Areas of Concern:

- - SDG 8 (Decent Work and Economic Growth): The province has the highest unemployment rate in South Africa. Job losses were reported in late 2024, despite initiatives like the Basic Education Employment Initiative which employed 70,000 youth.
- - SDG 10 (Reduced Inequalities): Gender inequality is evident, with 48.8% of households headed by women, often in vulnerable conditions.
- - SDG 13 (Climate Action): Renewable energy projects like wind farms are underway, but climate resilience in agriculture and infrastructure needs strengthening.

Despite these enduring issues, there were signs of progress in several key areas, including education, health, infrastructure, and governance.

Education attendance rates improved, particularly among younger age groups, reflecting targeted interventions and increased access to schooling. Health indicators showed modest gains, although disparities remained stark between urban and rural communities. Infrastructure development was prioritized, with investments aimed at transforming spatial development patterns, enhancing transport networks, and expanding access to housing. These efforts were part of a broader strategy to address the province’s historical underdevelopment and promote inclusive growth.

However, audit outcomes revealed a mixed picture. While some departments demonstrated improved compliance and financial management, others continued to struggle with irregular expenditure and performance reporting and this was revealed during the review of the audit outcomes by the Standing Committee on Public Accounts and portfolio and standing committees.

The Eastern Cape Provincial Legislature responded to these developments by intensifying its oversight role. Portfolio committees became more active in scrutinizing departmental performance, particularly in areas where service delivery was lagging.

In terms of law-making, the Legislature continued to fulfill its constitutional mandate by initiating, debating, and passing legislation that addressed pressing provincial needs. Legislative priorities were closely aligned with the Provincial Development Plan and Vision 2030, focusing on improving service delivery, promoting youth development, and enhancing disaster management. Public consultations were integral to the legislative process, with stakeholder input solicited through committee hearings and outreach programs.

Civic education initiatives were rolled out to inform citizens about their rights and the legislative process. Digital platforms and community radio were used to reach remote and rural areas, ensuring that public participation was not limited to urban centers. These efforts reflected a commitment to deepening democratic governance and fostering a culture of accountability and transparency.

As the province transitioned from the 6th to the 7th Administration, the service delivery environment remained a critical area of focus. While progress was evident in several domains, systemic challenges persisted. The Eastern Cape Provincial Legislature played a pivotal role in navigating this landscape, using its oversight, law-making, and public participation functions to promote responsive and effective governance.

PART B

INFORMATION AND PREDETERMINED OBJECTIVES

2. INFORMATION AND PREDETERMINED OBJECTIVES

2.1. PERFORMANCE INFORMATION BY PROGRAMME

Programme Performance Information is an institutional tool that measures on how well the institution has performed its planned targets in line with the strategic goals and objectives. This tool plays a significant role in planning, budgeting, monitoring and evaluation, and reporting to ensure accountability. The performance barometer of the Eastern Cape Provincial Legislature under the current financial review is reflected through the programmes hereunder.

2.2. LINKING BUDGET WITH PERFORMANCE INFORMATION PROGRAMME

2.2.1 EXPENDITURE BY PROGRAMME

Programme names	2024/25				2023/24	
	Final appropriation R '000	Actual expenditure R '000	Variance R '000	Expenditure by % of final appropriation R '000	Final appropriation R '000	Actual expenditure R '000
1: Administration	293 813	277 324	16 489	94.4%	270 407	230 570
2: Enabling Facilities and Benefits	194 067	193 298	769	99.6%	186 735	186 077
3: Parliamentary Services	162 113	159 172	2 941	98.2%	142 720	140 264
4: Direct Charge	114 722	106 741	7 981	93.0%	79 335	79 335
Total for programmes	**764 715**	**736 535**	**28 180**	**96.73**	**679 197**	**636 246**

2.2.2 EXPENDITURE BY ECONOMIC CLASSIFICATION

Economic Classification	2024/25				2023/24	
	Final appropriation R '000	Actual expenditure R '000	Variance R '000	Expenditure by % of final appropriation R '000	Final appropriation R '000	Actual expenditure R '000
Compensation of Employees	441 043	441 043	-	100.0%	403 275	403 275
Goods and Services	135 154	125 119	10 035	92.3%	120 161	101 494
Transfer Payments	165 882	157 132	8 750	94.7%	128 970	128 312
Capital Payments	22 636	13 241	9 395	58.5%	26 785	3 159
Payments for financial assets			-		6	6
TOTAL	**764 715**	**736 535**	**28 180**	**96.3%**	**679 197**	**636 246**

2.3. PROGRAMME 1: ADMINISTRATION

Economic Classification	2024/25				2023/24	
	Final appropriation R '000	Actual expenditure R '000	Variance R '000	Expenditure by % of final appropriation R '000	Final appropriation R '000	Actual expenditure R '000
Compensation of Employees	191 907	191 907	-	100.0%	172 056	172 056
Goods and Services	74 973	67 879	7 094	90.5%	68 874	52 663
Transfer Payments	4 297	4 297	-	100.0%	2 688	2 688
Capital Payments	22 636	13 241	9 395	58.5%	26 785	3 159
Payments for Financial Assets					4	4
Total	**293 813**	**277 324**	**16 489**	**94.43%**	**270 407**	**230 570**

2.3.1. Office of the Speaker

Strategic Objective			To provide political leadership to ensure attainment of the mandate of the Legislature		
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Number of internal structures reached to ensure effective and efficient implementation of the vision of the Legislature	Quarterly	9 internal stakeholders reached to ensure effective and efficient implementation of the vision of the Legislature	3 internal stakeholders reached to ensure effective and efficient implementation of the vision of the Legislature	The target could not be achieved due to overlapping programmes. The institution had to refocus on the onboarding of new Members.
2	Number of external stakeholders reached to ensure effective and efficient implementation of the vision of the Legislature	Quarterly	8 external stakeholders reached to ensure effective and efficient implementation of the vision of the Legislature	6 external stakeholders reached to ensure effective and efficient implementation of the vision of the Legislature	The target could not be achieved due to overlapping programmes related to the establishment of the 7th Legislature . The institution had to reprioritise its programmes in preparation for on boarding of new Members.
3	Number of public outreach programmes conducted to address community needs	Quarterly	4 public outreach programmes conducted to address community needs	5 public outreach programmes conducted to address community needs	Interaction with the constituency offices allowed for more outreach programmes because Members of the Provincial Legislature focused more on the interaction with communities.

2.3.2. Office of the Secretary

2.3.2.1. Office support to the Secretary

Strategic Objective			To create an enabling environment through provision of strategic and technical support to MPLs		
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Number of policy decisions taken by governance structures to realise the mandate of the Legislature	Quarterly	7 policy decisions taken by governance structures to realize the mandate of the Legislature	7 policy decisions taken by governance structures to realize the mandate of the Legislature	-
2	Percentage policy decisions implemented for the effective functioning of the Legislature	Quarterly	80-100% of policy decisions implemented for the effective functioning of the Legislature	100% of policy decisions implemented for the effective functioning of the Legislature	-

2.3.2.2 Strategy, Monitoring and Evaluation

Strategic Objective			To create an enabling environment through provision of strategic and technical support to MPLs		
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Number of institutional plans adopted on the effective implementation on the organisational mandate	Annually	3 institutional plans adopted on the effective implementation on the organisational mandate	3 institutional plans adopted on the effective implementation on the organisational mandate	-
Strategic Objective			Compliance with corporate governance through effective internal control environment		
2	Number of institutional performance reports developed to monitor effective implementation of the organisational plans	Quarterly	6 institutional performance reports developed to monitor effective implementation of the organisational plans	6 institutional performance reports developed to monitor effective implementation of the organisational plans	-

2.3.2.3 Special Programmes Unit

Strategic Objective		Facilitate mainstreaming of special programs in the Legislature business			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Number of monitoring reports developed to ensure meaningful inclusion of designated groups on government programmes	Quarterly	4 monitoring reports developed to ensure meaningful inclusion of designated groups on government programmes	4 monitoring reports developed to ensure meaningful inclusion of designated groups on government programmes	-
2	Number of designated groups reached to promote human rights	Bi- annually	2 designated groups reached to promote human rights	2 designated groups reached to promote human rights	-

2.3.2.4Communications

Strategic Objective		Increased public involvement through awareness and access to information			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Percentage of target audience reached to increase public awareness and inclusive public participation	Quarterly	80% – 100% of target audience reached to increase public awareness and inclusive public participation	80% of target audience reached to increase public awareness and inclusive public participation	-
2	Number of branding and marketing interventions undertaken to position the institutional brand	Quarterly	14 branding and marketing interventions undertaken to position the institutional brand	14 branding and marketing interventions undertaken to position the institutional brand	-

Strategic Objective		Increased public involvement through awareness and access to information			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
Strategic Objective		To create an enabling environment through provision of strategic and technical support to MPLs			
3	Percentage of internal stakeholders reached to communicate the Legislature business	Quarterly	80%-100% of internal stakeholders reached to communicate the Legislature business	100% of internal stakeholders reached to communicate the Legislature business	-

2.3.2.5 Media management

Strategic Objective		Increased public involvement through awareness and access to information			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Percentage of target audience reached to raise awareness and promote inclusive participation	Quarterly	70% – 100% of targeted audience reached to raise awareness and promote inclusive participation	70% of targeted audience reached to raise awareness and promote inclusive participation	-
Strategic Objective		To create an enabling environment through provision of strategic and technical support to MPLs			
2	Number of media engagements undertaken to improve media relations	Bi-annually	2 media engagements undertaken to improve media relations in advancing the mandate of the Legislature	2 media engagement undertaken to improve media relations in advancing the mandate of the Legislature	-
3	Number of media monitoring reports developed to improve the image of the Legislature	Quarterly	4 media monitoring reports developed to improve the image of the Legislature	4 media monitoring reports developed to improve the image of the Legislature	-

2.3.2.6 International Relations, Protocol and Ceremonial Services

Strategic Objective		To create an enabling environment through provision of strategic and technical support to MPLs			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Number of major Legislature events provided with protocol services to ensure correct conduct on official or ceremonial occasions of the Legislature	Quarterly	6 major Legislature events provided with protocol services to ensure correct conduct on official or ceremonial occasions of the Legislature	6 major Legislature events provided with protocol services to ensure correct conduct on official or ceremonial occasions of the Legislature	-
2	Number of ceremonial services provided to house sittings for maintenance of order and decorum of the House	Quarterly	20 ceremonial services provided to house sittings for maintenance of order and decorum of the House	20 ceremonial services provided to house sittings for maintenance	-

Strategic Objective		To create an enabling environment through provision of strategic and technical support to MPLs			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
				of order and decorum of the House	
3	Number of international engagements held for advancement of co-operative relations	Bi-annually	2 international engagements held for advancement of co-operative relations	3 international engagements held for advancement of co-operative relations	An extra engagement was the benchmarking exercise for the Eastern Cape Provincial Legislature undertaken by the Commonwealth Parliamentary Association (Head Office). This came after the Commonwealth Parliamentary Conference resolved to hold benchmarks for democratic Legislature in the year under review.

2.3.3. Financial management

2.3.3.1 Finance

Strategic Objective		To create an enabling environment through provision of strategic and technical support to MPLs			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Annual budget timeously submitted in line with relevant financial prescripts	Annually	Annual budget timeously submitted in line with relevant financial prescripts	Annual budget timeously submitted in line with relevant financial prescripts	-
	Strategic Objective	Compliance with corporate governance through effective internal control environment			
2	Number of financial resources monitoring reports timeously submitted to ensure public financial accountability	Annually	41 financial resources monitoring reports timeously submitted to ensure public financial accountability	41 financial resources monitoring reports timeously submitted to ensure public financial accountability	-

2.3.3.2 Supply chain management

Strategic Objective		Compliance with corporate governance through effective internal control environment			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Annual procurement Plan consolidated and monitored for timeous procurement of required goods and services	Annually	Annual procurement Plan consolidated and monitored for timeous procurement of required goods and services	2 Annual procurement Plans consolidated and monitored for timeous procurement of required goods and services	The plan for the 2025/2026 financial year was finalised ahead of time resulting it done during the 4th quarter of 2024/2025
2	Number of monitoring reports on the implementation of the Procurement Plan	Quarterly	12 monitoring reports on the implementation of the Procurement Plan	12 monitoring reports on the implementation of the Procurement Plan	-
3	Compliant Fixed Asset Register compiled to ensure maintenance and safeguarding of Legislature assets in line with relevant prescripts	Quarterly	1 Compliant Fixed Asset Register compiled to ensure maintenance and safeguarding of Legislature assets in line with relevant prescripts	1 Compliant Fixed Asset Register compiled to ensure maintenance and safeguarding of Legislature assets in line with relevant prescripts	-

2.3.3.3 Risk management

Strategic Objective		Compliance with corporate governance through effective internal control environment			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Number of integrated risk management strategies implemented to mitigate institutional risks	Quarterly	5 integrated risk management strategies implemented to mitigate institutional risks	5 integrated risk management strategies implemented to mitigate institutional risks	-

2.3.4. Integrated Human Resources Management

2.3.4.1 Organisational Development and Human Resource Development

Strategic Objective		To create an enabling environment through provision of strategic and technical support to MPLs			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Number of skills development interventions facilitated in line with the HRD Plan	Quarterly	4 skills development interventions facilitated in line with the HRD Plan	8 skills development interventions facilitated in line with the HRD Plan	An over-achievement was due to development interventions that focused on cleaning and hygiene,

Strategic Objective		To create an enabling environment through provision of strategic and technical support to MPLs			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
					as well as capacitation of bid committee members.
2	Number of MPLs and employees awarded bursaries to enhance personnel development	Annually	46 MPLs and employees awarded bursaries to enhance personnel development	70 MPLs and employees awarded bursaries to enhance personnel development	There was an increase in the number of bursaries awarded due to more applications received and availability of budget.
3	Number of organisational development programmes implemented to strengthen institutional efficiency	Annually	2 organisational development programmes implemented to strengthen institutional efficiency	3 organisational development programmes implemented to strengthen institutional efficiency	The second organisational development programme that was implemented is the maintenance of the structure on PERSAL which was necessitated by movement and new appointment.

