



NORTH WEST PROVINCIAL LEGISLATURE

2021/22
**ANNUAL
REPORT**



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PART A

General **Information**

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LIST OF ABBREVIATIONS | ACRONYMS

Abbreviation / Acronym	Meaning
AC	Audit Committee
AEPRE	Adjusted Estimates of Provincial Revenue and Expenditure
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
ANC	African National Congress
AO	Accounting Officer
APP	Annual Performance Plan
AR	Annual Report
B. Com	Bachelor of Commerce
CA	Chartered Accountant
CA (SA)	Chartered Accountant South Africa
CD (SA)IoDS	Chartered Director South Africa
CFO	Chief Financial Officer
CISA	Certified Information Security Auditor
CISM	Certified Information Security Management
CGEIT	Certified in Governance of Enterprise Information Technology
CMAC	Consequence Management Advisory Committee
CoE	Compensation on Employees
COVID-19	Coronavirus Disease 2019
CRM-Prac	Certified Risk Management Practitioner
DA	Democratic Alliance
DTI	Department of Trade and Industry
EFF	Economic Freedom Fighters
ERP	Enterprise Resource Plan
FMPPLA	Financial Management of Parliament and Provincial Legislatures Act 2009, (Act No. 10 of 2009)
GL	General Ledger
GRAP	Generally Recognised Accounting Practices
HOA	Home Owners Allowance
Hon.	Honourable
HR	Human Resource

LIST OF ABBREVIATIONS | ACRONYMS

Abbreviation / Acronym	Meaning
IAA	Internal Audit Activity
ICT	Information and Communication Technology
IEHW	Integrated Employment Health Wellness
IFW	Irregular, Fruitless and Wasteful
IRMSA	Institute of Risk Management of South Africa
IT	Information Technology
KPI	Key Performance Indicator
M.Com	Master of Commerce
MBA	Master of Business Administration
MEC	Member of Executive Council
MP	Member of Parliament
MPL	Member of Provincial Legislature
MTEF	Medium Term Expenditure Framework
N/A	Not Applicable
NA	National Assembly
NCOP	National Council of Provinces
NDP	National Development Plan
No.	Number
NWPL	North West Provincial Legislature
PAAP	Post Audit Action Plan
PFMA	Public Finance Management Act
PPAC	Provincial Public Accounts Committee
PI	Performance Information
PSETA	Public Service Sector Education and Training Authority
R	Rand
RMC	Risk Management Committee
SA	South Africa
SADCOPAC	Southern Africa Development Community Organisation of Public Accounts Committee
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts Committee
SDIP	Service Delivery Improvement Plan

LIST OF ABBREVIATIONS | ACRONYMS

Abbreviation / Acronym	Meaning
SMS	Senior Management Service
SOM	Sector Oversight Model
SOPA	State of the Province Address
TIDs	Technical Indicator Descriptions
TR	Treasury Regulations
VF+	Vryheids Front Plus
WHO	World Health Organisation





**HON. B.R.S. DANTJIE
SPEAKER OF THE NWPL**

I take this opportunity to present the Annual Report for the North West Provincial Legislature 2021/2022 as required by the Financial Management of Parliament and Provincial Legislatures Act (Act No. 10 of 2009) as amended. This is a product of ongoing engagements that has taken place between the Oversight Committee and management of the Legislature.

The COVID-19 pandemic had significant impact on the work and the business process of the Legislature. Since the

announcement of the national state of disaster by His Excellency President Ramaphosa, we had moved with speed in modernising our systems to ensure business continuity in executing our mandate. These new systems found expression in the work of the Legislature for the period under review.

One must appreciate cooperation by both the Members of the Legislature, our stakeholders and people of the North West who have adapted to new business processes. We encouraged our communities and key stakeholders to continuously participate in our activities through the recently established platforms and make submissions for consideration by the Legislature.

Committees of the Legislature remained the engines that drive public participation processes of the Legislature especially in law-making. As part of enhancing public engagement, the Communication division together with our IT division, continued to enhance and explored different options to reach out to the majority of the people of the Province. The newly created platforms would continue to play a great deal towards achieving our

constitutional mandate in holding the Executive accountable and encouraging transparency in the affairs of government.

This Annual Report highlights key achievements and projects executed by the Legislature in the 2021/2022 financial year. We hosted a number of Sectoral Parliaments, public hearings and other public functions as a means to open platforms for our people to engage public representatives. These engagements took the form of virtual and hybrid events to minimise contact and the spread of COVID-19.

It's worth noting that we adjusted our activities based on the current impact of the pandemic, with some lessons learned in the first and the second wave of the pandemic. We remained flexible and adaptive to the ongoing challenges posed by the pandemic yet remained vigilant and proactive in our work.

It has indeed been challenging times, but cooperation among Members, staff and our stakeholders made it possible to record these achievements. We must always do our best to ensure that we deliver on our three constitutional

mandates of oversight, law-making and public involvement.

As declared by President Ramaphosa, 2021 was a year to celebrate the life of our struggle stalwart Mme Charlotte Maxeke, who was known for her hard work, and was committed to the struggle for liberation and innovation. Mme Maxeke never rested when the majority of Africans, in particular women, were victims of poverty, unemployment and inequality. Let us also continue with that spirit. Our achievements for the period under review were inspired by her teachings and resilience in challenging times.

We remained accountable to the Oversight Committee on the Affairs of the Legislature in accordance with the provision of the FMPPLA.

I wish to express my appreciation to the Members of the Committee for their constructive engagement during this period.

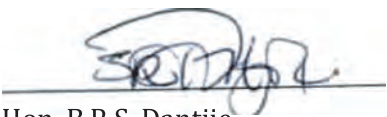
My appreciation also goes to the late Secretary, Mr Mosiane, the NWPL Management led by Secretary to the NWPL, Adv. Netshitumbu, for their

tireless effort and administrative support provided to the Members of the Legislature.

I also wish to acknowledge and appreciate our governance structures which include the Audit Committee, the Risk Management Committee and the Consequence Management Advisory Committee for their comments and support.

My gratitude also to the Office of the Auditor General South Africa for their robust and professional advice at all times.

I thank you



Hon. B.R.S. Dantjie
Speaker of the NWPL

OUR MANDATE

Law-Making; Oversight and to promote participation.

OUR VISION

Building a united, prosperous society in the North West Province.

OUR MISSION

The North West Provincial Legislature aims to provide services to the people of the North West Province by ensuring:

- A vibrant Legislature that is responsive to the challenges of development facing our people;
- An accountable Executive and other Organs of the State by strengthening oversight on the promises made to our people by the Government;
- Promotion of efficient and healthy inter-governmental relations between the three spheres of government; and
- A creative, effective, efficient and transformative administration that helps the Members of the Legislature to fulfill their constitutional mandate.