2.3.4.2 Human Resource Management

Strategic Objective		To create an enabling environment through provision of strategic and technical support to MPLs			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Percentage of budgeted prioritised posts filled to strengthen institutional capacity	Quarterly	66 -100% of budgeted prioritised posts filled for equitable participation of the designated groups.	75% of budgeted prioritised posts filled for equitable participation of the designated groups.	-
2	Number of reports on effective management of human resource information system	Quarterly	4 reports on effective management of human resource information system	4 reports on effective management of human resource information system compiled	-
3	Number of reports on effective management of employee benefits	Quarterly	4 reports on effective management of employee benefits	4 reports on effective management of employee benefits compiled	-

2.3.4.3 Wellness

Strategic Objective		To create an enabling environment through provision of strategic and technical support to MPLs			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Number of Wellness Programmes conducted to promote a healthy lifestyle	Quarterly	4 wellness programmes conducted to promote a healthy lifestyle	4 wellness programmes conducted to promote a healthy lifestyle	-
2	Number of monitoring reports compiled to ensure compliance with relevant health and safety regulations	Quarterly	4 monitoring reports compiled to ensure compliance with relevant health and safety regulations	4 monitoring reports compiled to ensure compliance with relevant health and safety regulations	-

2.3.5. Employee Relations

Strategic Objective		To create an enabling environment through provision of strategic and technical support to MPLs			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Rollover Deviation explanation Response and timeframe
1	Number of awareness sessions conducted to create a conducive work environment	Quarterly	4 awareness sessions conducted to create a conducive work environment	3 awareness sessions conducted to create a conducive work environment	The planned awareness session could not be implemented during the third quarter due to a heavily congested programme of the Legislature which resulted from the establishment of the 7th term of the Legislature in June 2024. Programmes that had been earmarked for the 2nd quarter were moved to the third quarter and as a result has a knock-on effect on this planned target.
2	Number of reports compiled to strengthen employer-employee relations	Bi-annually	3 reports compiled to strengthen employer-employee relations	3 reports compiled to strengthen employer-employee relations	-

2.3.6. Safety and Security Services

Strategic Objective		To create an enabling environment through provision of strategic and technical support to MPLs			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Rollover Deviation explanation Response and timeframe
1	Number of integrated security services provided to ensure safety in line with the Safety and Security Policy	Quarterly	4 integrated security services provided to ensure safety in line with the Safety and Security Policy	4 integrated security services provided to ensure safety in line with the Safety and Security Policy	-
2	Number of security risk assessments conducted to ensure safety and security in the Legislature	Quarterly	4 security risk assessments conducted to ensure safety and security in the Legislature	4 security risk assessments conducted to ensure safety and security in the Legislature	-

2.3.7. Information Technology and Technical Services

2.3.7.1 Information and Communication Technology

Strategic Objective		Compliance with corporate governance through effective internal control environment			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Number of ICT governance plans implemented	Annually	2 ICT governance plans implemented	2 ICT governance plans implemented	-
Strategic Objective		To create an enabling environment through provision of strategic and technical support to MPLs			
2	Percentage of ICT connectivity provided to ensure effective and reliable connection with internal and external stakeholders	Quarterly	95-100% of ICT connectivity provided to ensure effective and reliable connection with internal and external stakeholders	95-100% of ICT connectivity provided to ensure effective and reliable connection with internal and external stakeholders	-
3	Number of ICT systems introduced to support business demand	Annually	2 ICT systems introduced to support business demand.	2 ICT systems introduced to support business demand	-
4	Number of ICT Governance monitoring reports to enhance internal control	Quarterly	4 ICT Governance monitoring reports to enhance internal control.	4 ICT Governance monitoring reports to enhance internal control.	-

2.3.7.2 Library and Information Services

Strategic Objective		To create an enabling environment through provision of strategic and technical support to MPLs			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Number of tools employed to provide effective library services to internal stakeholders	Quarterly	6 tools employed to provide effective library services to internal stakeholders	6 tools employed to provide effective library services to internal stakeholders	-
2	Number of mechanisms employed to provide effective archive management services	Quarterly	4 mechanisms employed to provide effective archive management services	4 mechanisms employed to provide effective archive management services	-
Strategic Objective		Increased public involvement through effective awareness and access to information			
3	Number of public libraries provided with government information services to improve access to information	Annually	4 public libraries provided with government information services to improve access to information	4 public libraries provided with government information services to improve access to information	-

2.3.7.3 Office Support and Household

Strategic Objective		To create an enabling environment through provision of strategic and technical support to MPLs			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Number of reports on office support services provided to MPLs and staff to ensure a conducive working environment	Quarterly	4 reports on office support services provided to MPLs and staff to ensure a conducive working environment	4 reports on office support services provided to MPLs and staff to ensure a conducive working environment	-
2	Number of maintenance checks conducted to maintain a clean working environment	Quarterly	4 maintenance checks conducted to maintain a clean working environment	4 maintenance checks conducted to maintain a clean working environment	-
3	Number of monitoring reports on DPW service level agreement	Quarterly	4 monitoring reports on DPW service level agreement	4 monitoring reports on DPW service level agreement	-

2.4. PROGRAMME 2: ENABLING FACILITIES AND BENEFITS FOR MEMBERS

Economic Classification	2024/25			2023/24		
	Final appropriation R '000	Actual expenditure R '000	Variance R '000	Expenditure by % of final appropriation R '000	Final appropriation R '000	Actual expenditure R '000
Compensation of Employees	53 594	53 594	-	100.0%	57 040	57 040
Goods and Services	7 284	7 284	-	100.0%	8 525	8 525
Transfer Payments	133 189	132 420	769	99.4%	121 170	120 512
Capital Payments						
Payments for Financial Assets						
Total	**194 067**	**193 298**	**769**	**99.6%**	**186 735**	**186 077**

2.4.1 Enabling Facilities and Benefits for Members

Strategic Objective		To create an enabling environment through provision of strategic and technical support to MPLs			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Number of reports on the effective implementation of policies on MPLs' benefits	Quarterly	4 reports on the effective implementation of policies on MPLs' benefits	4 reports on the effective implementation of policies on MPLs' benefits	-
2	Number of maintenance audits conducted on Members' facilities to ensure a conducive working environment	Quarterly	4 maintenance audits conducted on Members' facilities to ensure a conducive working environment	2 maintenance audits conducted on Members' facilities to ensure a conducive working environment	Although 4 maintenance audits were planned, two audits could not be undertaken because the Department of Public works had done major and minor refurbishments on all official houses in preparation for Members of the 7th Term.
Strategic Objective		Compliance with corporate governance through effective internal control environment			
3	Percentage timeous processing of political party claims to ensure effective functioning of Political Party constituencies	Quarterly	100% timeous processing of political party claims to ensure effective functioning of Political Party constituencies	100% timeous processing of party claims to ensure effective functioning of Political Party constituencies	-
4	Number of consolidated Political Party Funding reports submitted to the Independent Electoral Commission	Annually	1 consolidated Political Party Funding report submitted to the Independent Electoral Commission	1 consolidated Political Party Funding report submitted to the Independent Electoral Commission	-

2.5. PROGRAMME 3: PARLIAMENTARY SERVICES

Economic Classification	2024/25				2023/24	
	Final appropriation R '000	Actual expenditure R '000	Variance R '000	Expenditure by % of final appropriation R '000	Final appropriation R '000	Actual expenditure R '000
Compensation of Employees	108 028	108 028	-	100.0%	99 824	99 824
Goods and Services	52 897	49 956	2 941	94.4%	42 762	40 306
Transfer Payments	1 188	1 188	-	100.0%	134	134
Capital Payments						
Payments for Financial Assets						
Total	**162 113**	**159 172**	**2 941**	**98.2%**	**142 720**	**140 264**

2.5.1 Oversight

2.5.1.1. Committees

Strategic Objective		Full implementation of the Eastern Cape Legislature oversight model			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Number of statutory oversight reports adopted by portfolio committees to ensure Executive accountability	Annually	42 statutory oversight reports adopted by portfolio committees to ensure Executive accountability	42 statutory oversight reports adopted by portfolio committees to ensure Executive accountability	-
2	Number of consolidated audit assessment reports adopted by the SCOPA to ensure Executive accountability	Annually	1 consolidated audit assessment report adopted by the SCOPA to ensure Executive accountability	1 consolidated audit assessment repo adopted by the SCOPA to ensure Executive accountability	-
3	Number of oversight visits reports adopted by Portfolio Committees to influence service delivery	Quarterly	4 oversight visits reports adopted by Portfolio Committees to influence service delivery	4 oversight visits reports adopted by Portfolio Committees to influence service delivery	-
Strategic Objective:		Enhance the capacity of the legislature to make, amend and pass laws			
4	Number of reports on bills considered by Portfolio Committees to ensure effective law-making process	Quarterly	4 reports on bills considered by Portfolio Committees to ensure effective law-making process	4 reports on bills considered by Portfolio Committees to ensure effective law-making process	-

2.5.1.2 Research Unit

Strategic Objective		Full implementation of the Eastern Cape Legislature oversight model			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Number of research reports produced on analysis of departmental performance to enhance oversight	Quarterly	56 research reports produced on analysis of departmental performance to enhance oversight	56 research reports produced on analysis of departmental performance to enhance oversight	-
2	Number of consolidated research reports on site visits produced to influence service delivery	Bi- annually	2 consolidated research reports on site visits produced to influence service delivery	1 consolidated research reports on site visits produced to influence service deliver	The target was not met because the Legislature had to reprioritise its programmes and focus on the establishment of

Strategic Objective		Full implementation of the Eastern Cape Legislature oversight model			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
					the 7th Term Legislature.
3	Number of public outreach research reports produced to enhance public participation	Annually	1 public outreach research report produced to enhance public participation	1 public outreach research report produced to enhance public participation	-
4	Number of Focused Intervention Studies undertaken to enhance oversight.	Quarterly	3 Focused Intervention Studies undertaken to enhance oversight.	2 Focused Intervention Studies undertaken to enhance oversight.	The target was not achieved due to the prioritisation of the Committee Planning session which was supported by the Research Team.

2.5.1.3 National Council of Provinces (NCOP)

Strategic Objective		To create an enabling environment through provision of strategic and technical support to MPLs			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Number of NCOP-ECPL programmes facilitated for effective representation of public interests in national processes	Quarterly	19 NCOP-ECPL programmes facilitated for effective representation of public interests in national processes	19 NCOP-ECPL programmes facilitated for effective representation of public interests in national processes	-
Strategic Objective		Effective participation of the legislature in national law-making processes			
2	Number of reports on NCOP Bills facilitated for participation in the national law-making process	Quarterly	4 reports on NCOP Bills facilitated for participation in the national law-making process	4 reports on NCOP Bills facilitated for participation in the national law-making process	-

2.5.2 Legal and Procedural Services

2.5.2.1 Public Participation, Petitions and Education

Strategic Objective		Enhance the mechanisms to promote public involvement in legislative processes			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Number of special days held to address issues of public interest	Quarterly	6 special days held to address issues of public interest	6 special days held to address issues of public interest (1. Opening of the Legislature; 2. Nelson Mandela International Day, 3. Taking Legislature to the People, 4. Workers' Parliament, 5. State of the Province Address 2025, 6. Parliament for the Creative Industry.)	-
2	Number of reports adopted by the Committee on Petitions to address public complaints	Bi-annually	2 reports adopted by the Committee on Petitions to address public complaints	1 report adopted by the Committee on Petitions to address public complaints	The target could not be achieved due to overlapping programmes. The institution had to refocus on the onboarding of new Members.
3	Number of Public Education programmes conducted to promote participatory democracy	Quarterly	4 Public Education programmes conducted to promote participatory democracy	4 Public Education programmes conducted to promote participatory democracy	-

2.5.2.2 House Proceedings

Strategic Objective		To create an enabling environment through provision of strategic and technical support to MPLs			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Number of reports on documents distributed to facilitate efficient and effective House sittings	Quarterly	4 reports on documents published to facilitate efficient and effective House sittings	4 reports on documents published to facilitate efficient and effective House sittings	-
2	Number of Legislature programmes developed to ensure efficient running of the government business	Quarterly	44 Legislature programmes developed to ensure efficient running of the government business	46 Legislature programmes developed to ensure efficient running of the government business.	Two more programmes were developed due to changes in Legislature activities which resulted from the establishment of the 7th term of the Legislature in June 2024.

Strategic Objective		To create an enabling environment through provision of strategic and technical support to MPLs			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
3	Number of House Resolutions communicated to Departments and Provincial Legislature on decisions taken in the House	Quarterly	39 House Resolutions communicated to Departments and Provincial Legislature on decisions taken in the House to enhance oversight	55 House Resolutions communicated to Departments and Provincial Legislature on decisions taken in the House to enhance oversight	More reports were tabled in the House than anticipated which resulted from the establishment of the 7th term of the Legislature in June 2024.
4	Number of reports on responses to House Resolutions processed to enhance oversight	Quarterly	4 reports on responses to House Resolutions processed to enhance oversight	4 reports on responses to House Resolutions processed to enhance oversight	-

2.5.2.3` Hansard, Languages and Questions

Strategic Objective		To create an enabling environment through provision of strategic and technical support to MPLs			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Percentage of transcripts produced on all House debates to ensure accurate record keeping of House proceedings	Quarterly	100% transcripts produced on all House debates to ensure accurate record keeping of House proceedings	100% transcripts produced on all House debates to ensure accurate record keeping of House proceedings	-
2	Number of reports on translation into official languages used in the province to ensure accessibility of information	Quarterly	4 reports on translation into official languages used in the province to ensure accessibility of information	4 reports on translation into official languages used in the province to ensure accessibility of information	-
3	Number of reports on interpretation services provided to the Legislature to ensure accessibility of information	Quarterly	4 reports on interpretation services provided to the Legislature to ensure accessibility of information	4 reports on interpretation services provided to the Legislature to ensure accessibility of information	-
4	Number of reports on Parliamentary Question Papers formulated to ensure Executive accountability	Quarterly	4 reports on Parliamentary Question Papers formulated to ensure Executive accountability	4 reports on Parliamentary Question Papers formulated to ensure Executive accountability	-

2.5.2.4 Legal Services

Strategic Objective		Enhance the capacity of the Legislature to make, amend and pass laws			
Performance Indicator		Reporting Period	Annual Target 2024/25	Quarterly Targets	
				Actual	Deviation explanation
1	Number of reports on Bills processed for consideration by the Legislature to ensure effective law-making	Quarterly	4 reports on Bills processed for consideration by the Legislature to ensure effective law-making	4 reports on Bills processed for consideration by the Legislature.	-
Strategic Objective		Provision of legal support to the institution			
2	Number of reports on legal opinions provided to the Legislature to ensure sound decision making	Quarterly	4 reports on legal opinions provided to the Legislature to ensure sound decision making	4 reports on legal opinions provided to the Legislature to ensure sound decision making.	-
3	Number of reports on litigation matters facilitated to ensure protection of the interest of the Legislature	Quarterly	4 reports on litigation matters facilitated to ensure protection of the interest of the Legislature	4 reports on litigation matters facilitated to ensure protection of the interests of the Legislature	-
4	Number of reports on legally sound contracts processed to ensure protection of the Legislature	Quarterly	4 reports on legally sound contracts processed to ensure protection of the Legislature	4 reports on legally sound contracts processed to ensure protection of the Legislature	-
5	Number of policies adopted to ensure effective decision making	Annually	4 policies adopted to ensure effective decision making	0 policies adopted to ensure effective decision making.	Although the target could not be achieved because the 4 policies could not be adopted due to competing priorities of the commencement of the 7th Legislature, a total of 13 Policies were finalised during the year in question and ready for adoption.

PART C

GOVERNANCE

3. GOVERNANCE

3.1. REPORT OF THE ACCOUNTING OFFICER FOR THE YEAR ENDED 31 MARCH 2025

INTRODUCTION

Core Business

This report provides an account of the work of the Legislature during the transitional period from the Sixth to the Seventh Term

The Legislature sought to implement the Annual Performance Plan as adopted by the House in August 2024.

The Legislature continued with its oversight and accountability work over the provincial departments and other organs of state through the consideration of the budget votes which were passed in line with the Constitution of the Republic of South Africa, 1996, the Public Financial Management Act and the Financial Management of Parliament and Provincial Legislatures Act, 2009

Public Participation was conducted through the Standing Committee on PPP&E for petitions as well as School Visits rolled out through the Committee of the Whole House in July, soon after the inception of the new Term of the Legislature. Six Portfolio Committees of the Legislature also conducted pre-visits in preparation for Taking Legislature to the People. The Portfolio Committee on Community Safety also conducted oversight visits to police stations in OR Tambo and Nelson Mandela Bay Municipality and the Portfolio Committee on Health conducted oversight visits across the Province to assess infrastructural needs in public health facilities.

Two focused intervention studies were conducted by the Research Unit in line with the Sector Oversight Model.

A number of public hearings were conducted in the period under review including the Railway Safety Bill, Transport Appeal Tribunal Amendment Bill, Marine Pollution – Prevention of Pollution from Ships Bill, Public Procurement Bill, Electricity Regulation Amendment Bill, Basic Education Laws Amendment Bill, Preservation and Development of Agricultural Land Bill and Older Persons Amendment Bill were conducted over the same period.