ORGANISATIONAL VALUES

Integrity; Responsiveness; Trustworthy; Professionalism and Teamwork



Adv. L.I. Netshitumbu
Secretary to the NWPL

The year under review has been a turbulent time for the North West Province and South Africa as a whole. The COVID-19 pandemic continues to pose many challenges in the work the Legislature has to do. It is with worth noting however, that despite the COVID-19 pandemic challenges, the NWPL Management continued to provide administrative support to the Members of the Provincial Legislature to enable them to carry out their constitutional mandate of Law-Making, Public Participation and the Oversight Function.

The support given to the Members by the employees has been reshaped by the increased use of technology and the changing demographics of the communities served.

However, these are but two of the forces that have had an impact on delivering services to our people and the advancement of Departments, Municipalities and Entities which the NWPL is called to oversee and hold accountable on the implementation of planned government programmes for the realization of service delivery to the people of the North West Province.

Needless to say, the pressures of an uncertain economy and the attendant decline in Public Participation, Law-Making and Oversight activities have a dramatic impact on access to services for the greatest need for the vast majority of communities served by the NWPL. Despite these conditions of change, uncertainty and shifting priorities, the Legislature has made significant progress on a number of fronts central to its Mandate, Vision, Mission and Strategic Thrust.

Capacity programmes were rolled out in support of the Members of the Provincial Legislature, in this regard we managed to enrol Members to study at various institutions of higher learning.

Of the twelve (12) who had registered, four (4) have already completed the programme and are eligible to register for postgraduate studies. Additionally, during this reporting period, the Institution has strengthened its staff complement and steadily reduced its vacancy rate.

The Legislature Management managed to positively adhere to the requirements of the oversight mechanism as stipulated by the FMPPLA by responding timeously to the recommendations made by the Standing Committee on Oversight over the Legislature, and continues to maintain its progress towards providing positive responses and implementation of House Resolutions.

The NWPL has continued with the implementation of the new/revised organisational structure in a phased in-approach. The priority posts (implementation year-1, 2020/2021)

were advertised during October/November 2021 and some critical post filled.

In an attempt to strengthen the Institution's Financial and Human Resource Management Systems, Management continued to roll-out the Oracle Stabilization Project Phase II during the year under review and significant strides have been recorded in this regard.

The Institution was able to execute its 2021/2022 Annual Performance Plan to meet the needs of the people of the North West Province and Members of the NWPL for years to come. It is with the support of the Portfolio and Standing Committees, the Audit Committee, the Risk Management Committee, the Irregular, Fruitless and Wasteful Expenditure Governance Assurance Committee, the Consequence Management Advisory Committee to the Speaker, Management and employees that these advancements have been made possible.

This 2021/2022 Annual Report highlights achievements in all three programmes that have helped raise the

institution's profile and capacity to serve.

The NWPL has met with challenges since the beginning of the COVID-19 pandemic. It will continue to face the present pressures and serve its noble mission with distinction. More importantly, its employees will assume positions of responsibilities with the values central to the Mandate of the Legislature.

I thank the Honourable Speaker, Mme B.R.S Dantjie for her support during my tenure as the Accounting Officer of this Institution.

Appreciation goes to the Honourable Deputy Speaker, Mme V Motsumi for continued support and the staff for their hard work and support I continue to enjoy.

I Thank You



Adv. L.I. Netshitumbu
Secretary: North West Provincial Legislature
Date: 30 August 2022

DISSECTION OF THE MACE

THE PICK AND THE SPADE

The Pick and the Spade denote dependency on labour and hardwork.

The Mine Shaft represents the mining industry in the North West Province. The platinum coating represents the enormous platinum resources in the Province.

THE CATTLE

The Cattle heads depict the pastoral farming of the North West Province.

SUNFLOWERS AND MAIZE

The Sunflowers represent the crop and the sunny climate of the Province.

The Maize crop denote the outstanding maize production of the Province which lies within the maize triangle.

NATIONAL FLAG

The National Flag Colours also form part of the Mace.

THE GOLDEN RINGS

The Golden Rings around the Mace represent the gold mining industry.



OVERALL PERFORMANCE OF THE INSTITUTION IN RELATION TO ITS ANNUAL
PERFORMANCE PLAN 2021/2022

Overview of the Financial Results

Departmental Receipts	2021/2022			2020/2021		
	Estimate R'000	Actual Amount Collection R'000	(Over)/ Under Collection R'000	Estimate R'000	Actual Amount Collection R'000	(Over)/ Under Collection R'000
Transfers received	512 517	465 517	47 000	452 160	450 511	1 649
Interest, dividends and rent on land	1 738	5 590	-3 852	1 649	4 818	(3 169)
Total	514 255	471 107	43 148	453 809	455 329	1 520

Programme Expenditure

Programme Name	2021/2022			2020/2021		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000
1. Administration	279 128	224 598	54 106	229 304	183 330	45 974
2. Member's Salaries	35 103	29 493	5 610	43 302	36 631	6 671
3. Legislature Operations	200 024	175 233	24 792	177 905	136 279	42 626
Total	514 255	429 323	84 932	450 511	356 240	94 271

The above appropriation relates to actual cash payments and does not include GRAP accruals and non-cash transactions.

Virements / Roll overs

In terms of Section 23 of the Financial Management of Parliament and Provincial Legislatures Act (FMPPLA), the Provincial Legislature is not required to surrender unspent funds; hence the Legislature does not apply for roll-overs. However, Section 18 of the FMPPLA states that the Legislature must appropriate any monies that were appropriated in the previous year, but not spent.

An additional amount of R47 million was re-appropriated from the 2020/2021 financial year as follows:

- R16 million to Corporate Services for implementation of the Oracle Stabilisation project.
- R5.1 million was allocated to the Compensation of Employees for the Performance Management Development System (PMDS) payments relating to the 2019/2020 financial year.
- R5.6 million relates to the three-year Microsoft licenses with a web-based petitioning portal.
- R15 million was allocated to the Sub-Programme: Logistics Members, as a special funding for the political parties represented in the North-West Provincial Legislature, for the enhancement of preparations with regards to the 2021 Local government elections.
- R5.3 million was allocated to the line item, Transfer Payments, for the defrayment of an accrual that relates to the 2020/21 4th quarter tranche.

Unauthorised, Irregular, Fruitless and Wasteful Expenditure

Unauthorised Expenditure

The NWPL did not incur any unauthorised expenditure for the 2021/2022 financial year. A request for the condonation of the unauthorised expenditure for the prior periods has already been submitted to the Provincial Treasury for consideration.

Irregular Expenditure

The NWPL had an opening balance of R267.391 million at the beginning of the 2021/2022 financial year. During the 2021/2022 financial year, irregular expenditure amounting to R1.769 million was incurred. This irregular expenditure is mainly due to the contractual obligations from prior years, which continued into the current financial year.