The Legislature continued with the normal House sittings to consider its business such as Questions for Oral Reply, Committee Reports, Debates of Matters of Public Importance and Motions and in this regard the Legislature had fourteen formal sittings of the House, two of which were to facilitate swearing-in of Members.

In the period under review, we also hosted the Workers Parliament and the inaugural Creatives Parliament, both of which were preceded by public education workshops across the eight Districts of the Province.

A Public Participation Week was organised for the Standing Committee on Public Participation, Petitions and Education to consider 67 petitions in the Nelson Mandela Metropolitan Municipality in preparation for Taking Legislature to the People, NMBM

The Nelson Mandela International Day commemoration was held at Zikhova Administrative Area under Buffalo City Metropolitan Municipality on 19 July 2024.

For the period under review, Members of the Legislature were capacitated including Chairpersons Committee, Whips Committee, Ethics Committe. The Standing Committee on Budget and Money also started incrementally implementing the Eastern Cape Money Bills and Amendment Procedure Act, 2020 and considered the Appropriation Bill, 2024 ensuring that it was passed by the House. The Standing Committee also inducted its Members, Chairpersons of all Committees and support staff to Committees. A new Ad Hoc Committee on TB Caucus was also established to help in the fight against TB and HIV and Aids and ensure sustainable government intervention in this respect.

As part of strengthening our relations with other institutions and our conversations for accountability, we visited all Kingdoms of the Eastern Cape on 29 April-13 May 2024 so that as we prepared for a new Term we were

better equipped in knowing how effective our public participation and education processes are in relation to our communities that fall under the traditional leadership.

GOVERNANCE ISSUES

Enterprise Resource Planning

The Legislature administration comprising of three components, HR, Finance and SCM, went on a learning visit to the Northern Cape Legislature which also uses sage for its ERP system. The purpose of the visit was to gather the necessary information in order to expedite the process of the implementation of the ERP system as well as to improve on the application of the existing modules in support of the work of the Legislature with the intention to improve efficiency. There have been tests implemented on the payroll module with a view to having it rolled out during the month of May 2025.

Recruitment

The Legislature's recruitment process showed good progress in terms of our turnaround time in filling positions that have been vacated during the period under review.

The recruitment of the position of Chief Financial Officer was finalised and she assumed duties after reporting date in May 2025.

The General Manager: Information Technology and Technical Services assumed duty on the 13th of January 2025. This will go a long way in ensuring that there is stability, in particular in information communication and technology.

We have also finalized the recruitment of Senior Manager: Media and Communications who also assumed duty from the 1st of March 2025. Within that unit the newly appointed graphic designer assumed duty after reporting date on the 1st of April 2025. We are starting to see the positive difference with the presence of the Senior Manager in the work of communications and media as this was one area where we had limited capacity due to these vacancies.

We are intent on sustaining this turnaround time on the recruitment process particularly as it relates to the prioritized vacant posts as these assist in bringing stability to the administration and ultimately improve our support to the work of the Legislature.

Supply Chain Management

The supply chain management operations operated on a hybrid approach with the introduction of Sage during the reporting period. This posed challenges in the application of Generally Recognized Accounting Practices (GRAP) in preparation of financial statement disclosures on items such as payables and accruals. It is expected that the ERP system will be fully functional from the 2025/2026 financial year onwards.

Risk Management

The Risk management unit within the Eastern Cape Provincial Legislature's main focus is to manage and assist the institution to demonstrate a proactive approach in identifying and mitigating potential risks that could impact the institution's goals and objectives. Regular risk assessments are conducted to identify areas that need attention, allowing the institution to take corrective action(s) and strengthen internal controls.

This approach enhances the institution's resilience and promotes a culture of risk awareness among employees and internal stakeholders.

Furthermore, the risk management unit's role in ensuring compliance with corporate governance requirements is vital. This helps maintain transparency, accountability, and good governance practices within the institution.

Budget

The budget and expenditure breakdown are included in the table below: 31 March 2025

SUMMARY OF FINANCIAL PERFOMANCE

Economic Classification	2024/25				2023/24	
	Final appropriation R '000	Actual expenditure R '000	Variance R '000	Expenditure by % of final appropriation R '000	Final appropriation R '000	Actual expenditure R '000
Compensation of Employees	441 043	441 043	-	100.0%	403 275	403 275
Goods and Services	135 154	125 119	10 035	92.3%	120 161	101 494
Transfer Payments	165 882	157 132	8 750	94.7%	128 970	128 312
Capital Payments	22 636	13 241	9 395	58.5%	26 785	3 159
Payments for financial assets			-		6	6
TOTAL	**764 715**	**736 535**	**28 180**	**96.3%**	**679 197**	**636 246**

Donor Funding

There was no donor funding during the period under review.

SCOPA resolutions

There were no SCOPA resolutions to which the Legislature was required to respond to during the period under review.

Organisations to whom the transfer payment have been made

Transfer payments were made to political parties in terms of the Policy for Funding of Political Parties.

Interim financial statements

Below is an indication of the first quarter performance of the year 2025/2026. The figures are based on performance during the first quarter and are unaudited.

	Original Appropriation	July Actual Expenditure	Accruals & Payables as at 31 July 2025	Expenditure including accruals as at 31 July 2025	Remaining Budget	%
	R'000	R'000	R'000	**R'000**	R'000	Spent
Items						
2: Enabling Facilities and Benefits	292 733	91 387		91 387	201 346	31.22%
3: Parliamentary Services	197 128	106 758		106 758	90 370	54.16%
4: Direct Charge	165 956	46 157		46 157	119 799	27.81%
2: Enabling Facilities and Benefits	94 693	28 951		28 951	65 742	30.57%
Accruals as at 31 July 2025			18 837	18 837	-18 837	
TOTAL	**750 510**	**273 253**	**18 837**	**292 090**	**458 420**	38.92%

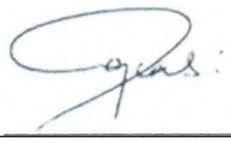
Prior modifications to audit reports

There has been no prior modification made to audit reports.

Internal audit unit

The Legislature has an outsourced internal audit function. This is an independent and objective strategic decision aimed to add value and improve the institution's operations. The Internal Audit function has been operating in accordance to an approved three-year risk based internal audit rolling plan, which was completed in consultation with Management and approved by Audit Committee.

The Internal Audit function reports administratively to Accounting Officer and functionally to the Audit Committee as per the Internal Audit Charter which was reviewed and adopted by Audit Committee. The unit has conducted reviews, provided recommendations, reported on implemented progress to Accounting Officer and Audit Committee according to the approved Internal Audit plan.



N. NGCAKANI
SECRETARY TO THE LEGISLATURE

3.2. AUDIT COMMITTEE REPORT TO THE EXECUTIVE AUTHORITY

We are pleased to present our report for the financial year ending 31 March 2025.

Audit Committee members and attendance

The Honourable Speaker appointed the members of the Audit Committee in terms of its approved Charter.

In terms of section 47 of the FMPPLA, the Audit Committee should meet at least four (4) times a year to ensure effective support of the Accounting Authority in discharging the entity's mandate whilst ascribing to good Corporate Governance principles. During the current financial year, a total of 6 (six) Audit Committee meetings were held. In addition, the Audit Committee convened four (4) special meetings during the financial year, including those with Internal Audit, the Office of the Auditor-General and the Honourable Speaker.

Committee member	Meeting dates					
	25/04/24	27/05/24	30/05/24	09/09/24	03/12/24	19/03/25
Mr. W. Manthe (Chairperson)	Yes	Yes	Yes	Yes	Yes	Yes
Ms. L.S. Smith	Yes	Yes	Yes	Yes	Yes	Yes
Ms. L. Geza	Yes	Yes	Yes	Yes	Yes	Yes
Mr. V. Pangwa	Yes	No	No	Yes	Yes	Yes
Mr. T.O. Maphanga	No	n/a				

Mr. T.O. Maphanga ceased to be a member in terms of the provisions of the Committee's Charter.

Audit Committee responsibility

The Audit Committee's confirms that it has complied with and discharged its responsibilities arising from section 48 of the FMPPLA, Treasury Regulation 27.1 and its approved Charter.

The effectiveness of Internal Control

The system of internal controls applied by the Eastern Cape Provincial Legislature over financial and risk management is effective, efficient, and transparent. In line with the FMPPLA and the King IV Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, and the management report of the Auditor-General of South Africa, certain material deficiencies in the systems of internal control were noted and management have developed plans to address such. The Committee will continue monitoring the implementation of these plans to improve the efficiency and effectiveness of the systems of internal control.

The Audit Committee considered the content and quality of monthly and quarterly reports prepared and issued by Management and the Internal Audit function during the year under review and requested certain amendments thereto. The Committee will continue monitoring the implementation of recommendations to improve the systems of internal control.

Evaluation of Annual Financial Statements

During the 2024/2025 financial year, the Committee maintained financial oversight over the Legislature, and this has enhanced the financial reporting by Management. The Audit Committee has:

- reviewed and discussed the unaudited annual financial statements to be audited by the Auditor-General.
- reviewed changes to accounting policies and practices; and
- reviewed the institution's compliance with legal and regulatory provisions.

In line with the PFMA and the King IV Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

Internal Audit Reviews identified areas of improvement and correction, and these were addressed by management. The Audit Committee is satisfied with the quality of Annual Financial Statements and recommend submission to the Auditor-General of South Africa.

Annual Performance Information Report

During the 2024/205 financial year, the Committee maintained oversight of reported performance. Internal Audit Reviews identified areas of improvement and correction, and these were addressed by management. The Audit Committee is satisfied with the quality of Annual Performance Report and recommend submission to the Auditor-General of South Africa.

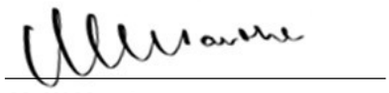
Internal Audit

The Internal Audit function was outsourced to an independent firm of Auditors. The Audit Committee reviewed and approved the risk-based Internal Audit Plan and the Internal Audit Charter.

Internal Audit executed the plan accordingly and the Committee is satisfied with the content and quality of reports received for the year under review. The Audit Committee is satisfied that the Internal audit function operated effectively and in terms of its approved Charter.

Auditor-General of South Africa

The Audit Committee has met with the Auditor-General of South Africa to discuss the audit strategy for the year under review.



Mr W Manthe
Chairperson of the Audit Committee
Date: 31/07/2025

PART D

HUMAN RESOURCE MANAGEMENT

4. HUMAN RESOURCE MANAGEMENT

Service Delivery

Table 1.1 – Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Development Management, review and implementation of Integrated Human Resource Management policies.	MPLs, all staff members and Organised Labour	MPLs and Staff members and Organised Labour	Ensure effective and efficient implementation and management of IHRM policies	All policies have been implemented, reviewed and managed
Recruitment and selection	All staff members and applicants	Employees	Ensure that all budgeted vacant posts are filled.	31 posts were filled.
Management of conditions of service	MPLs and staff members	MPLs and Staff members	Ensure effective and efficient implementation of all employees' and MPLs' conditions of service.	All employees and MPLs' conditions of service have been implemented effectively.
Management of PERSAL system	MPLs and staff members	MPLs and staff members	Ensure that all MPLs and Employees salary and records information is up to date	PERSAL system has been managed and all employees' and MPLs' records has been maintained.
Human Resource Development	MPLs and staff members	MPLs and all staff members	Training of MPLs and employees	Members were not trained due to budgetary constraints. Seven (7) training interventions were provided to different categories of Employees

Table 1.2 – Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
General meetings with employees and management	Employer and employees	Organised Labour, employees and managers	General meetings have been held and the LMF meetings are held frequently.
Implementation of Health and Wellness programmes	MPLs and Employees	Employees and MPLs	Health and Wellness programmes for both MPLs and staff have been implemented.

Table 1.3 – Service delivery access strategy

Access Strategy	Actual achievements
Consultation with Managers, organised labour, Executive Committee and Rules Committee on policy development	Consultation processes with all stakeholders have been held.

Table 1.4 – Service information tool

Types of information tool	Actual achievements
Human Resource Plan	A draft HR plan has been developed.

Table 1.5 – Complaints mechanism

Grievance Mechanism	Actual achievements
Grievance procedure	Grievance procedure is in place, with no outstanding grievances.

Expenditure

TABLE 2.1 – Personnel costs by programme, 2024/25

Programme	Total Voted Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Personnel cost as a percentage of total expenditure	Average personnel cost per employee (R'000)	Total no of Employment
Programme 1	293 813	191 907	1 974	65.3	1 199	160
Programme 2	194 067	53 594	0	27.6	1 123	48
Programme 3	162 113	108 028	0	66.6	1 480	73
Members	114 722	87 514	0	76.3	1 435	61
Total	**764 715**	**441 043**	**1 974**	**57.70**	**1 290**	**342**

TABLE 2.2 – Personnel costs by salary bands, 2024/25

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R')
Interns	**0**	0	**0**
Lower skilled (Grade 3-5)	21 505	2.8	565 715
Skilled (Grade 6-8)	75 008	9.8	1 293 241
Highly skilled production (Grade 9-12)	170 629	22.3	1 656 592
Management (Grade 14-15)	66 266	8.7	2 366 643
Top Management	20 121	2.6	2 515 125
Executive Management	9 275	1.2	3 091 667
Total	**362 804**		**1 524 387**

This is inclusive of Support staff to MPLs

TABLE 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2024/25

Programme	Salaries		Overtime		Homeowners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Programme 1	170 784	89	7 627	4.0	7 966	4.2	5 530	2.90
Programme 2	49 558	92.5	43	0.10	2 342	4.4	1 651	3.10
Programme 3	100 068	92.6	1 159	1.10	4 200	3.9	2 601	2.40
Total	**320 410**	90.8	**8 829**	2.8	**14 508**	4.1	**9 782**	**2.7**

This is inclusive of Support staff to MPLs

TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2024/25

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Interns	**0**	0	0	0	0	0	0	0
Lower skilled (Grade 3-5)	16 896	80.7	996	4.8	1 545	7.4	1 488	7.1
Skilled (Grade 6-8)	63 521	85.7	3 555	4.8	4 281	5.8	2 761	3.7
Highly skilled production (Grade 9-12)	152 382	91.3	4 278	2.6	**6 268**	3.8	3 992	2.4
Management (Grade 14-22)	77 136	95.4	0	0	**2 413**	22.3	1 549	13.2
Total	**320 410**	**96.8**	**8 829**	**2.5**	**14 507**	**4.1**	**9 782**	**2.7**

This is inclusive of Support staff to MPLs and Interns

Employment and vacancies

TABLE 3.1 – Employment and vacancies by programme, 31 March 2025

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administration	380	238	37.5 %	2
Support Staff to MPLs	55	43	0	43
Remuneration of elected public representatives	61	61	0	61
Total	**496**	**342**	**37.5%**	**106**

NB: This number is inclusive of Political Office Bearers and the support staff to MPLs

The number includes only the 4 Political Parties who opted to have their salaries administered. For the other 4 parties, the posts are filled though they are not in the ECPL payroll.