Irregular expenditure totalling R2.7 million was reversed and removed from the irregular expenditure register upon conclusion of said investigation.

An amount of R1.347 million that was incurred in the prior years, was investigated and condoned.

Fruitless and Wasteful Expenditure

The NWPL incurred an amount of R1.152 million in the prior years (opening balance for the 2021/2022). In the 2021/2022 financial period, the NWPL incurred fruitless and wasteful expenditure of R123 106.00 which is mainly attributed to traffic fines and repair costs for damaged rental vehicles. The movements in the current financial year brought the closing balance to R1.309 million.

Future plans of the Institution

To improve the internal control environment by implementing and strengthening of existing policies and regulations and system.

Public Private Partnerships

The NWPL does not have a public private partnership.

Discontinued activities / activities to be discontinued

The NWPL does not have discontinued activities.

New or proposed activities

The NWPL does not have new or proposed activities.

Supply Chain Management (SCM)

- The SCM policy was reviewed and approved during the previous financial year and it came into effect from the 1st of April 2021.
- All deviations from the SCM processes in terms of Section 26 of the SCM policy, have been approved by the Accounting Officer.

Implementation of GRAP standards

- The 2021/2022 annual financial statements (AFS) are in full compliance with the Generally Recognised Accounting Practices (GRAP) statements;
- The AFS are presented to management and the Audit Committee for review and inputs; and
- The AFS are also submitted to the Office of the Accountant General in the Provincial Treasury and Internal Audit for an independent review.

Gifts and donations received in kind from non-related parties.

The NWPL did not receive gifts and donations from non- related parties.

Exceptions and deviations received from National Treasury

None

Events after the reporting date

None



Adv. I Netshitumbu
Secretary to the NWPL

:30 August 2022
Date

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

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

- All information and amounts disclosed throughout the annual report are consistent.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by the National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the Generally Recognised Accounting Practices (GRAP) and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.
- In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Institution for the financial year ended 31 March 2022.

Yours faithfully,



Adv. I Netshitumbu
Secretary to the NWPL

:30 August 2022

Date

6. STRATEGIC OVERVIEW

6.1 Vision

Building a united prosperous society in the North West.

6.2 Mission

The North West Provincial Legislature aims to provide services to the people of North West Province by ensuring:

- A vibrant Legislature that is responsive to and addresses the challenges of development facing our people;
- An Accountable Executive and other Organs of State by strengthening oversight on the promises made to our people by Government;
- Promotion of efficient and healthy inter-governmental relations between the three spheres of government; and
- A creative, effective, efficient and transformative administration that helps the Members of the Legislature to fulfil their constitutional mandate.

6.3 Organisational Values

- Integrity;
- Responsiveness;
- Transparency;
- Trustworthy;
- Professionalism; and
- Teamwork.

7. LEGISLATIVE AND OTHER MANDATES

7.1 Mandate of the Legislature

The North West Provincial Legislature’s mandate is derived from the Constitution of the Republic of South Africa (Section 104).

The core functions of the Provincial Legislature are:

- To pass laws for the North West Province;
- To conduct oversight over the Executive and other Organs of State; and

- To promote public participation.

The below stated are the main Acts, Regulations, Frameworks, Guidelines and Best Practices that the Legislature is bound to adhere to.

Legislative Mandates

- The Constitution of the Republic of South Africa;1996;
- The Financial Management of Parliament and Provincial Legislatures Act 2009, (Act No. 10 of 2009);
- The Independent Commission for the Remuneration of Public Office Bearers Act, 1997 (Act 92 of 1977);
- Treasury Regulations, Frameworks, Guides and Best Practices;
- Division of Revenue Act;
- North West Appropriation Act;
- North West Adjustment Appropriation Act;
- The Preferential Procurement Policy Framework Act, 2000 (Act No.5 of 2000);
- The Broad-Based Black Economic Empowerment Act, 2004 (Act No.53 of 2004);
- Government Immovable Assets Management Act, 2007 (Act No 19 of 2007);
- Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997);
- Employment Equity Act, 1998 (Act No.55 of 1998);
- Labour Relations Act, 1995 (Act No.66 of 1995);
- Promotion of Access to Information Act, 2000 (Act No. 3 of 2000);
- Promotion of Administrative Justice Act, 2000 (Act No. 2 of 2000);
- Critical Infrastructure Protection Act, 2019 (Act No 8 of 2019);
- Political Party Funding Policy;
- Mandating Procedures of Provincial Legislatures Act, 2008 (Act No.52 of 2008);
- The National Archives of South Africa Act, 1996 (Act No.43 of 1996);
- Skills Development Act, 1998 (Act No.97 of 1998);
- Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 1993);
- Occupational Health and Safety Act, 1993 (Act No. 85 of 1993); and
- National Strategic Intelligence Act, 2002 (Act No.67 of 2002).

Best Practices

- Treasury Framework for Annual Report;
- King IV Report on Governance for South Africa 2016;
- Institute of Risk Management South Africa;
- International Standards for the Professional Practice of Internal Auditing; and
- Control Objectives for Information Technologies (COBIT) 5.

Policy Mandates

- North West Provincial Legislature Standing Rules (9th Edition);
- North West Medium-Term Strategic Framework;
- North West Tabling Guide;
- Legislative Sector Oversight Model;
- Legislative Sector Public Participation Model;
- North West Oversight Model;
- North West Members Enabling Facilities Policy; and
- North West Member's Code of Conduct.

The Institution adhered to Legislature policies that were adopted and approved.

8. ORGANISATIONAL STRUCTURE

MEMBERS OF THE NWPL



Hon. Sussana Dantjie
(ANC)

Speaker of the North West Provincial Legislature



Hon. Viola Motsumi
(ANC)

Deputy Speaker of the
North West Provincial Legislature



Hon. Tinah Priscilla Williams
(ANC)

Chairperson of Chairpersons &
Chairperson:
Legislative Review & Implementation
of Resolution of the House



Hon. Paul Sebegoe
(ANC)

Chief Whip of the
North West Provincial Legislature



Hon. Job Dliso
(ANC Whip)

Chairperson:
Standing Committee on
Provincial Public Accounts



Hon. Onica Medupi
(ANC)

Chairperson:
Community Safety and Transport
Management & Public Works, Roads



Hon. Bitsa Lenkopane
(ANC)

Chairperson: Economic Development,
Environment & Tourism, Agriculture &
Rural Development

MEMBERS OF THE NWPL



Hon. Kabelo Mataboge
(ANC)

Chairperson:
Education, Arts, Culture and Sports
Development



Hon. Aron Motswana
(ANC)

Chairperson: Premier, Finance, Co-operative
Governance, Human Settlements &
Traditional Affairs



Hon. Mmoloki Cwaile
(ANC)

Member of the NWPL



Hon. Matshidiso Botswhe
(EFF)

EFF Leader



Hon. Papiki Babuile
(EFF)

EFF Whip



Hon. Kelebogile Kerileng
(EFF)

Member of the NWPL



Hon. Lebogang Xaba
(EFF)

Member of the NWPL



Hon. Betty Diale
(EFF)

Member of the NWPL



Hon. Modiegi Dikolomela
(EFF)

Member of the NWPL

MEMBERS OF THE NWPL



Hon. Freddy Sonakile
(DA)

DA Leader



Hon. Gavin Edwards
(DA)

DA Whip
Chairperson:
Health and Social Development



Hon. Jacqueline Theologo
(DA)

Chairperson:
Standing Committee on Oversight of the
Legislature



Hon. Winston Rabotapi
(DA)

Member of the NWPL



Hon. De Wet Nel
(FF Plus)

FF Plus Leader



Hon. Erns Kleynhans
(FF Plus)

FF Plus Whip

MEMBERS OF THE NCOP



Hon. Eric Riaan Landsman
North West Provincial Whip



Hon. Simon China Dodovu
Chairperson of Select Committee on
Co-operative Governance &
Traditional Affairs, Water &
Sanitation & Human Settlements



Hon. Tebogo Constance Modise
Chairperson of Select Committee on Land
Reform, Environment,
Mineral Resources & Energy



Hon. Carin Visser
Member of Parliament



Hon. Betta Lehihi
Member of Parliament



Hon. Stephanus Du Toit
Member of Parliament

MEMBERS OF THE NWPL



MEC Motlalepule Rosho
(ANC)

Leader of Government
Business & MEC for
Department of Provincial Treasury



Premier Bushy Maape (ANC)

Premier of the North West Province



MEC Lenah Miga

Department of Co-operative
Governance, Human Settlements &
Traditional Affairs



MEC Desbo Mohono
(ANC)

MEC for Department of
Agriculture & Rural
Development



MEC Gaoage Molapisi
(ANC)

MEC for Department of Public Works and Roads



MEC Keneetswe Mosenogi
(ANC)

MEC for Department of
Economic Development,
Environment Conservation & Tourism



MEC Madoda Sambatha
(ANC)

MEC for Department of Health



MEC Boitumelo Moiloa (ANC)

MEC for Department of Social
Development



MEC Tsotso Tlhapi
(ANC)

MEC for Department of
Sports, Arts & Culture

MEMBERS OF THE NWPL



MEC Wendy Matsemela
(ANC)

MEC for Department of
Education



MEC Sello Lehari
(ANC)

MEC for Department of Community Safety
and Transport Management

ORGANISATIONAL STRUCTURE NWPL

NORTH WEST PROVINCIAL LEGISLATURE
ORGANISATIONAL STRUCTURE 2019

NWPL SECRETARY

NWPL SPEAKER

OFFICE OF THE SPEAKER NWPL

Purpose: To provide political leadership to the North West Provincial Legislature.

Functions:

1. Provide the Executive Authority services for Legislature

2. Ensure the attainment of the Constitutional Mandate of the Legislature

1 x Speaker of the NWPL

PRIVATE OFFICE STAFF

Purpose: To provide Administrative Support Services to the Speaker and Members of the Legislature

Functions:

1. Provide support to the Speaker to attain the constitutional operation of the Legislature

2. Provide protocol Services in the Events of the Speaker/ Deputy

3. Provide Cleaning Services at the Speaker's residence

1 x Head of Office -E

1x Private Secretary-C5

1 x Secretary / Receptionist- C1

1x Community Outreach Officer-C5

1x Protocol Officer-C1

1 x Driver Messenger-B3

2 x Domestic Worker -A

ADMINISTRATIVE SUPPORT

Purpose: To provide Administrative Support Services to the Speaker and Members of the Legislature

Functions:

1. Provide overall administrative Support for the Legislature.

2. Provide treasury function for the Legislature

1 x Manager Treasury-D5

1 x Technical Specialist-D5

1 x Manager Strategic Support-D5

1 x Integrity Officer- C3

1 x Personal Assistant: Manager -C1

1 x Registry Clerk-C1

1 x Driver Messenger-B3

OFFICE OF THE SECRETARY TO THE LEGISLATURE

Purpose : To provide Corporate Governance and Strategic Support to the North West Provincial Legislature

Functions :

1. Provide corporate support

2. Provide sound Financial Management Services

3. Provide Legislature support

4. Provide Risk Management and Internal Control Services

5. Provide Internal Auditing

6. Provide Corporate Governance, Policy and Legal

7. Provide Strategic Planning, Monitoring and Evaluation.

1 x Secretary to the NWPL-FU

1x Office Manager-D5

1x Personal Assitant-C3

OFFICE OF THE DEPUTY SPEAKER

Purpose : To assist the Speaker to preside over the meetings of the Legislature.

Functions :