TABLE 3.2 – Employment and vacancies by critical occupation, 31 March 2025

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Grade 1-5)	75	44	11.6	2
Skilled (grade 6-8)	92	53	13.9	0
Highly skilled production (Grade 9-12)	167	102	26.8	0
Highly skilled supervision (Grade 13-17)	42	36	9.8	0
Senior management (Grade 18-21)	4	3	0.8	0
Total	**380**	**238**	**37.4**	2

NB. The total number of posts include posts additional to the establishment

Job evaluation

TABLE 4.1 – Job Evaluation, 1 April 2024 to 31 March 2025 (Standardisation)

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Unskilled (Grade 2-5)	107	3	2.8	3	2.8	0	0
Semi-skilled (Grade 6-8)	69	52	75	52	75	0	0
Skilled production (Grade 9-12)	156	36	23	36	23	0	0
Professionally qualified (Grade 13-17)	44	0	0	0	0	0	0
Executive Management Service (Grade 18-21)	4	0	0	0	0	0	0
Total	**380**	91	24	91	24	0	0

NB. The above statistics includes vacant positions that were upgraded through standardisation

TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2024 to 31 March 2025

Beneficiaries	African	Asian	Coloured	White	Total
Female	22	0	1	0	23
Male	11	0	0	0	11
Total	33	0	1	0	33
Employees with a disability	0	0	0	0	0

NB. The above statistics reflect only warm bodies during standardisation of grades.

TABLE 4.3 – Employees whose salary level exceed the grade determined by job evaluation, 1 April 2024 to 31 March 2025 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Administration Officer	0	0	0	0
Senior Admin Officer	0	0	0	0
Secretary	0	0	0	0
Accountant	0	0	0	0
TOTAL	0	0	0	0

TABLE 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2024 to 31 March 2025

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
TOTAL	0	0	0	0	0

Employment changes

TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2024 to 31 March 2025

Salary Band	Employment at Beginning of Period (1 April 2024)	Appointments	Terminations	Turnover rate %
Lower skilled (Grade 3-5)	45	5	4	8.9%
Skilled (Grade 6-8)	46	11	3	6.5%
Highly skilled production (Grades 9-12)	101	9	3	2.9%
Highly skilled supervision (Grades 14-17)	37	6	6	16.2%
Senior Management (Grades 19-22)	4	0	1	0.2%
TOTAL	**233**	**31**	**17**	**7.3%**

TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2024 to 31 March 2025

Occupation:	Number of employees per occupation as on 1 April 2024	Appointments	Terminations
Top Management	4	0	1
General Managers	8	2	0
Researchers	18	0	0
Committee Coordinators	16	1	0
TOTAL	**46**	**3**	**1**

Table 5.3 – Reasons why staff are leaving the Legislature

Termination Type	Number	% of total
Death	0	0
Resignation	3	17.6%
Expiry of contract	9	52.9%
Dismissal – operational changes	0	0

Termination Type	Number	% of total
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	1	5.8%
Retirement	4	23.5%
Transfers to other Public Service Departments	0	0
Other	0	0
TOTAL	**17**	**100%**

Table 5.4 – Promotions by critical occupation

Occupation	Employees as at 1 April 2024	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Top Management	4	0	0	0	0
General Managers	8	0	0	0	0
Committee Coordinators	18	0	0	18	100
Researchers	18	0	0	2	11
Total	**48**	0	0	20	42

Table 5.5 – Promotions by salary band

Salary Band	Employees 1 April 2024	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Grades 3-5	45	1	2.2%	16	36
Grade 6-8	46	0	0	52	
Grades 9-12	101	3	3.0%	60	59
Grades 14-17	37	0	0	5	14
Grades 19-22	4	0	0	0	0
Total	**233**	**4**	5.2%	**133**	

6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2025

Occupational categories	Male					Female					Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
Unskilled and defined decision making (Grade 2-3)	13	0	0	13	0	25	0	0	25	0	38
Semi-skilled and discretionary decision making (Grade 4-7)	15	1	0	16	0	38	4	0	42	0	58
Skilled technical and academically qualified workers, middle management, supervisors, foremen and superintendents (Grade 8-12)	44	2	0	46	0	55	0	0	55	2	103
Professionally qualified and experienced specialists and mid-management (Grade 14 – 15)	12	0	0	12	0	14	1	0	15	1	28
Top management (Grade 16 - 17)	5	0	0	5	0	3	0	0	3	0	8
Executive Management (Grade 19 – 22)	0	0	0	0	0	3	0	0	3	0	3
TOTAL	**89**	**3**	**0**	**92**	**0**	**138**	**5**	**0**	**143**	**3**	**238**

6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2025

Occupational Bands	Male					Female					Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
Unskilled and defined decision making (Grade 2-3)	13	0	0	13	0	25	0	0	25	0	38
Semi-skilled and discretionary decision making (Grade 4-7)	15	1	0	16	0	38	4	0	42	0	58
Skilled technical and academically qualified workers, middle management, supervisors, foremen and superintendents (Grade 8-12)	44	2	0	46	0	55	0	0	55	2	103
Professionally qualified and experienced specialists and mid-management (Grade 14 – 15)	12	0	0	12	0	14	1	0	15	1	28
Top management (Grade 16 - 17)	5	0	0	5	0	3	0	0	3	0	8
Executive Management (Grade 19 – 22)	0	0	0	0	0	3	0	0	3	0	3
TOTAL	**89**	**3**	**0**	**92**	**0**	**138**	**5**	**0**	**143**	**3**	**238**

6.3 – Recruitment for the period 1 April 2024 to 31 March 2025 (including Support Staff to Presiding Officers)

Occupational Bands	Male					Female					Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
Unskilled and defined decision making (Grade 3)	2	0	0	2	0	3	0	0	3	0	5
Semi-skilled and discretionary decision Making (Grade 4-7)	2	0	0	2	0	8	0	0	8	0	10
Skilled Technical and academically qualified workers, middle management, supervisors, foremen, and superintendent (Grade 8-12)	3	0	0	3	0	3	0	0	3	0	6
Professionally qualified and experienced specialists and mid-management (Grade 14-15)	1	0	0	1	0	1	0	0	1	0	2
Top Management (Grade 16 - 17)	2	0	0	2	0	0	0	0	0	0	2
Executive Management (19 - 22)	0	0	0	0	0	0	0	0	0	0	0
TOTAL	10	0	0	10	0	15	0	0	15	0	25

6.4 – Promotions for the period 1 April 2024 to 31 March 2025

Occupational Bands	Male					Female					Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
Unskilled and defined decision making (Grade 2-3)	0	0	0	0	0	1	0	0	0	0	1
Semi-skilled and discretionary decision Making (Grade 4-7)	0	0	0	0	0	0	0	0	0	0	0
Skilled Technical and academically qualified workers, middle management, supervisors, foremen, and superintendent (Grade 8-12)	1	0	0	0	0	2	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management (Grade 14-15)	0	0	0	0	0	0	0	0	0	0	
Top Management (Grade 16 - 17)	0	0	0	0	0	0	0	0	0	0	0
Executive Management (19 - 22)	0	0	0	0	0	0	0	0	0	0	0
TOTAL	**1**	**0**	**0**	**0**	**0**	**3**	**0**	**0**	**0**	**0**	**4**

6.5 – Terminations for the period 1 April 2024 to 31 March 2025

Occupational Bands	Male					Female					Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
Unskilled and defined decision making (Grade 3)	1	0	0	1	0	2	0	0	2	0	3
Semi-skilled and discretionary decision Making (Grade 4-7)	3	0	0	3	0	1	0	0	1	0	4
Skilled Technical and academically qualified workers, middle management, supervisors, foremen, and superintendent (Grade 8-12)	2	0	0	2	0	1	0	0	1	0	3
Professionally qualified and experienced specialists and mid-management (Grade 14-15)	4	0	0	4	0	1	0	0	1	0	5
Top Management (Grade 16 - 17)	1	0	0	1	0	0	0	0	0	0	1
Executive Management (19 - 22)	0	0	0	0	0	0	0	1	1	0	1
TOTAL	**11**	**0**	**0**	**11**	**0**	**5**	**0**	**1**	**6**	**0**	**17**

6.6 – Disciplinary action for the period 1 April 2024 to 31 March 2025

Description	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**1**

6.7 – Skills development for the period 1 April 2024 to 31 March 2025

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Unskilled and defined decision making (grade 2-3)	14	0	0	0	33	0	0	0	**47**
Semi-Skilled and discretionary decision making (4-7)	27	0	0	0	35	02	0	0	**64**
Skilled, Technical and academically qualified workers (8-12)	44	02	0	0	56	0	0	02	**104**
Professionally qualified and experienced specialists (14-15)	14	0	0	0	15	01	0	01	**31**
Top Management (16-17)	06	0	0	0	04	0	0	0	**10**
Executive Management (19-22)	0	0	0	0	03	0	01	0	**04**

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Total	**105**	**02**	**0**	**0**	**146**	**03**	**01**	**03**	**260**
Employees with disabilities	01	0	0	0	03	0	0	0	**04**

TABLE 7.1 – Performance Rewards by race, gender, and disability, 1 April 2024 to 31 March 2025

Description	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African	**261**			**16 976 161**	**65 043**
Female	158			9 899 219	62 653
Male	103			7 076 941	68 708
Asian	**2**			**174 765**	**87 383**
Female	2			174 765	87 383
Male	0			0	0
Coloured	**11**			**687 697**	**62 518**
Female	7			410 878	58 697
Male	4			276 819	69 205
White	**8**			**518 368**	**64 796**
Female	6			315 105	52 518
Male	2			203 263	101 632
Employees with a disability	0			0	0
Total	**282**			**18 356 991**	**65 096**

NB The beneficiaries of Performance Rewards include Support staff to MPLs

TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2024 to 31 March 2025

Salary Bands	Beneficiary Profile				
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Lower skilled (Grades 1-5)	45	44		1 086 072	24 135
Skilled (Grades 6-8)	81	53		3 785 375	46 733
Highly skilled production (Grades 9-12)	115	102		9 535 253	82 915
Total	**241**	**199**		**14 406 700**	**59 779**

NB The beneficiaries of Performance Rewards include Support staff to MPLs

TABLE 7.3 – Performance related rewards (cash bonus), by salary band, for Senior Management Service

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee
	Number of beneficiaries	Number of employees	% of total within band		
14-17	39	36		3 695 480	94 756
19-22	2	3		254 811	127 406
Total	**41**	**39**		**3 950 291**	**96 349**

NB The beneficiaries of Performance Rewards include Support staff to MPLs

TABLE 8.1 – Foreign Workers, 1 April 2024 to 31 March 2025, by salary band

Salary Band	31 March 2024		31 March 2025		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Grades 1-5)	0	0	0	0	0	0
Skilled (Levels6-8)	0	0	0	0	0	0
Highly skilled production (Grades 9-12)	0	0	0	0	0	0
Highly skilled supervision (Grades 13-17)	0	0	0	0	0	0
Senior management (Grades 18-22)	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

TABLE 8.2 – Foreign Worker, 1 April 2024 to 31 March 2025, by major occupation

Major Occupation	1 April 2024		31 March 2025		Change	
	Number	% of total	Number	% of total	Number	% change
General Manager	0	0	0	0	0	0
Researcher	0	0	0	0	0	0
Total	0	0	0	0	0	0

Leave utilisation for the period 1 January 2024 to 31 December 2024

TABLE 9.1 – Sick leave, 1 January 2024 to 31 December 2024

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)	Total Number of days with medical certificate	Total number of days without Medical certificate
Salary Band 1-5	102	91.2	8	29.2	13	202	93	9
Salary Band 6-8	69	85.5	7	19.8	10	80	59	10
Salary Band 9-12	101	60.3	5	28.9	20	683	61	40
Salary Band 14-17	71	91.5	9	20.3	8	579	65	6
Salary Band 19-22	6	100	1	1.7	6	56	6	0
TOTAL	**349**	**81.4**	**30**	**8.6**	**12**	**1 630**	**284**	**65**

TABLE 9.2 – Additional Sick leave 1 January 2024 to 31 December 2024

Salary Band	Total days taken	% days with medical certification	Number of Employees using additional sick leave	% of total employees using additional sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Grades 1-5)	0	0	0	0	0	0
Skilled (Grades 6-8)	0	0	0	0	0	0
Highly skilled production (Grades 9-12)	61	100	1	100	61	357 977
Highly skilled supervision (Grades 14-17)	0	0	0	0	0	0
Senior management (Grades 19-22)	0	0	0	0	0	0
Total	**61**	**100**	**1**	**100**	**61**	**357 977**

TABLE 9.3 – Annual Leave, 1 January 2024 to 31 December 2024

Salary Bands	Total days taken	Average no of days per employee	Estimated Cost (R'000)	Number of employees who took leave
Lower skilled (Grades 1-5) -	1012	24	1906	42
Skilled (Grades 6-8) -	810	15	3 389	54
Highly skilled production (Grades 9-12)	1924	19	10 386	101
Highly skilled supervision (Grades 14-17)	767	21	5791	37
Senior management (Grades 19-22)	50	17	489	3
Total	**4563**	**19**	**21 961**	**237**

TABLE 9.4 – Capped leave, 1 January 2024 to 31 December 2024

Salary Bands	Total days of capped leave utilised	Average number of days utilised per employee	Average capped leave per employee as at 31 December 2024	Total cost of capped leave as at 31 December 2024(R'000)	Total number of capped leave available at 31 December 2024	Number of Employees as at 31 December 2024
Lower skilled (Grades 2-5)	0	0	0	0	0	42
Skilled (Grades 6-8)	0	0	0	0	0	54
Highly skilled production (Grades 9-12)	0	0	0	00	0	101
Highly skilled supervision (Grades 13-17)	0	0	0	0	0	37
Senior management (Grades 18-21)	0	0	0	0	0	3
Total	**0**	**0**	**0**	**0**	**0**	**237**

TABLE 9.5 – Leave pay-outs for the period 1 January 2024 to 31 December 2024

The following table summarises payments made to employees as a result of leave that was not taken.

REASON	Total Amount paid (R'000)	Number of Employees	Average payment per employee
Resignation	878	3	293
Ill-health	346	1	346
Retirement	1 438	4	360
Contract Expiry	1 992	9	221
Total	**4654**	**17**	**274**

HIV and AIDS & Health Promotion Programmes

TABLE 10.1 – Steps taken to reduce the risk of occupational exposure 2024/2025

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Integrated Human Resource Management, Finance and Supply Chain Management	Only SCM has risk exposure All drivers attended First Aid Training from time to time

TABLE 10.2 – Details of Health Promotion and HIV and AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department 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 position.	X		Senior Manager: Wellness Ms Pumza Mbutuma
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and wellbeing of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		Wellness Unit It currently has two staff members although the organogram has 5 posts
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		Observe the health calendar and introduction of alternative treatment. Annual wellness days with a variety of services and health audits. A massage chair for stress management and active sports and recreation activities.

Question	Yes	No	Details, if yes
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (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.			Legislature is not regulated by the Public Service Act, there is only a Health and Safety Committee and the National Key point Forum, These meet quarterly
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		Wellness Management Policy HIV Counselling and Testing and Disclosure campaigns
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.		X	
7. Does the Legislature encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		Wellness Management Policy HIV Counselling and Testing and Disclosure campaigns
8. Has the Legislature developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		X	

Labour relations

The following collective agreements were entered into with trade unions within the department.

TABLE 11.1 – Collective agreements, 1 April 2024 to 31 March 2025

Subject Matter	Date
Substantive Salary Negotiations at Centralised Bargaining of the Legislative Sector	April 2024

TABLE 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2024 to 31 March 2025

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

TABLE 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Gross negligence	1	
Dishonesty		
Insubordination		
Absenteeism		
Criminal conviction		
Verbal Assault		
Total	**100**	

TABLE 11.4 – Grievances lodged for the period 1 April 2024 to 31 March 2025

Description	Number	% of Total
mber of grievances resolved	0	
Number of grievances not resolved	0	
Total number of grievances lodged		

TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2024 to 31 March 2025

Description	Number	% of Total
mber of disputes upheld/ continuing		
Number of disputes dismissed/ Resolved	3	100
Total number of disputes lodged	**3**	100

TABLE 11.6 – Strike actions for the period 1 April 2024 to 31 March 2025

Total number of person working days lost	Number
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

TABLE 11.7 – Precautionary suspensions for the period 1 April 2024 to 31 March 2025

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost (R'000) of suspensions	0

Skills development

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

12.1 – Training needs identified 1 April 2024 to 31 March 2025

Occupational Categories	Gender	Number of employees as at 31 March 2025	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Unskilled and defined decision making (2-3)	Female	33	0	21	0	54
	Male	14	0	14	0	28
Semi-skilled and discretionary decision making (4-7)	Female	37	0	30	0	67
	Male	27	0	22	0	49
Skilled, technical and academically qualified workers (8-12)	Female	58	0	151	0	209
	Male	46	0	114	0	160
Professionally qualified and experienced specialists (14-15)	Female	17	0	61	0	78
	Male	14	0	41	0	55
Top Management (16-17)	Female	4	0	12	0	16
	Male	6	0	15	0	21
Executive Management (19-22)	Female	4	0	4	0	08
	Male	0	0	0	0	0
Sub Total	**Female**	**152**	**0**	**279**	**0**	**431**
	Male	**107**	**0**	**206**	**0**	**313**
Total		**259**	**0**	**485**	**0**	**744**

12.2 – Training provided 1 April 2024 to 31 March 2025

Occupational Categories	Gender	Number of employees as at 31 March 2025	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Unskilled and defined decision making (2-3)	Female	33	0	20	0	**53**
	Male	14	0	14	0	**28**
Semi-skilled and discretionary decision making (4-7)	Female	37	0	16	0	**53**
	Male	27	0	11	0	**38**
Skilled, technical and academically qualified workers (8-12)	Female	58	0	13	0	**71**
	Male	46	0	10	0	**56**
	Female	17	0	7	0	**24**

Occupational Categories	Gender	Number of employees as at 31 March 2025	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Professionally qualified and experienced specialists (14-15)	Male	14	0	7	0	**21**
Top Management (16-17)	Female	4	0	2	0	**06**
	Male	6	0	6	0	**12**
Executive Management (19-22)	Female	3	0	0	0	**03**
	Male	0	0	0	0	**0**
Sub Total	**Female**	**152**	0	**58**	0	**210**
	Male	**107**	0	**48**	0	**155**
Total		**259**	**0**	**106**	**0**	**365**

Injury on duty

The following tables provide basic information on injury on duty.

TABLE 13.1 – Injury on duty, 1 April 2024 to 31 March 2025

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	
Temporary Total Disablement	0	
Permanent Disablement	0	
Fatal	0	
Total	**1**	

PART E

FINANCIAL INFORMATION

5. FINANCIAL INFORMATION

5.1. Report of the Auditor General

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Eastern Cape Provincial Legislature set out on pages 74 to 127, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, the cash flow statement and the of statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of Eastern Cape Provincial Legislature as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Financial Management of Parliament and Provincial Legislatures Act 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 responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the legislature in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting officer for the financial statements

6. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

7. In preparing the financial statements, the accounting officer is responsible for assessing the legislature's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate

governance structure either intends to liquidate the legislature or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

8. 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.

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 71, forms part of my auditor's report.

Report on the audit of the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof; I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programme presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

11. I selected the following programme presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected a programme that measures the legislature's performance on its primary mandated functions and that is of significant national, community or public interest.

Programme	Page numbers	Purpose
Parliamentary services	32	Provide parliamentary support services to the legislature and ensure active public participation in the business of the legislature.

12. I evaluated the reported performance information for the selected programme against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the legislature's planning and delivery on its mandate and objectives.

13. I performed procedures to test whether:

- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- there is adequate supporting evidence for the achievements reported.

14. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

15. I did not identify any material findings on the reported performance information for the selected programme.

Other matter

16. I draw attention to the matter below.

Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements.

18. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 33 to 37.

Parliamentary Services

Targets achieved: 85% *Budget spent: 95%*		
Key indicator not achieved	**Planned target**	**Reported achievement**
Number of consolidated research reports on site visits produced to influence service delivery.	2	1
Number of focused intervention studies undertaken to enhance oversight over the Executive	3	2
Number of reports adopted by the committee on petitions to address public complaints	2	1
Number of policies adopted to ensure effective decision making	4	0

Report on compliance with legislation

19. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the legislature's compliance with legislation.

20. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

21. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the legislature, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

22. The material finding on compliance with the selected legislative requirements, presented per compliance theme, is as follows:

Annual financial statements

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

Other information in the annual report

24. The accounting officer is responsible for the other 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 on in this auditor's report.

25. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

26. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

27. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information and 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 information be corrected. If the other information is not corrected, I may have to retract this report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

28. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

29. The matters reported below are limited to the significant internal control deficiencies that resulted in the material finding on compliance with legislation included in this report.

30. Management did not implement adequate internal controls nor provide adequate oversight over the financial management disciplines to ensure that effective systems were in place for the accurate and timely recording and reconciliation of transactions following the implementation of the new financial reporting system as material misstatements were identified that resulted in material non-compliance with legislation.

Auditor - General

East London
30 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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 selected programme and on the legislature's compliance with selected requirements in key legislation.

Financial statements

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
- conclude on the appropriateness of the 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 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

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.

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Financial Management of Parliament and Provincial Legislatures Act 10 of 2009	Section 7(b); 7(e); 14(1); 14(2)(a); 14(2)(b); Section 14(2)(c); 14(2)(d); 14(2)(e); 15(1); Section 15(2)(a); 15(2)(b); 15(2)(c); 15(2)(d); Section 20(5); 21(2); 33(2)(a); 33(2)(b); 33(2)(e); Section 35(1)(a); 35(1)(b); 36(a); 41(b); 44; 46; Section 52; 53(1); 53(1)(b); 53(1)(c); 56(1); Section 57(a); 67(2)(a); 67(2)(b); 68(2)(a); Section 68(2)(b)
Prevention and Combating of Corrupt Activities Act 12 of 2004 (Precca)	Section 34(1)
Financial Management of Parliament Act - SCM Regulations 2015	Regulation 6(1)(c); 6(3)(e); 6(6); 6(6)(a)(i); Regulation 6(6)(a)(v); 6.7; 6(7)(a)(i); 6(7)(a)(ii); Regulation 6(8)(a)(ii); 6(8)(b)(ii); 6(8)(b)(iii); Regulation 6(8)(f)(iv); 6(9)(a)(i); 6(9)(a)(ii); Regulation 6(9)(a)(iii); 6(9)(a)(iv); 6(9)(a)(v); Regulation 6(11); 6(11)(b); 6(11)(d)(i); 6(11)(d)(ii); Regulation 6(11)(d)(iii); 6(11)(d)(iv); 6(11)(d)(v); Regulation 6(11)(d(vi); 6(11)(e)(i); 6(11)(e)(ii); Regulation 6(11)(e)(iii); 6(11)(d)(vii); 7(8)(a); Regulation 7(9)(a)(vi); 7(9)(c)(i); 8; 8(1); 8(2); 9; Regulation 9(1)(c); 11(2); 11(2)(c); 11(3)
Preferential Procurement Policy Framework Act 05 of 2000	Sections 1(i); 2.1(a); 2.1(f)
Preferential Procurement Regulations 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.4; 6.6; 6.8; 7.1; 7.2; 7.4; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Preferential Procurement Regulations 2022	Paragraphs 4.1; 4.2; 4.3; 4.4 Paragraphs 5.1; 5.2; 5.3; 5.4

Eastern Cape Provincial Legislature
Annual Financial Statements

for the year ended 31 March 2025

Eastern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2025

General Information

Nature of Business and Principal Activities	The main services offered by the Eastern Cape Provincial Legislature are as follows: • To initiate, pass and monitor implementation of laws • Ensure effective law making • Pursue vigorous oversight and accountability over the Executive Authorities • Ensure meaningful public participation and involvement • Strengthen the capacity of members to effectively fulfil their responsibilities The Administration of the Provincial Legislature, in support of this, provides an enabling environment for Members to achieve their constitutional objectives.
Speaker to the Legislature	Honourable Sauls-August H
Deputy Speaker to the Legislature	Honourable Jali V (appointed 25/06/2024)
Deputy Speaker to the Legislature	Honorable Qoboshiyane M (exited 25/06/2024)
Chairperson of Committee Chairperson	Honourable Duba T (exited on 25/06/2024)
Deputy Chairperson of Committee Chairperson	Honorable Maqubela N (exited on 31/05/2024)
Deputy Chairperson of Committee Chairperson	Honorable Nyalambisa (appointed 25/06/2024)
Secretary to the Legislature	Mrs Ngcakani N
Executive Manager : Parliamentary Services	Advocate Beja K (appointed on 01/02/2024)
Chief Financial Officer	Ms Abdool R (retired 30/11/2024)
Executive Manager : Corporate Services	Ms Nkomonye F (appointed 01/03/2024)
Business address	Independence Avenue Bhisho 5605
Postal address	Private Bag X0051 Bhisho 5605
Bankers	First National Bank, a division of First Rand Bank Limited
Auditors	Auditor-General of South Africa

Eastern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2025

Index

The reports and statements set out below comprise the Annual Financial Statements presented to the Provincial Legislature:

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Eastern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2025

Accounting Officer's Responsibilities and Approval

The Secretary to the Legislature as the Accounting Officer is required by the Financial Management of Parliament and Provincial Legislatures Act 10 of 2009 as amended (FMPPLA), 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 situation of the Legislature as at the end of the financial year and the results of its operations and cash flows for the period ended. The external auditors are engaged to express an independent opinion on the Annual Financial Statements and are given unrestricted access to all financial records and related data.

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. The Annual Financial Statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Annual Financial Statements have been prepared for the first time based on the SAGE system. The process required a reconciliation of three systems, i.e. BAS, PERSAL and SAGE to produce the final Trial Balance. Due to the SAGE payroll module which was not yet implemented by 31 March 2025, the journals have been passed to ensure completeness of General Ledger and Trial Balance.

The Accounting Officer acknowledges that she is ultimately responsible for the system of internal financial control established by the Legislature and place 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 deficit 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.

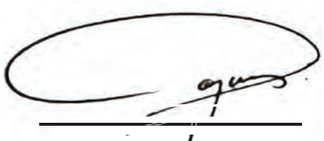
The Accounting officer is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements. However, any system of internal 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 Annual Financial Statements and in the light of this review and the current financial position, she is satisfied that the Legislature has access to adequate resources to continue in operational existence for the foreseeable future.

The Legislature is largely dependent on the equitable share as allocated by Provincial Treasury for its continued funding of operations. Therefore, the Annual Financial Statements are prepared on the basis that the Legislature is a going concern, and that the Provincial Treasury has neither the intention nor the need to liquidate or curtail materially the scale of the Legislature.

The Accounting Officer is primarily responsible for the financial affairs of the Legislature, and is supported by the Chief Financial Officer and Management. The Accounting Officer is further supported by the internal auditors who are responsible for independent review of the Annual Financial Statements.

The Annual Financial Statements for the year ended 31 March 2025 as set out below have been prepared on the going concern basis and approved by the Secretary to the Legislature on 31 May 2025



Mrs. Ngcakani N
Secretary to the Legislature

Eastern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2025

Statement of Financial Position as at 31 March 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Cash and cash equivalents	2	29 025 989	41 797 774
Receivables from exchange transactions	3	3 708 256	4 087 553
Inventories	4	687 341	526 205
		33 421 586	**46 411 532**
Non-Current Assets			
Property, plant and equipment	5	27 737 420	21 627 302
Intangible assets	6	27 228 994	24 104 132
Heritage assets	7	1 015 584	1 015 584
		55 981 998	**46 747 018**
Total Assets		**89 403 584**	**93 158 550**
Liabilities			
Current Liabilities			
Payables from exchange transactions	8	88 861 465	80 702 409
Operating lease liability	9	44 565	22 066
Provisions	10	18 437 728	47 134 799
Employee benefit obligation	11	666 000	1 421 000
		108 009 758	**129 280 274**
Non-Current Liabilities			
Provisions	10	15 865 093	19 307 436
Employee benefit obligation	11	3 173 000	6 366 000
		19 038 093	**25 673 436**
Total Liabilities		**127 047 851**	**154 953 710**
Net Assets		**(37 644 267)**	**(61 795 160)**
Accumulated Deficit		(37 644 267)	(61 795 160)

Eastern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2025

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Sundry income	13	247 742	256 285
Interest received	14	799 220	286 764
Total revenue from exchange transactions		**1 046 962**	**543 049**
Revenue from non-exchange transactions			
Transfer revenue			
Appropriation	15	721 718 000	653 656 122
Public contributions and donations	16	357 578	256 948
Service in-kind revenue	17	11 380 800	11 182 042
Total revenue from non-exchange transactions		**733 456 378**	**665 095 112**
Total revenue	36	**734 503 340**	**665 638 161**
Expenditure			
Employee related costs	18	(427 421 261)	(422 702 865)
Transfer payments	19	(131 743 723)	(121 120 290)
Depreciation, amortisation and impairment	20	(4 866 438)	(3 777 952)
General Expenses	21	(143 420 158)	(114 539 412)
Contracted services	22	(1 999 459)	(3 111 017)
Decrease / (Increase) in debt impairment	35	(138 399)	21 692
Finance costs	37	(772 000)	(757 000)
Total expenditure		**(710 361 438)**	**(665 986 844)**
Actuarial gains / (losses)	11	811 000	588 584
Gain / (Loss) on foreign exchange differences	24	9 255	(19 527)
Gain on disposal of assets	38	(811 264)	(26 667)
(Deficit) /Surplus for the year		**24 150 893**	**193 707**

Eastern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2025

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	(59 845 946)	(59 845 946)
Adjustments		
Correction of error (see note 34)	(2 142 921)	(2 142 921)
Balance at 01 April 2023 as restated*	**(61 988 867)**	**(61 988 867)**
Changes in net assets		
Surplus for the year (See note 34)	193 707	193 707
Total changes	193 707	193 707
Restated* Balance at 01 April 2024	**(61 795 160)**	**(61 795 160)**
Changes in net assets		
Surplus for the year	24 150 893	24 150 893
Total changes	24 150 893	24 150 893
Balance at 31 March 2025	**(37 644 267)**	**(37 644 267)**

Eastern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2025

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Sundry income		247 742	256 285
Appropriation received		721 718 000	655 948 508
Interest income		799 220	286 765
		722 764 962	656 491 558
Payments			
Employee costs		(459 900 997)	(411 075 947)
Suppliers		(128 979 511)	(101 507 011)
Transfers and subsidies		(131 743 723)	(120 462 092)
		(720 624 231)	(633 045 050)
Net cash flows from operating activities	25	**2 140 731**	**23 446 508**
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(12 351 498)	(3 199 544)
Proceeds from sale of property, plant and equipment	5&38	634 539	59 584
Purchase of intangible assets	6	(3 195 557)	(2 581 352)
Net cash flows from investing activities		**(14 912 516)**	**(5 721 312)**
Net increase/(decrease) in cash and cash equivalents		**(12 771 785)**	**17 725 196**
Cash and cash equivalents at the beginning of the year		41 797 774	24 072 578
Cash and cash equivalents at the end of the year	2	**29 025 989**	**41 797 774**