1. Responsible for any delegated task given by the speaker.

2. Responsible for Sectoral Parliament, Committees and Oversight.

3. Responsible for members interest and capacity building.

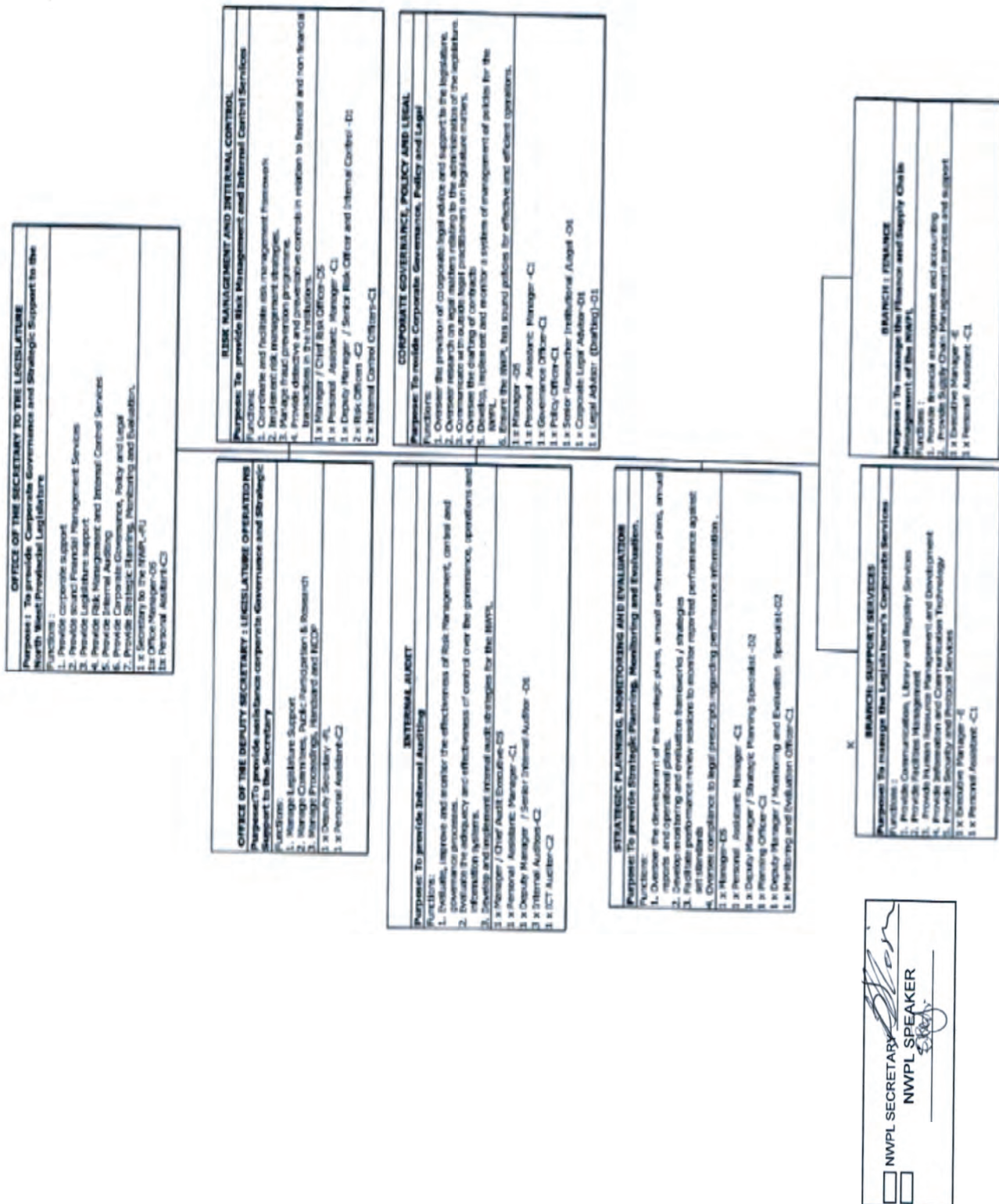
4. Preside over JPC Meetings.

1 x Deputy Speaker.

1x Private Secretary-C3

1 x Driver Messenger-B3

NORTH WEST PROVINCIAL LEGISLATURE ORGANISATIONAL STRUCTURE 2019



9. ENTITIES REPORTING TO THE SPEAKER

There are no entities reporting to the Legislature.

PART B

Performance **Information**

1. AUDITOR GENERAL’S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives will be included in the report to management, with findings if any, being reported under the *Predetermined Objectives* heading in the *Report on other legal and regulatory requirements* section of the auditor’s report.

Refer to page 107 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF INSTITUTIONAL PERFORMANCE

2.1. SERVICE DELIVERY ENVIRONMENT

The North West Provincial Legislature is a legislative arm of the State charged with the responsibilities of Law-making, Oversight and Public Participation.

2.2. SERVICE DELIVERY IMPROVEMENT PLAN

The NWPL does not have a Service Delivery Improvement Plan.

2.3. ORGANISATIONAL ENVIRONMENT

The Legislature houses public representatives and its mandate is to conduct oversight over the Provincial Government, other Organs of the State, and to promote public participation and law-making. The Legislature has thirty-three (33) elected public representatives from the following political parties:

Name of Political Party	Number of Public Representatives
ANC	21
EFF	06
DA	04
VF +	02
Total	33

2.3.1. Organisational Structure

The NWPL has a total of 216 employees, namely 142 in Administration and 74 in the Core Function as at 31 March 2022. The NWPL Organisational Structure was reviewed and approved during the 2019/2020 Financial Year. The implementation of the new/revised organisation structure will be done in phases spread over different financial years. The priority posts (implementation year-1, 2020/2021) were advertised during October/November 2021.

The former Secretary to the NWPL passed away on 03 September 2021, where after the Executive Manager Support Services was appointed to act as the Secretary to the NWPL. The vacant post was filled on 01 January 2022.

The Chief Financial Officer’s contract expired on 28 February 2022 and was extended until the end of July 2022. This was done to ensure that the preparation of the AFS for the 2021/2022 financial year and the audit thereof, would be concluded seamlessly.

Despite the above changes in key positions, the Institution continued to see strategic leadership and guidance stability. The recruitment plan indicates that all key strategic position will be filled within the first quarter of the new financial year.

2.3.2. Oracle ERP System Stabilisation

The NWPL has continued to roll-out the Oracle Stabilization Project Phase II during the financial year and the following were achieved:

- The data gathering process was concluded;
- The Conference Room Pilot (CRP 1) and (CRP 2) were completed;
- User Acceptance Testing (UAT) testing by users were completed;
- UAT for Hyperion has been completed;
- Change Request (CR) forms and UAT scripts were ultimately signed-off in preparation for the Quality Assurance (QA) instance before promotion to Production (Go-Live);
- A number of modules and support solutions were ready for “Go-Live” at year-end namely:
 - Support solution - (Bank payments);
 - Support solution - (Bank statement import – to enable automated reconciliation of cash book);
 - I-Expense solution – Assists in effective processing of reimbursed claims;
 - Cash management module

- Performance Management module

The Institution will continue implementing the following projects, with anticipation to conclude them by the end of 2nd quarter of the 2022/2023 financial year:

a) The Asset Management module (AMS)

Implementation and configuration of the module is almost complete, only awaiting conversion of 70 assets before the quality assurance and Go-Live. The module will ensure that the NWPL no longer uses the financial consultant's AMS. The solution should be ready before the end of the 1st quarter of 2022/2023.

b) Compensation Workbench

Implementation of the module could not be completed as it was reliant/dependant on the uploading of the Salary Structure.

c) I-Supplier and EPM Hyperion modules

Implementation will only be finalised after the delivery and configuration of the required servers. The main aspect of these two modules is improving the financial governance but are not primarily critical for the financial reporting.

d) Data cleansing to align with audited information

The project is ongoing and we anticipate that it shall be concluded during the financial consultant's hand-over period i.e., June and July 2022. At year-end, the process of identifying differences between figures noted in Oracle and the audited figures (Pastel) was ongoing, rolling into the 2022/2023 financial year.

An investigation into the differences between the Oracle and Pastel figures has commenced and this will inform the action that needs to be taken e.g., processing journals. The project has been reviewed to include more persons to fast-track the progress. The institution plans to recruit interns as additional resources during the 2022/2023 financial year.

2.3.3. GRAP Implementation

The NWPL is fully compliant with GRAP.

2.3.4. Annual Financial Statements (AFS)

The Annual Financial Statements (AFS) 2021/2022 have been prepared in terms of GRAP.