Eastern Cape Provincial Legislature

Annual Financial Statements for the year ended 31 March 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sundry Income	221 000	(221 000)	-	247 742	**247 742**	
Interest income	114 000	(114 000)	-	799 220	**799 220**	
(Gain) or loss on disposal of assets	241 000	(241 000)	-	634 539	**634 539**	
Total revenue from exchange transactions	**576 000**	**(576 000)**	**-**	**1 681 501**	**1 681 501**	
Revenue from non-exchange transactions						
Transfer revenue						
Appropriation	705 433 000	58 706 000	**764 139 000**	721 718 000	**(42 421 000)**	33
Total revenue	**706 009 000**	**58 130 000**	**764 139 000**	**723 399 501**	**(40 739 499)**	
Expenditure						
Employee related costs	(462 882 000)	(10 854 000)	**(473 736 000)**	(459 900 997)	**13 835 003**	33
Transfer payments	(122 852 000)	(10 337 000)	**(133 189 000)**	(131 743 723)	**1 445 277**	33
General Expenses	(110 699 000)	(24 455 000)	**(135 154 000)**	(128 979 511)	**6 174 489**	33
Total expenditure	**(696 433 000)**	**(45 646 000)**	**(742 079 000)**	**(720 624 231)**	**21 454 769**	
Operating surplus	**9 576 000**	**12 484 000**	**22 060 000**	**2 775 270**	**(19 284 730)**	
Capital Expenditure	(9 576 000)	(13 060 000)	**(22 636 000)**	(15 547 056)	**7 088 944**	
Surplus	**-**	**(576 000)**	**(576 000)**	**(12 771 786)**	**(12 195 786)**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**-**	**(576 000)**	**(576 000)**	**(12 771 786)**	**(12 195 786)**	
Reconciliation						
Capital Expenditure				15 547 056		
Gain / (loss) on disposal of assets				(811 264)		
Foreign exchange loss differences				9 255		
Receipts from sale of capital assets				(634 539)		
Public contributions and donations				357 578		
Service in kind				11 380 800		
Employee related costs				32 479 736		
Contracted services +general expenditure				(16 440 106)		
Finance Costs				(772 000)		.
Depreciation				(4 866 438)		
Decrease in debt impairment				(138 399)		
Actuarial gains / (losses)				811 000		
Actual Amount in the Statement of Financial Performance				**24 150 893**		

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Sundry Income	221 000	(221 000)	-	247 742	**247 742**	
(Gain) or loss on disposal of assets	241 000	(241 000)	-	-	-	
Appropriation	705 433 000	58 706 000	**764 139 000**	721 718 000	**(42 421 000)**	
Interest income	114 000	(114 000)	-	799 220	**799 220**	
	706 009 000	**58 130 000**	**764 139 000**	**722 764 962**	**(41 374 038)**	
Payments						
Employee costs	(462 882 000)	(10 854 000)	**(473 736 000)**	(459 900 997)	**13 835 003**	
Suppliers	(110 699 000)	(24 455 000)	**(135 154 000)**	(128 979 511)	**6 174 489**	
Transfer Payments	(122 852 000)	(10 337 000)	**(133 189 000)**	(131 743 723)	**1 445 277**	
	(696 433 000)	**(45 646 000)**	**(742 079 000)**	**(720 624 231)**	**21 454 769**	
Net cash flows from operating activities	**9 576 000**	**12 484 000**	**22 060 000**	**2 140 731**	**(19 919 269)**	
Cash flows from investing activities						
Purchase of property, plant and equipment & intagible	-	-	-	(15 547 055)	**(15 547 055)**	
Proceeds from sale of property, plant and equipment	-	-	-	634 539	**634 539**	
Net cash flows from investing activities	**-**	**-**	**-**	**(14 912 516)**	**(14 912 516)**	
Net increase/(decrease) in cash and cash equivalents	9 576 000	12 484 000	**22 060 000**	(12 771 785)	**(34 831 785)**	
Cash and cash equivalents at the beginning of the year	-	-	-	41 797 774	**41 797 774**	
Cash and cash equivalents at the end of the year	**9 576 000**	**12 484 000**	**22 060 000**	**29 025 989**	**6 965 989**	

Accounting Policies

1. Presentation of Annual Financial Statements

The Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with section 56 (1) of the Financial Management of Parliament and Provincial Legislatures Act (Act 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 have been 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. Where necessary, comparative figures have been reclassified to confirm the changes in presentation in the current year.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these Annual Financial Statements, are disclosed below.

1.1 Going concern assumption

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

1.2 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 is 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. Significant judgements include:

Receivables

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

The allowance for impairment on receivables is recognised when there is objective evidence that it is impaired. The impairment is measured based on the profile of each individual debtor. The debtors are classified as high risk depending on the situation assessed by management.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 10 - Provisions.

Useful lives and residual values of Property, Plant and Equipment and Intangible 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 considers 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.

Other long-term employment benefits

The present value of the long service award obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of long service award obligations.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

The Legislature determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the long service obligations. The most appropriate discount rate that reflects the time value of money is with reference to market yields at the reporting date on government bonds.

Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, the Legislature uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Other key assumptions for long service award obligations are based on current market conditions. Additional information is disclosed in Note 11 for Employee benefit obligations.

1.3 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.

Recognition

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

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

Measurement

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring 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 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.

Other parts

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

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

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

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

Accounting Policies

1.3 Property, plant and equipment (continued)

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

Item	Depreciation method	Average useful life
Computer and office equipment	Straight line	3-15
Furniture and fixtures	Straight line	10-30
Motor vehicles	Straight line	3-5
Library books	Straight line	20-50

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 entity 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.

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

Derecognition

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 Legislature separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements.

1.4 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Accounting Policies

1.4 Intangible assets (continued)

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

The cost of a separately acquired intangible asset comprises:
(a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
(b) any directly attributable costs of preparing the asset for its intended use.

Examples of directly attributable costs are:
(a) costs of employee benefits (as defined in the Standard of GRAP on Employee Benefits) arising directly from bringing the asset to its working condition;
(b) professional fees arising directly from bringing the asset to its working condition; and
(c) costs of testing whether the asset is functioning properly.

Recognition of costs in the carrying amount of an intangible asset ceases when the asset is in the condition necessary for it to be capable of operating in the manner intended by management. Therefore, costs incurred in using or redeploying an intangible asset are not included in the carrying amount of that asset.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The depreciable amount of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life. Amortisation shall begin when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation shall cease at the date that the asset is derecognised. The amortisation method used shall reflect the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. If that pattern cannot be determined reliably, the straight line method shall be used.

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

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, internally generated	Straight line	5 - 10
Computer software, other	Straight line	5 - 10
Intangible assets under development	Not amortised	

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 6).

Intangible assets are derecognised:

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

Accounting Policies

1.4 Intangible assets (continued)

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

1.5 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 separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements.

Recognition

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

Where the institution holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliable measured, information on such heritage asset will be disclosed in the note for heritage assets.

Accounting Policies

1.5 Heritage assets (continued)

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.

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.

Derecognition

The Legislature derecognises 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 derecognition is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset.

1.6 Financial instruments

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

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 Legislature.

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 Legislature.

Classification

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

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost

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

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Payables from non-exchange transactions	Financial liability measured at amortised cost

Accounting Policies

1.6 Financial instruments (continued)

Initial recognition

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

Initial measurement of financial assets and financial liabilities

The Legislature measures a financial asset and financial liability other than those subsequently measured at fair value, initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The Legislature measures a financial asset and financial liability initially at its fair value.

Subsequent measurement of financial assets and financial liabilities

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

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

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

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and deduct any reduction (directly or through the use of an allowance account) for impairment or lack of collectibility in the case of a financial asset.

Impairment and lack of collectibility of financial assets

The Legislature assessed 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 institution, external debtors such as ex-employees and accounts older than 12 months are all considered indicators of impairment.

Financial assets measured at amortised cost.

Receivables are assessed for impairment at year end. Significant receivables are individually assessed and the remaining receivables are grouped based on risk categories and then assessed for impairment. The carrying amount of the receivables impaired 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 credit loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised credit 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.

Where receivables are impaired through the use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such receivables are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Derecognition

Financial assets

The Legislature derecognises financial assets using trade date accounting.

The ECPL 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

Accounting Policies

1.6 Financial instruments (continued)

- 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:
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset 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 ECPL 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).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the Legislature currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the Legislature does not offset the transferred asset and the associated liability.

Accounting Policies

1.7 Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time or lease term.

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. The useful life of the leased asset is the remaining period from the commencement of the lease term, without limitations by the lease term, over which economic benefits or service potential embodied in the asset are expected to be consumed by the Legislature.

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 rentals are recognised separately as an expense in the period in which they are incurred.

1.8 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.

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 ECPL 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 is assigned using the weighted average formula. The same cost formula is used for all inventories having a similar nature and use to the Legislature.

When inventories are utilised, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.9 Impairment of property, plant and equipment

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Accounting Policies

1.9 Impairment of property, plant and equipment (continued)

Useful life is either:

- the period of time over which an asset is expected to be used by the Legislature; or
- the number of production or similar units expected to be obtained from the asset by the Legislature.

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

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.

Recognition and measurement (individual asset)

An impairment loss is recognised immediately in surplus or deficit.

Reversal of impairment loss

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

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable 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 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 cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Accounting Policies

1.10 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.

Carrying amount is the amount at which an asset is recognised in the statement of financial position. The statutory receivables constitutes revenue receivable from the Provincial Revenue (equitable share).

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, less any accumulated credit losses and any amounts derecognised.

Recognition

The Legislature recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using GRAP 9;
- if the transaction is a non-exchange transaction, using GRAP 23
- if the transaction is not within the scope of either GRAP 9 or GRAP 23 the receivable is recognised when:
  - the definition of an asset is met and,
  - 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 Legislature initially measures statutory receivables at their transaction amount. The transaction amount would be the amount that is determined on initial measurement in accordance with the relevant Standard of GRAP as described in Initial Recognition.

Subsequent measurement

Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

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

The Legislature measures all statutory receivables after initial recognition using the cost model.

Accrued interest

Where the Legislature 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.

Impairment losses

The Legislature 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 Legislature considers, the following indicators:

- 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 Legislature measures the impairment loss as the difference between the estimated future cash flows - discounted if the effect of discounting is material, using the rate that reflects the current risk free rate and if applicable, any risk specific to the statutory receivable, or group of statutory receivables, for which future cash flow estimates have not been adjusted.
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 are recognised in surplus or deficit.

Accounting Policies

1.10 Statutory receivables (continued)

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

Any previously recognised credit 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.

Where statutory receivables are impaired through the use of an allowance account, the amount of the loss is recognised in surplus or deficit within the operating expenses. When such receivables are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Derecognition

The Legislature 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 Legislature transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the Legislature, 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:
  - derecognise the receivable; and
  - recognise 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 Legislature considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.11 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve 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 twelve 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 twelve 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 entity during a reporting period, the entity recognise 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 recognise 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 entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Accounting Policies

1.11 Employee benefits (continued)

The Legislature recognise 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.

Other Long term employee benefits

The Legislature has an obligation to provide long term service allowance benefits to all of its employees. The Legislature's liability is based on the actuarial valuation. The Projected Credit Method is used to value the liabilities. Actuarial gains or losses on the long term service awards are recognised in the statement of financial performance.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the Legislature recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

The amount recognised as a liability for long-term service awards is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The Legislature recognises the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost; which is recognised immediately
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount long service award obligations (both funded and unfunded) reflect 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 long service award obligations.

Long service award obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
    - those changes were enacted before the reporting date; or

Accounting Policies

1.11 Employee benefits (continued)

- past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

1.12 Provisions and contingencies

A provision is a liability of uncertain timing or amount. Provisions are recognised when::

- the Legislature has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the Legislature settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating expenditure.

Contingent assets are recorded in the notes to the financial statements when a possible asset arise from past events, and whose existence will be confirmed by the occurrence or non- occurrence of one or more uncertain future events not within the control of the institution.

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 probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised but disclosed in the notes to the financial statements.

The Legislature recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of the resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

1.13 Commitments

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that arises a valid expectation that the institution will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

Approved and contracted commitments
This is where the expenditure has been approved and the contract has been awarded at the reporting date.

Approved but not yet contracted commitments
This is where the expenditure has been approved and the contract is yet to be awarded or is waiting finalisation at the reporting date.

Accounting Policies

1.14 Revenue from exchange transactions

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.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Recognition

An inflow of resources from exchange transactions is recognised as an asset is recognised. When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognised at the reporting date.

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

Measurement

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

Interest

Revenue arising from the use by others of institution's assets yielding interest, 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.

1.15 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the Legislature, 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.

Control of an asset arises when the Legislature can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

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

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.

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

Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

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 Legislature 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.

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.

Appropriation

Appropriated funds comprises of Legislature's allocation as well as the direct charge against the provincial revenue fund i.e members salaries, allowances and benefits.

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective.

Adjustments made in terms of the adjustment budget process are recognised in the statement of financial performance on the date the adjustments become effective.

Public and donations, including goods in-kind

Public contributions and donations, including goods in kind, are recognised as assets and 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.

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 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.

1.16 Transfer payments

Transfer payments include all non-exchange payments made by the Legislature. A payment is non-exchange if the institution does not receive anything directly in return for the transfer to the other party. Transfer payments are expensed.

Accounting Policies

1.17 Unauthorised expenditure

Unauthorised expenditure defined in Section 1 of the FMPPLA means:

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

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

Unauthorised expenditure receivables are measured at the amount that is expected to be recoverable and are derecognised when settled or subsequently written off as irrecoverable.

1.18 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is disclosed in the notes to the financial statements once confirmed. The amount disclosed is equal to the total value of fruitless and wasteful expenditure incurred.

1.19 Irregular expenditure

Irregular expenditure as defined in Section 1 of the FMPPLA as expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with, a requirement of this Act or any applicable legislation.

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefore are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are derecognised when settled or subsequently written off as irrecoverable.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements are updated with the amount condoned.

1.20 Accumulated surplus / deficit

The accumulated surplus represents the net difference between the total assets and the total liabilities of the Eastern Cape Provincial Legislature. Any surpluses and deficit realised during a specific financial year are credited / debited against accumulated surplus / deficit . Prior year adjustments, relating to income and expenditure, are debited / credited against accumulated surplus when retrospective adjustments are made.

1.21 Changes in accounting policies, estimates and errors

The Legislature accounts for changes in accounting policies, estimates and errors in accordance with the standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors. The default is that changes in accounting policies and errors be adjusted retrospectively and changes in accounting estimates be adjusted prospectively. Refer to note for details regarding the prior period error.

Accounting Policies

1.22 Compensation of employees

Salaries and Wages

Salaries and wages are recognised in the statement of financial performance as the services were rendered.

Social Contributions

Social contributions made by the Legislature in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the Legislature in respect of ex- employees are classified as employee costs in the statement of financial performance as the services were rendered.

Key management personnel

Compensation paid to key management personnel and presiding officers, including their family members where applicable, is included in the disclosure notes. Refer to note 18 - Employee related cost.

1.23 Offsetting

Assets, liabilities, revenue and expenses have not been offset except where offsetting is required or permitted by a standard of GRAP.

1.24 Prepayments

Prepayments and advances are recognised in the statement of financial position when the Legislature receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost.

1.25 Budget information

The approved budget for 2024/2025 is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2024/04/01 to 2025/03/31.

The annual financial statements and the budget are not on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period has been prepared using the actual figures on cash basis. Budget figures for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.26 Related parties

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

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. Therefore only executive management is considered to be management as defined per the standard.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the Legislature. Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

Accounting Policies

1.27 Events after reporting date

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

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

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

The Legislature will disclose 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.

1.28 Effects of changes in foreign currency

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

The Legislature only incurs foreign currency transactions when members and staff are required to travel to other countries in execution of their duties as well as the payment of annual license fees for Microsoft Licenses. No foreign denominated assets or liabilities at year end exists.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in surplus or deficit in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.29 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the Legislature is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether Legislature is a principal or an agent requires the Legislature to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The Legislature assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Accounting Policies

1.29 Accounting by principals and agents (continued)

Assessing which entity benefits from the transactions with third parties

When the Legislature in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the Legislature concludes that it is not the agent, then it is the principal in the transactions.

The Legislature is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the Legislature has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The Legislature applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the Legislature is an agent.

Recognition

The Legislature, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The Legislature, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The Legislature recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

Figures in Rand	2025	2024

2. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	29 025 989	41 797 774

The Legislature had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	31 March 2025	31 March 2024	31 March 2023	31 March 2025	31 March 2024	31 March 2023
First National Bank - Current account	29 025 989	41 797 774	24 072 578	29 025 989	41 797 774	24 072 578

3. Receivables from exchange transactions

Prepaid expenditure	3 675 037	3 794 978
Staff receivables	171 618	294 115
Allowance for debt impairment	(138 399)	(1 540)
	3 708 256	**4 087 553**
Gross balances		
Prepaid expenditure	3 675 037	3 794 978
Staff receivables	171 618	294 115
	3 846 655	**4 089 093**
Less: Allowance for impairment		
Staff receivables	(138 399)	(1 540)
Net balance		
Prepaid expenditure	3 675 037	3 794 978
Staff receivables	33 218	292 575
	3 708 255	**4 087 553**
Staff receivables		
1 - 12 months	33 218	258 063
12+ months	-	13 554
Other receivables	138 400	22 498
	171 618	**294 115**

Reconciliation of provision for impairment of trade and other receivables

Opening balance	1 540	23 232
Debt written off	(1 540)	-
Provision for debt impairment movement	138 399	(21 692)
	138 399	**1 540**

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2025, R 7 265 (2024: R 256 833) were past due but not impaired.

4. Inventories

Consumables	687 341	526 205

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

4. Inventories (continued)

Inventories recognised as an expense during the year	917 525	842 337

Inventories comprise of consumables and stationery.

Other information

Inventories are not impaired as current replacement cost is higher than cost.

Notes to the Annual Financial Statements

Figures in Rand

5. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Computer and office equipment	37 835 088	(23 302 765)	14 532 323	36 177 070	(27 429 233)	8 747 837
Furniture and fittings	14 372 826	(5 588 782)	8 784 044	14 131 459	(5 283 472)	8 847 987
Library books	1 342 787	(1 036 875)	305 912	1 389 016	(1 009 300)	379 716
Motor vehicles	8 288 622	(4 173 481)	4 115 141	7 910 192	(4 258 430)	3 651 762
Total	**61 839 323**	**(34 101 903)**	**27 737 420**	**59 607 737**	**(37 980 435)**	**21 627 302**

Reconciliation of property, plant and equipment - 31 March 2025

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Computer and office equipment	8 747 837	10 120 026	(895 064)	(3 424 064)	(16 412)	14 532 323
Furniture and fittings	8 847 987	744 708	(152 351)	(552 591)	(103 709)	8 784 044
Library books	379 716	-	(10 471)	(63 333)	-	305 912
Motor vehicles	3 651 762	1 486 765	(387 917)	(492 867)	(142 602)	4 115 141
	21 627 302	**12 351 499**	**(1 445 803)**	**(4 532 855)**	**(262 723)**	**27 737 420**

Reconciliation of property, plant and equipment - 31 March 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Computer and office equipment	9 081 375	2 395 819	(80 671)	(2 648 686)	8 747 837
Furniture and fittings	9 287 591	40 106	-	(479 710)	8 847 987
Library assets	456 026	-	(5 580)	(70 730)	379 716
Motor vehicles	3 421 892	763 619	-	(533 749)	3 651 762
	22 246 884	**3 199 544**	**(86 251)**	**(3 732 875)**	**21 627 302**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

5. Property, plant and equipment (continued)

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Motor vehicle (Consumables)	653 054	509 630

Notes to the Annual Financial Statements

Figures in Rand

6. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	797 071	(517 313)	279 758	797 071	(446 618)	350 453
Intangible assets under development	26 794 461	-	26 794 461	23 598 904	-	23 598 904
Other intangible assets	154 775	-	154 775	154 775	-	154 775
Total	**27 746 307**	**(517 313)**	**27 228 994**	**24 550 750**	**(446 618)**	**24 104 132**

Reconciliation of intangible assets -31 March 2025

	Opening balance	Additions	Amortisation	Total
Computer software	350 453	-	(70 695)	279 758
Intangible assets under development	23 598 904	3 195 557	-	26 794 461
Library e-books	154 775	-	-	154 775
	24 104 132	**3 195 557**	**(70 695)**	**27 228 994**

Notes to the Annual Financial Statements

Figures in Rand

6. Intangible assets (continued)

Reconciliation of intangible assets - 31 March 2024

	Opening balance	Additions	Revaluations	Other changes, movements	Amortisation	Total
Computer software	1	395 531	(9 000)	9 000	(45 079)	350 453
Intangible assets under development	21 413 083	2 185 821	-	-	-	23 598 904
Library e-books	154 775	-	-	-	-	154 775
	21 567 859	**2 581 352**	**(9 000)**	**9 000**	**(45 079)**	**24 104 132**

New software, SAGE, was purchased / developed during the prior years and current financial year. The implementation of SAGE is partially complete and is not capable of operating in a manner intended by Management. This software is not yet eligible for amortisation.

The Legislature bought Library e-books, and these are not amortised as they have indefinite useful life.

Figures in Rand	2025	2024

7. Heritage assets

	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Historical monuments	1 015 584	-	1 015 584	1 015 584	-	1 015 584

Reconciliation of heritage assets - 31 March 2025

	Opening balance	Total
Historical monuments	1 015 584	1 015 584

Reconciliation of heritage assets 31 March 2024

	Opening balance	Total
Historical monuments	1 015 584	1 015 584

8. Payables from exchange transactions

Staff related payables	544 608	2 847 985
13 Cheque /Accrued bonus	11 399 684	11 168 465
Accrued expenditure	20 046 305	13 262 812
Accrued leave pay	56 870 868	53 423 147
	88 861 465	**80 702 409**

9. Operating lease liability

Operating lease liability / Current portion	(44 565)	(22 066)

The operating lease liability of 31 March 2025 R44 565 (31 March 2024:R 22 066) relates to straight-lining of lease payments. Refer to note 26 for the operating lease commitments disclosure.

Figures in Rand	2025	2024

10. Provisions

Reconciliation of provisions - 31 March 2025

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Decrease on the provision	Total
Provision for staff performance bonus	18 173 645	264 083	-	-	-	18 437 728
Provision for members termination benefit - long term portion	19 307 436	-	(8 196 838)	28 961 154	(24 206 659)	15 865 093
Provision for members termination benefit - short term portion	28 961 154	-	-	(28 961 154)	-	-
	66 442 235	**264 083**	**(8 196 838)**	**-**	**(24 206 659)**	**34 302 821**

Reconciliation of provisions - 31 March 2024

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for staff performance bonus	17 802 058	18 173 645	(17 802 058)	-	18 173 645
Provision for member's benefit increase	2 517 418	-	(2 517 418)	-	-
Provision for members termination benefit	40 398 499	10 923 394	(3 053 303)	(28 961 154)	19 307 436
Current portion of members termination provision	-	-	-	28 961 154	28 961 154
	60 717 975	**29 097 039**	**(23 372 779)**	**-**	**66 442 235**

Non-current liabilities	15 865 093	19 307 436
Current liabilities	18 437 728	47 134 799
	34 302 821	**66 442 235**

The estimate for the performance bonus is done for all employees who qualify and are still in the employment of the Eastern Cape Provincial Legislature as at 31 March 2025. Performance bonus is paid when final evaluation has been performed and scores have been awarded accordingly. The amount payable to employees is uncertain at the end of the financial year.

Members termination provision is a once-off terminal payment and once-off gratuity per paragraph 3.2 and 3.3 of Government Gazette no.31597 Vol 521 promulgated on 12 November 2008. The members termination provisions disclosed above is the estimate of the exit payments that the Legislature is expected to pay when members exit or cease to be members of the Legislature.

11. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

Non-current liabilities	(3 173 000)	(6 366 000)
Current liabilities	(666 000)	(1 421 000)
	(3 839 000)	**(7 787 000)**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

11. Employee benefit obligations (continued)

Reconciliation of employee benefits obligation as at 31 March 2025

Details	Opening balance	Utilised during the year	Raised during the year	Closing balance
Long service award obligation	7 787 000	(4 626 000)	678 000	3 839 000

Reconciliation of employee benefits obligation as at 31 March 2024

Details	Opening balance	Utilised during the year	Raised during the year	Closing balance
Long service award obligation	8 125 000	(1 366 416)	1 028 416	7 787 000

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	7 787 000	8 125 000
Net expense recognised in the statement of financial performance	(3 948 000)	(338 000)
	3 839 000	**7 787 000**

Net reversal/expense recognised in the statement of financial performance

Actuarial (gains) losses	(811 000)	(588 584)
Past service cost	(4 216 000)	(1 366 416)
Current service cost	717 000	860 000
Interest cost	772 000	757 000
Benefits paid	(410 000)	-
	(3 948 000)	**(338 000)**

Re-measurements - Calculation of actuarial gains and losses

Key assumptions used

Long service benefits are awarded in the form of leave days as a percentage of each employee's salary. The awarded leave days have been converted to a percentage of the employee's annual salary. The conversion is based on a 250 working day year. Assumptions used at the reporting date:

Discount rates used	9,60 %	10,88 %
Expected increase in salaries	5,20 %	6,45 %
Net effective discount rate	4,20 %	4,16 %

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

11. Employee benefit obligations (continued)

Other assumptions

The cost of long service awards is dependent on the increase in the annual salaries paid to the employees. The rate at which salaries increase has a direct effect on the employee benefit obligation.

There are 238 (2024:231) employees that are currently entitled to long service awards.

The average expected remaining lifetime of eligible employees is 14.1 (2024:14.1) years.

Inflation rate

The effect of 1% change in the below assumptions has been tested and the effects are as follows:

	One percentage point increase	**One percentage point decrease**
Effect on the aggregate of the service cost and interest cost	1 560 000	1 423 000
Effect on defined benefit obligation	3 919 000	3 765 000

Withdrawal rate

The effect of 50% change in the normal salary inflation assumption has been tested and the effects are as follows:

	50 percentage point decrease	**50 percentage point decrease**
Effect on liability	1 642 000	1 755 000

Figures in Rand	2025	2024

12. Financial instruments disclosure

Categories of financial instruments

31 March 2025

Financial assets

	At amortised cost	Total
Cash and cash equivalents	29 025 989	29 025 989
Receivables from exchange transactions	3 708 256	3 708 256
	32 734 245	**32 734 245**

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	20 530 385	20 530 385

31 March 2024

Financial assets

	At amortised cost	Total
Cash and cash equivalents	41 797 774	41 797 774
Receivables from exchange transactions	4 087 553	4 087 553
	45 885 327	**45 885 327**

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	13 390 049	13 390 049

13. Sundry income

Sundry income	247 742	256 285
The amount included in other revenue arising from exchanges of goods or services are as follows:		
Commission from garnishee and insurance collected	247 742	256 095
Revenue from prior year expenditure	-	190
	247 742	**256 285**

14. Interest received

Interest revenue		
Bank	799 220	286 764

15. Appropriation

Operating grants		
Annual appropriation	721 718 000	653 656 122

Figures in Rand	2025	2024

16. Public contributions and donations

Donations	357 578	256 948

17. Service in-kind revenue

Service in-kind revenue		
	11 380 800	11 182 042

Nature and type of services in-kind are as follows:

Eastern Cape Provincial Legislature occupies office buildings belonging to the Eastern Cape Department of Public Works at no fee.

The Eastern Cape Provincial Legislature received protection services from the South African Police Service at no fee for the entire period ended 31 March 2025.

18. Employee related costs

Basic	271 552 062	250 900 947
Performance Bonus	12 165 533	12 388 353
Compensative/circumstantial allowances	3 562 108	2 502 953
Housing benefits and allowances	14 496 526	14 279 476
Leave pay provision charge	3 447 721	4 838 467
Long-service awards	(3 909 000)	246 136
Medical aid - company contributions	9 728 266	9 618 854
Other non-pensionable allowances	29 608 720	29 491 916
Overtime payments	9 363 579	3 270 427
Pension	60 359 847	57 041 929
Service bonus / 13th Cheques	21 467 418	21 186 862
Members Group Insurance Fund	4 106 321	3 914 969
Short term benefit	4 020 701	5 151 485
Members termination benefit	(12 548 541)	7 870 091
	427 421 261	**422 702 865**

Remuneration of Speaker - Honourable HM August

Annual Remuneration	1 402 310	1 358 561
Non pensionable allowance	402 030	346 222
Housing allowance	120 000	120 000
Contributions to Medical and Pension Funds	323 559	299 553
Service bonus	100 761	94 912
	2 348 660	**2 219 248**

Remuneration of Deputy Speaker - Honourable V Jali

Annual Remuneration	903 228	-
Non pensionable allowance	330 154	-
Contributions to Medical and Pension Funds	203 227	-
	1 436 609	**-**

Figures in Rand	2025	2024

18. Employee related costs (continued)

Remuneration of Deputy Speaker - Honourable M Qoboshiyane

Annual Remuneration	169 794	1 099 371
Non pensionable allowance	62 509	385 689
Contributions to Medical and Pension Funds	38 203	235 897
Service bonus	-	74 897
	270 506	**1 795 854**

Exited on the 24 June 2024.

Remuneration of Chair of Committee of Chairpersons - Honourable T Duba

Annual Remuneration	908 197	924 779
Non pensionable allowance	342 555	331 810
Contributions to Medical and Pension Funds	204 344	198 974
Service bonus	30 285	61 411
	1 485 381	**1 516 974**

Remuneration of Deputy Chair of Committee of Chairpersons - Honourable Nyalambisa

Annual Remuneration	778 247	-
Non pensionable allowance	292 187	-
Contributions to Medical and Pension Funds	175 105	-
Service bonus	38 160	-
	1 283 699	**-**

Appointed on the 25 June 2024.

Remuneration of Deputy Chair of Committee of Chairpersons - Honourable N Maqubela

Annual Remuneration	136 975	922 088
Non pensionable allowance	50 288	330 015
Contributions to Medical and Pension Funds	30 819	198 369
Service bonus	45 596	61 411
	263 678	**1 511 883**

Exited on the 31 May 2024.

Remuneration of the Secretary to the Legislature - Mrs N Ngcakani

Annual Remuneration	1 824 902	1 721 606
Non pensionable allowance	423 023	399 078
Housing allowance	35 711	33 516
Contributions to Medical and Pension Funds	441 264	416 289
Service bonus	152 075	143 467
Performance bonus	137 728	129 322
	3 014 703	**2 843 278**

Figures in Rand	2025	2024

18. Employee related costs (continued)

Remuneration of the Executive Manager: Parliamentary Services - Advocate K Beja

Annual Remuneration	1 486 880	232 579
Non pensionable allowance	368 774	57 684
Housing allowance	66 764	10 443
Contributions to Medical and Pension Funds	367 481	57 482
Performance bonus	107 537	-
Service bonus	123 907	-
Acting allowance	-	68 323
	2 521 343	**426 511**

Appointed on the 01 February 2024.

Advocate K Beja was appointed as Acting Executive Manager: Legal and Procedural Services from 01 January 2022 until she was appointed as Executive Manager.

Remuneration of the Executive Manager: Corporate Services - Ms F Nkomonye

Annual Remuneration	1 519 592	116 290
Non pensionable allowance	368 774	28 842
Housing allowance	35 711	2 793
Contributions to Medical and Pension Funds	374 678	25 583
Service bonus	51 939	-
	2 350 694	**173 508**

Appointed on the 01 March 2024.