2.3.5. Accounting Policies

The financial statements have been prepared in accordance with the Standard of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standard Board and in accordance with Section 56 of the FMPPLA. These financial statements have been prepared in terms of the accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement. Assets, liabilities, revenue and expenses were not offset, except where offsetting was either required or permitted by the Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these financial statements are disclosed. These accounting policies are consistent with the previous financial statements.

2.3.6. AFS Disclosure Notes

All Receivable, Payables and Provisions are accounted for in terms of GRAP standards and will be disclosed in the AFS.

Additional disclosures such as the Key Management Personnel, Contingent Assets / Liabilities, Property Plant and Equipment, Commitments and other applicable information are disclosed in the AFS in compliance with GRAP.

2.3.7. Implemented recommendations of the Standing Committee on the Oversight of the NWPL

The Standing Committee on the Oversight of the Legislature is the tasked with conducting oversight over the North West Provincial Legislature. The Institution entered into a contractual agreement with the Standing Committee in the form of presentations of its Draft Annual Performance plans, the Final Annual Performance plans and the 2021/2022 Annual Performance Report, as prescribed by SOM.

During the year under review, the Legislature tabled and presented its non-financial and financial performance reports for the 2021/2022 financial year to the Committee as listed herein below:

1. 4 x Quarterly performance information report;
2. 12 x monthly financial statements;
3. The Mid-term budget and performance report; and
4. The Annual Report 2020/2021.

This was done on a quarterly basis and, with the recommendations received from the Committee; the Legislature maintained its progress towards achieving the planned targets and accomplished this within the allocated budget.

The NWPL maintained its progress towards providing positive responses and implementing the House Resolutions. As a result, the following reports were submitted to the Oversight Committee in response to the enquiries as presented by the Committee:

- a) Progress on the process relating to the Commissioner of Oath for MPLs;
- b) Progress on the approval of Member's Policies, i.e., Member's Enabling Facilities, Transfer Payments to Political Parties & Member's Bursary;
- c) Report on the review of the House Rules & Tabling Manual;
- d) Wellness day of Members & Committee Meetings overlapping;
- e) Status on the appointment of Committees' Legal Advisors;
- f) Report on the disposal of the NWPL fleet;
- g) Report on the COVID-19 Expenditure;
- h) Report on the suspension of the NWPL Chamber Refurbishment; and
- i) The implementation of the Committee resolutions.

2.3.8. Strengthening Governance

The Consequence Management Advisory Committee

The Consequence Management Advisory Committee (CMAC) reviewed the irregular expenditure investigation reports and recommended that R1.3 million be submitted for condonation. This was subsequently approved by the Executive Authority.

The Information and Communication Technology (ICT) Steering Committee

The Institution has appointed the ICT Steering Committee which has three (3) external members and is chaired by an external member. The committee was able to convene four (4) meetings. The institution was able to adjust to a virtual working environment and install a firewall analyser.

The ICT Steering Committee reviewed the various institutional ICT policies and recommended that all ICT policies be combined into one comprehensive, encompassing ICT Policy. The ICT Combined Policy was presented to the institutional Policy Formulation Committee (PFC) for their inputs and approval. The said policy has been emailed to the NWPL staff members for their inputs, in accordance with the policy process. Thereafter the policy will be presented to management for their consideration, upon which it shall be submitted to the Accounting Officer and the Executive Authority for their recommendation and approval respectively. The approval of the ICT Combined Policy will occur during the 2022/2023 financial year.

The Irregular, Fruitless and Wasteful Expenditure (IFW) Governance Assurance Committee

The Irregular, Fruitless and Wasteful (IFW) Expenditure Governance Assurance Committee was established to consider and evaluate submissions received from division i.t.o. potential IFW expenditure and to recommend to the Secretary to the NWPL how the IFW expenditure should be treated. The committee can recommend that the IFW expenditure:

- a) be further investigated;
- b) be recovered from officials; and
- c) be submitted for condonation.

The committee also submits proposals/ recommendations regarding the strengthening of internal controls and corrective/ preventative measures to mitigate and prevent IFW expenditure. The IFW Committee is chaired by an external member.

During the 2021/2022 financial year, the IFW Committee held several meetings to investigate prior years' irregular expenditure, for consideration to condone. A total of R1.3 million was recommended for condonation.

2.4. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

2.4.1. A Guide to support the Executive Authority, Deputy Chairperson of the NCOP and the Deputy Speakers of Legislatures.

For the year under review the Legislative Sector, under the guidance of the Speakers' Forum, has developed a guide on the provisioning support to the Executive Authority, the Deputy Chairperson of the NCOP and the Deputy Speakers of Legislatures. This was necessitated by the fact that the Ministerial Handbook is no longer applicable to the Legislative Sector.

2.4.2. Amendment of the Financial Management of Parliament and Provincial Legislatures Act (FMPPLA)

The process to amend the FMPPLA is at an advanced stage and it will be finalised in the next financial year. This process will culminate the streamlining of the reporting requirements, timeframes, and the development of the necessary regulations to support the implementation of the FMPPLA. The NWPL also developed the Delegation of Authority in line with the FMPPLA.

3. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The Legislature's performance was based on the four strategic goals as highlighted:

- To provide a sound provincial law-making framework;
- To promote public participation in legislative processes;
- To exercise an oversight function; and
- To ensure business excellence within the Legislature.

During the mid-term of the implementation of the 2020-2025 strategic plan, the Institution focused on developing annual performance plans, committee annual plans, and business processes to support the successful attainment of the strategic goals.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1. PROGRAMME 1: ADMINISTRATION

4.1.1. Purpose of the Programme

To enable the administration to render support services that will enable Members of the Provincial Legislature and its employees to fulfil their constitutional obligations.

4.1.2. List of Programme 1: Sub- Programme

Programme 1: Administration consists of five (5) sub-programmes, namely:

- Sub-programme: Office of the Speaker;
- Sub-programme: Office of the Secretary;
- Sub-Programme: Financial Management;
- Sub-programme: Corporate Services; and
- Sub-programme: Internal Audit.

4.1.3. Outcomes, Outputs, Output Indicators and Targets and Actual Achievements
2021/2022

Summary of Achievements

The following are the major achievements for the period under review:

1. The planning and introductory phases of the Phase II Oracle Stabilization Projects have been concluded. This includes, but is not limited to, information gathering for the new modules, Conference Room Pilot (CRP 1 and CRP 2) sessions and the creation of codes and staff data templates.

The following activities were carried over from Phase I and were concluded during the 1st quarter, namely, the Host-to-Host solution and the semi-automation of the Bank Reconciliation. User Acceptance Tests were conducted and concluded as at the end of September.
2. The Legislature conducted SCM educational workshops for the Dr. R. S. Mompati Service Providers. Through effective participation, these workshops enhanced the service provider’s awareness of the SCM processes.
3. Following the adoption of the organisational structure in the 2019/2020 financial year, the NWPL embarked on a process to fill the critical, vacant posts in a phased-in approach as per

the priorities noted in the HR Plan. Filling these critical, vacant posts improved the operations within the Institution.