Remuneration of the Chief Financial Officer: Ms R Abdool

Annual Remuneration	1 039 611	1 421 008
Non pensionable allowance	245 849	346 098
Housing allowance	23 807	32 542
Contributions to Medical and Pension Funds	254 965	349 351
Service bonus	129 951	121 963
Performance bonus	117 084	51 925
Leave gratuity	455 935	-
	2 267 202	**2 322 887**

Retired on the 30 November 2024.

Remuneration of General Manager: Finance - Ms NF Dyan (Acting Chief Financial Officer from 01 December 2024 to 31 April 2025)

Acting allowance	66 533	-

Remuneration of the General Manager: Committee Services - Mr MC Hlohlo

Acting allowance	-	16 388

Acting as Executive Manager: Parliamentary Services from 01 April 2023 to 31 May 2023.

Remuneration of the Executive Manager: Parliamentary Services - Mrs N Mene

Leave gratuity	-	472 381

Contract ended on 31 March 2023, and her leave was paid during the 2023/24 financial year.

Figures in Rand	2025	2024

18. Employee related costs (continued)

Remuneration of the Executive Manager: Corporate Service - Mr P Hobongwana

Annual Remuneration	-	371 830
Non pensionable allowance	-	80 488
Housing allowance	-	14 572
Contributions to Medical and Pension Funds	-	80 207
Performance bonus	-	51 925
Leave gratuity	-	323 339
	-	**922 361**

Contract ended 30 June 2023.

Remuneration of the General Manager: Corporate Service - Mr B Gama

	-	68 353

Appointed as acting Executive Manager- Corporate Services from 01 July 2023 to 29 February 2024.

Remuneration of the Members of the Provincial Legislature

Annual Remuneration	45 349 448	40 406 948
Non pensionable allowance	17 174 443	14 427 975
Service bonus	2 953 445	2 491 079
Contributions to Medical and Pension Funds	10 204 718	8 662 015
Leave gratuity	16 178 499	3 185 724
Housing allowance	90 000	-
	91 950 553	**69 173 741**

Remuneration of Officials

Grade 19 to 21	10 220 476	6 773 288
Grade 15 to 18	58 346 687	58 611 250
Grade 14	15 670 969	14 559 900
	84 238 132	**79 944 438**

19. Transfer payments

Political parties represented in the Legislature

African National Congress (ANC)	78 212 843	83 769 714
Mkhonto Political Party Fund	1 903 638	-
Democratic Alliance (DA)	24 764 440	19 038 571
Economic Freedom Fighters (EFF)	12 611 300	9 519 286
United Democratic Movement (UDM)	5 374 773	4 396 358
African Transformation Movement (ATM)	2 554 189	2 198 180
FF Plus	2 554 188	2 198 181
Patriotic Party Fund	3 768 352	-
	131 743 723	**121 120 290**

20. Depreciation, amortisation and impairment

Property, plant and equipment (Note 5)	4 795 743	3 732 872
Intangible assets (Note 6)	70 695	45 080
	4 866 438	**3 777 952**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
21. General expenses		
Administration fees	112 829	243 883
Advertising	4 005 711	2 502 284
Auditors remuneration	5 364 963	6 069 041
Bursaries (employees)	1 739 673	1 723 002
Business and advisory fees	994 087	1 320 706
Catering	12 387 785	7 691 535
Communication	2 320 134	900 448
Computer expenses	3 540 453	1 686 912
Computer services	15 440 339	11 849 523
Consumables	5 486 247	2 825 345
Contractors	596 580	20 000
Legal services	666 115	75 919
Operating leases	4 126 001	9 430 089
Other operating expenditure	4 901 585	2 787 009
Property payments	630 765	347 821
Rental and hiring	8 672 629	7 489 397
Service in-kind expense	11 380 800	11 182 042
Training and development	234 263	1 105 625
Travel and subsistence	60 556 616	45 283 027
Uniforms	262 583	-
Write-offs and impairments	-	5 804
	143 420 158	**114 539 412**
22. Contracted services		
Consultants	1 999 459	3 111 017

Contracted services includes expenditure in respect of internal audit and accounting services.

23. Auditors' remuneration		
Fees (Refer to note 21 above)	5 364 963	6 069 041
24. Loss on foreign exchange differences		
Gain or loss on exchange differences	(9 255)	19 527

Foreign exchange differences arise due to the purchase of licences from Microsoft , Commonwealth Parliamentary Association and Commonwealth Parliamentary subscription fees.

25. Cash (used in) / generated from operations		
Surplus	24 150 893	193 707
Adjustments for:		
Depreciation, amortisation and impairment	4 866 438	3 777 952
Gain/(loss) on sale of assets	811 264	26 667
Movements in operating lease assets and accruals	22 499	(4 015)
Movements in employee benefits liabilities	(3 948 000)	(338 000)
Movements in provisions	(32 139 414)	5 724 260
Changes in working capital:		
Inventories	(161 136)	425 275
Receivables from exchange transactions	379 297	(808 881)
Payables from exchange transactions	8 158 890	14 449 543
	2 140 731	**23 446 508**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

26. Commitments

Authorised capital expenditure

Already contracted for but not provided for		
• Property, plant and equipment	4 270 063	13 060 599
• Intangible assets	933 900	-
	5 203 963	**13 060 599**
Total capital commitments		
Already contracted for but not provided for	5 203 963	13 060 599

Authorised operational expenditure

Already contracted for but not provided for		
• Services expenditure	12 201 492	25 142 032
• Leases	7 060 820	11 004 506
• Travel	831 354	1 159 230
	20 093 666	**37 305 768**
Total operational commitments		
Already contracted for but not provided for	20 093 666	37 305 768

Total commitments

Total commitments		
Authorised capital expenditure	5 203 963	13 060 599
Authorised operational expenditure	20 093 666	37 305 768
	25 297 629	**50 366 367**

Operating leases - as lessee (expense)

Minimum lease payments due		
- within one year	3 988 250	3 943 685
- in second to fifth year inclusive	3 072 570	7 060 820
	7 060 820	**11 004 505**

Operating lease payments represent rentals payable by the Legislature for certain buildings, other fixed structures, machinery and equipment. No contingent rental is payable. Listed below are only the multi year commitments. For further information, refer to the complete schedule of commitments.

Mowana Properties

The Legislature is leasing office space for National Council of Provinces delegates for the Eastern Cape permanently based at National Parliament in Cape Town. The National Council of Provinces Committee - is made up of delegates from all the provinces. The lease term is for 3 years from 1 October 2020 to 30 September 2023. The basic rental escalates at 8% per annum. Subsequently, the contract was extended from 01 October 2023 to 30 September 2026. The basic rental escalates at 6% per annum.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

26. Commitments (continued)

Telkom

Telkom provides telecommunication services with the initial contract entered on 03 July 2014. Service is charged per usage on a monthly basis.

Vodacom

Vodacom was appointed through the National Treasury Transversal contract, effective 1 May 2017, to provide cell phone and 3G cards to the Legislature. Service is charged per usage monthly.
Subsequently, the National Treasury introduced an updated agreement with effect from 1 April 2021. The Legislature migrated the staff contract to the transversal agreement from 1 August 2022. Vodacom was also appointed for the MPL contract effective 1 May 2022 to provide cellphone and 3G cards to the Legislature. This is the updated National Treasury transversal contract.

FirstRand Bank (FNB)

FNB has been appointed to provide fuel and repairs services through the National Treasury transversal contract RT46-2020 from 1 April 2021 to 31 March 2026. Fees are charged per transaction.

State Information Technology Agency (SITA)

SITA was appointed to provide various ICT related services for the period 1 April 2024 to 31 Mar 2029.

Microsoft

Microsoft has been renewed to provide licences for use of the Microsoft Suite within the Legislature for the period 1 June 2022 to 31 May 2025. The contract fees which are quoted using the US dollar, are payable annually and are subject to the exchange rate.

Lunika

Lunika was appointed to provide internal audit services to the Legislature for the period 19 November 2021 to October 2024. The contract was extended to to 31 July 2025. Fees are charged based on an approved plan.

CCG Systems

CCG Systems was also appointed for the implementation of an Enterprise Resource Planning System over a 5-year period from 1 December 2021 to 30 November 2026.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

26. Commitments (continued)

EKS

EKS was appointed through the National Transversal Contract to provide fleet tracking services effective from 1 June 2022 to 31 May 2026

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Coega Travel

Coega Travel was appointed to provide travel management services for the period 1 February 2023 to 31 January 2026. Fees are based on a per booking rate.

ITEC

ITEC was appointed to provide printers from 1 February 2024 to 31 January 2027.

Ducharme

Ducharme Consulting was appointed to provide support for the preparation of financial statements from 15 April 2025 to 14 April 2026.

Yvonne's Transcription Services

Yvonne's Transcription Services was appointed to provide transcriptions services from 1 September 2022 to 31 August 2025.

Iphulo Group

Iphulo Group was appointed to provide translation services from January 2023 to January 2026.

ATZ Marketing

ATZ Marketing was appointed to provide canteen and catering services from 1 March 2024 to 28 February 2027.

27. Contingencies

Nature of contingent liability		
Civil matter 2	200 000	200 000
Civil matter 4	3 267 852	3 267 852
	3 467 852	**3 467 852**

Civil matter 2

This is a letter of demand for a claim by service provider in respect of outstanding invoices. The amount disclosed is the possible outcome of the negotiation process between the Legislature and the service provider.

Civil Matter 4

This is a letter of demand for a claim by service provider for fraudulent payments made by a former employee.

Figures in Rand	2025	2024

28. Related parties

Presiding Officers (Members of EXCO)	Refer to members' report note 18
Secretary to the Legislature	Refer to note 18
Executive Manager: Corporate Services (Key Management)	Refer to note 18
Chief Financial Officer (Key Management)	Refer to note 18
Executive Manager: Parliamentary Services (Key Management)	Refer to note 18
Eastern Cape Government	Eastern Cape Department of Public Works (Custodian of the buildings occupied free of charge by the Legislature)

The Legislature is utilising buildings owned by the Eastern Cape Department of Public Works for which the market related rental was determined and this is reflected in note 17.

29. Going concern

The annual financial statements are prepared on a going concern basis. This basis presumes that the Legislature will be able 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 Secretary has reviewed the Legislature's ability to continue as a going concern for the year to 31 March 2025 and, in the light of this review and the current financial position, is satisfied that the Legislature has access to adequate resources to continue in operational existence for the foreseeable future despite the negative liquidity position of the institution at the reporting date.

The Legislature is wholly dependent on the receipt of equitable share from National Treasury of R706 million for continued funding of operations for the 2025/26 financial year which will fund Legislature’s liabilities.

With the expected budget the Legislature will still be able to finance future operations, realise its assets and settle its liabilities, contingent obligations and commitments for the foreseeable future.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

30. Risk management

Financial risk management

The Legislature's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

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.

The amounts disclosed in the table are balances due within 12 months equal their carrying balances.

At 31 March 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	20 530 385	-	-	-

At 31 March 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	13 390 049	-	-	-

Credit risk

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

Receivables comprise of staff debtors and prepaid expenditure. Management evaluated credit risk relating to receivables on an ongoing basis. If receivables are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the receivable, taking into account its financial position, past experience and other factors.

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

Financial instrument	31 March 2025	31 March 2024
Cash and cash equivalents	29 025 989	41 797 774
Receivables from exchange transactions	3 708 256	4 087 553

Market risk

Interest rate risk

As the Legislature has no significant interest-bearing assets, the Legislature's income and operating cash flows are substantially independent of changes in market interest rates.

Foreign exchange risk

The Legislature does not hedge foreign exchange fluctuations and has limited exposure to foreign exchange risk. The only transactions that affect the foreign exchange risk are occasional foreign travel and the annual Microsoft Office licenses. No foreign denominated assets or liabilities at year end exists.

31. Irregular expenditure

Opening balance	561 647	3 656 547
Add: Irregular Expenditure - current year	-	2 691 781
Less: Amounts condoned	(561 647)	(5 786 681)
	-	**561 647**

Figures in Rand	2025	2024

31. Irregular expenditure (continued)

Details of irregular expenditure - current year

Current year	-	311 648
Prior years	-	249 999
	-	**561 647**

Irregular expenditure incurred in 2023/24 is in respect of catering services and printing procured without following proper processes.

Details of irregular expenditure condoned

	Condoned by (condoning authority)	
Printing services procured without contract (Itec)	Executive Authority (Speaker of the Legislature)	249 999
Catering services procured prior approval	Executive Authority (Speaker of the Legislature)	311 648
		561 647

32. Fruitless and wasteful expenditure

Opening balance	2 421	-
Add: Fruitless and wastefull expenditure	-	2 421
Less: Amount condoned	(2 421)	-
	-	**2 421**

An amount of R2 421 is as a result of interest incurred on overdue account for Telkom.

33. Budget differences

Material differences between budget and actual amounts

Management has considered material variance to be the excess of actual revenue and expenditure over the final budget amounting to 10% and only those variances (as defined) that exceed, R100 000 are considered to be material.

Details of each material difference is explained below:

Departmental Revenue

Departmental revenue is made up of interest received as a result of high bank balance, receipts from sale of capital assets due to MPLs and staff members whohave left the institution and opted to buy their gadgets as well as over collection for insurance and garnishees

Capital Expenditure

The procurement process for the chamber upgrade could only start after receiving an adjustment budget in the fourth quarter. The tenders received were non-responsive and the project will continue during 2025/26 financial year.

Figures in Rand	2025	2024

34. Prior-year adjustments

Presented below are those items contained in the disclosure that have been affected by prior-year adjustments:

Statement of financial position

31 March 2024

	Note	As previously reported	Correction of error	Restated
Accummulated depreciation - Office equipment	5	(26 800 771)	(628 462)	
Accumulated depreciation - Furniture and fittings	5	(3 769 013)	(1 514 459)	
Accumulated deficit		59 845 946	2 142 921	61 988 867

On the review of the remaining useful lives of the assets that appeared to have been fully depreciated during 2022/2023 financial year, it was discovered that an error was made in the determination of remaining useful lives for some of the office equipment and furniture & fittings. This error resulted in the understatement of accummulated depreciation for both office equipment and furniture & fittings as well as the understatement of depreciation for 2022/2023 financial year.

This error was corrected during 2024/2025 financial year.

Statement of financial performance

The error had no effect on the Statement of Financial Performance for 2023/2024 financial year.

35. Debt impairment

Decrease / (Increase) in debt impairment	(138 399)	21 692

36. Revenue

Sundry income	247 742	256 285
Interest received	799 220	286 764
Appropriation	721 718 000	653 656 122
Public contributions and donations	357 578	256 948
Service in-kind revenue	11 380 800	11 182 042
	734 503 340	**665 638 161**
The amount included in revenue arising from exchanges of goods or services are as follows:		
Sundry Income	247 742	256 285
Interest received	799 220	286 764
	1 046 962	**543 049**
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Transfer revenue		
Appropriation	721 718 000	653 656 122
Public contributions and donations	357 578	256 948
Service in-kind revenue	11 380 800	11 182 042
	733 456 378	**665 095 112**

37. Finance costs

Interest cost	772 000	757 000

The above cost relates to interest cost resulting from the employee benefit obligations obtained from the actuarial report.

Figures in Rand	2025	2024

38. Gain on disposal of assets

Disposal on Property, plant and equipment	(1 445 803)	(86 251)
Proceeds on disposal of assets	634 539	59 583
(Gain) / Loss on disposal of assets	**(811 264)**	**(26 668)**

39. Segment information

General information

Identification of segments

The Legislature has noted the GRAP 18 segment reporting requirements, however Eastern Cape Provincial Legislature does not have reportable segments.

Information about geographical areas

The Legislature operates in Bhisho in the Eastern Cape Province.