- 4. Emphasis was placed on finalising the recruitment process for all positions that were advertised during the 2020/2021 and 2021/2022 financial years.
- 5. The NWPL appointed and trained occupational health and safety representatives. This was done in accordance with the Healthy and Safety Act, Act No. 85 of 1993. In addition, employees received training in accordance with the Skills Development Act, Act No. 97 of 1998 and an Employment Equity Manager was appointed in accordance with the Employment Equity Act, Act No. 55 of 1998.
- 6. The NWPL completed the PMDS Moderations for all qualifying managers and staff members for the 2019/2020 Performance Cycle during the period under review.

Table 1.1 Output Indicators Programme 1: Administration

Outcome	Output	Output Indicators	Audited /Actual Performance		Planned Annual Target	*Actual Achievement	Deviation from Planned Target to Actual Achievement	Reason for Deviation
			2019/20	2020/21	2021/22	2021/22	2021/22	2021/22
1. Effective and efficient administration	1. Legislature Programmes	Number of Legislature Programmes produced.	4	4	4	4	-	None
	2. FMPPLA Compliance reports.	Number of compliance reports produced in line with the FMPPLA requirements.	29	24	24	24	-	None

4.1.4. Strategy to overcome areas of underperformance

There is no strategy to overcome areas of underperformance.

4.1.5. Performance in relation to Standardised Output and Output Indicators for Sector with Concurrent Function.

The Legislative Sector is currently in the process of finalising integrated strategic management frameworks and reporting formats.

4.1.6. Reporting on Institutional Responses to the COVID 19 Pandemic

Table 1.2: Progress on Institutional Responses to the COVID -19 Pandemic

Budget Programme	Intervention	Geo-graphic location /province	No. of Bene-ficiaries	Disaggre-gation of benefits	Total budget allocated per interven-tions	Budget allocation spent per intervention	Con-tribution to the Outputs in the APP	Immediate Outcomes
Programme 1: Adminis-tration	Ensuring compliance with the National Disaster Regulations to combat the spread of COVID-19	NW	All staff and MPLs	N/A	R2 500 000.00	R 2 265 886.40	Ensuring business continuity in the NWPL	Uninterrupte d, effective and efficient operations of the Legislature

4.1.7. Linking performance with budgets

Details per Sub-Programme		2021/2022			2020/2021		
		Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure Variance
		R'000	R'000	R'000	R'000	R'000	R'000
1.2	Office of The Speaker	17 951	14 309	3 642	19 839	9 860	9 979
1.2	Office of The Secretary	46 052	50 623	(4 571)	66 115	61 673	4 442
1.3	Financial Management	66 204	66 533	329	65 490	60 728	4 762
1.4	Corporate Services	101 004	79 878	21 126	57 387	43 357	14 030
1.5	Internal Audit	7 585	7 267	318	7 017	6 281	736
	Total	238 796	218 610	20 186	215 848	181 899	33 949

The table above confirms that the programme has spent R225 million or 81 per cent of the allocated budget. The expenditure is 19 percentage points below the 100 per cent threshold. Spending in this Programme is mainly driven by Compensation of Employees as well as payments for contractual obligations. This under spending is attributable to the lower than anticipated spending in Goods and Services as a result of restrictions on travel and gatherings imposed by the COVID-19 lockdown regulations as well as the low spending in Payments for Capital Assets which is due to delays on Infrastructure project implementation as well as delays on the delivery of furniture and another ICT equipment (servers).

4.2. PROGRAMME 2: MEMBERS’ SALARIES (STATUTORY)

The purpose of the Programme is to provide for the payment of Members’ Salaries, Political Party Allowances and Provision of Tools of Trade to Members in terms of the prescripts of the law relating to the remuneration of public office bearers.

4.2.1. List of Programme 2: Sub- Programme

- Sub Programme: Logistics Members; and
- Sub Programme: Members Exposure.

4.2.2. Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Summary of Achievement

1. The Legislature continued to provide support to Members to study at various institutions of higher learning. Of the twelve (12) who had registered, four (4) have already completed the programme and are eligible to register for postgraduate studies. This programme capacitates Members of the Legislature by expanding their knowledge to effectively execute their mandate of holding the Executive and other Organs of State accountable.
2. The Rules Committee of the Legislature approved the following policies:
 - a) Members Bursary Policy,
 - b) Allowances to Political Parties Policy and
 - c) Members Enabling Facilities Policy

These policies will serve as enablers for the administration to provide the necessary support to Members and represented political parties to fulfil their constitutional mandate.

3. The programme was able to process financial allocations to political parties which allowed parties to continue with oversight work at the NWPL.

Table 2.1 Output Indicators Programme 2: Members’ Salaries

Outcome	Output	Output Indicators	Audited / Actual Performance		Planned Annual Target	*Actual Achieve-ment	Deviation from Planned target to Actual Achievement	Reason for Deviation
			2019/20	2020/21	2021/22	2021/22	2021/22	2021/22
1. Accountable and transparent governance.	Exposure and academic programmes attended.	Number of Members’ Empowerment Strategies developed.	4	3	1	-	1	The Members’ Empowerment Strategies was not approved by the Rules Committee.

4.2.3. Strategy to overcome areas of under performance

The Members’ Empowerment Strategy was not aligned to the Legislature Sector’s strategy and in the new financial year the strategy will be aligned to that of the sector.

4.2.4. Changes to planned targets

No changes to planned targets

4.2.5. Sub – Programme with expenditure

Details per Sub-Programme		2021/2022			2020/2021		
		Final Appropriation R'000	Actual Expenditure R'000	(Over) Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over) Under Expenditure R'000
	Member’s Salaries	35 103	29 493	5 610	43 302	36 631	6 671
	Total	35 103	29 493	5 610	43 302	36 631	6 671

The programme’s allocation is for the payment of MPL’s salaries. The programme has spent 84 per cent of the annual allocation and the spending level is 16 percentage points below the 100 per cent threshold. The annual remuneration adjustment promulgation is not yet implemented. The non-promulgation of the annual adjustment will result in a saving under this programme.

4.3. PROGRAMME 3: LEGISLATURE OPERATIONS**4.3.1. Purpose of the Programme**

To enhance strategic management support in relation to parliamentary services.

4.3.2. List of Programme 3: Sub- Programme

- Sub-Programme: House Proceedings;
- Sub-Programme: Committees Services;
- Sub-Programme: NCOP Liaison Services;
- Sub-Programme: Public Participation; and
- Sub-Programme: Research, Library and Information Services.

4.3.3. Outcomes, Outputs, Outputs Indicators, Targets and Actual AchievementsSummary of Achievements

1. Portfolio and Standing Committees held the Executive accountable for the implementation of the approved Government programmes by exercising the Oversight weeks as follows:
 - 08 – 11 June 2021: Dr. Kenneth Kaunda District;
 - 18 - 20 August 2021: Dr Ruth Segomotsi Mompoti District;
 - 08 -12 November 2021: Bojanala District, and
 - 01 - 04 February 2022: Ngaka Modiri Molema District.

The challenges identified in the districts were referred to the relevant Departments for their intervention.

2. The NCOP North West Permanent Delegates, South Africa Local Government Association (SALGA) and the Members of the North West Provincial Legislature, held the National Provincial Week from 29 March 2022 to 01 April 2022 in the Ngaka Modiri Molema District. The purpose was to enhance oversight over the Executive Council and municipalities to unlock service delivery bottle necks within the province. The Provincial Week was held under the theme 'Assessing State Capacity to Respond to the Needs of Communities'.
3. The NWPL hosted the following the public participation programmes:
 - The Youth Sectoral Parliament under the theme "The Dark reality of COVID -19 on the Youth of North West" held on 24 June 2021.

- The Women Sectoral Parliament under the theme “Unleashing the power in empowered Women” as well as the Stakeholders’ Dialogue jointly, as the sessions focused on the same audience, namely, women. The session targeted women in the Dr. RS Mompoti and Dr. K Kaunda Districts. It was a hybrid event held on 27 August 2021.
- The Senior Citizens Sectoral Parliament under the theme “The year of Charlotte Maxeke – accessible digital equity for all ages”, was held in Vryburg, Naledi Municipality – Dr R.S. Mompoti District on 12 November 2021.
- The People with Disability Sectoral Parliament under the theme “Create and realise an inclusive society upholding the rights of persons with disabilities”, was held at White Hall – Brits Madibeng Municipality – Bojanala District on 04 March 2022.
- The Agriculture Sectoral Parliament under the theme “Exploring available and possible opportunities in Agriculture” was held at Ga-Matlabe Hall –Ikageng, JB Marks Municipality Dr Kenneth Kaunda District on 18 March 2022.

These Sectoral Parliament sessions created a platform and space for the sectors’ role players to interact with Members, raise issues and receive responses from Departments thereby ensuring that the obligation of involving interest groups in Legislature activities was attained and public participation enhanced. The success of the events showed that public participation can be achieved and is possible whilst adhering to the new normal of COVID-19 protocols, as well as the Disaster Management Act Regulations.

4. The Portfolio and Standing Committees engaged, processed and adopted 274 Reports, for the 2021/2022 financial year. The Legislature recorded an over performance of 99 Committee reports that emanated from the last financial year activities. Portfolio and Standing Committees engaged and processed the following Departmental, public entities and the Legislature:
 - 4th Quarterly Performance Information Reports 2020/ 2021,
 - Annual Performance Reports 2020/2021; and
 - 1st, 2nd and 3rd Quarterly Performance Information Reports 2021/2022

The above oversight process undertaken by the NWPL Portfolio and Standing Committees ensured that Departments and their public entities are held accountable for the implementation of planned governmental programmes within their allocated funds for service delivery purposes.

5. The NWPL hosted the Premier to deliver the State of the Province Address on 18 February 2022. The sitting was a hybrid event, considering the COVID-19 Lockdown regulations which prohibit public gatherings and out of the 70 guests invited, 49 attended the event physically. The public participation mandate was enhanced as communities were able to view and follow the proceedings of the SOPA on the NWPL Facebook page and radio stations.
6. For the period under review, Legislature's Stakeholders Dialogue session was hosted to induct the newly elected Municipal Speakers, as well as the Chairpersons of Municipal Public Accounts Committees (MPAC) on their roles and responsibilities. This stakeholder engagement process enhanced the Legislature's public participation mandate.
7. A team from Parliament, in collaboration with the NWPL Public Participation Division, conducted pre-hearing workshops on the Electoral Amendment Bill in the Ngaka Modiri Molema District. The education programme resulted in relevant stakeholders participating in the law-making processes and thus enhancing participatory democracy.
8. The NWPL managed to convene House Sittings as planned to transact the business of the House and debated the State of the Province Address, Responses to the SOPA Debate by the Premier, the Provincial Budget Speech, Debates on Human Rights Month and Freedom Right Month. All Sittings were held through the hybrid system to allow members of the public to view and follow the proceedings through the NWPL Facebook page. These Sittings were held to afford Members an opportunity to hold the Members of the Executive Accountable through robust debates.
9. The NWPL conducted the Parliamentary Liaison Officers' Forum workshop and Municipal Compliance Workshop for the period under review. The workshops were conducted to induct newly appointed Municipal Compliance Officers on the Tabling Guide and Standing Rules of the Legislature to enable them to meet tabling timeframes and foster good governance. Portfolio and Standing Committees held the Executive accountable for the implementation of the approved Government programmes by exercising the Oversight week in Dr. Kenneth Kaunda District. Challenges identified were sent to the relevant Departments for intervention.

Table 3.1 Output Indicators Programme 3: Legislature Operations

Outcome	Output	Output Indicators	Audited / Actual Performance		Planned Annual Target	*Actual Achievement	Deviation from Planned target to Actual Achievement	Reason for Deviations
			2019/20	2020/21	2021/22	2021/22	2021/22	2021/22
1	Participatory Democracy	Public participation Programmes.	44	32	29	23	6	Two (2) planned public hearings did not take place as the dates for the processing of the Bills were delayed. One (1) Taking Legislature to the People, one (1) educational workshop and two (2) sectoral parliaments for the current year did not take place due to lockdown regulations adjustments relating to public hearing gathering.
2	Accountable and transparent governance.	Strategic Documents tabled.	88	101	81	83	2	Late tabling of the following reports: - Annual Municipalities Consolidated performance report 2017 /2018, and - Department of Education APP 2021/2022
		Committees' Reports tabled.	227	117	175	274	99	The overachievement is due to a 2020/2021 backlog of 107 Committee Reports that were tabled and processed during the current financial year 2021/2022 and eight (8) reports not done as planned.

Outcome		Output	Output Indicators	Audited / Actual Performance		Planned Annual Target	*Actual Achievement	Deviation from Planned target to Actual Achievement	Reason for Deviations
				2019/20	2020/21				
		House Resolutions	Number of House Resolutions monitored.	54	61	162	82	80	The under-performance of 80 Resolutions due to the fact that the Departments are expected to respond or give feedback to the Legislature during the 1 st quarter 2022/2023 as per the issued communication about Resolution issued to Department.
3	Transformational Laws.	NCOP Mandates adopted.	Number of mandates on NCOP Bills adopted	11	4	4	3	1	The actual number of NCOP Bills mandates adopted were 5, but 2 were not processed within the 90 days.
		Provincial Bills Passed.	Number of Provincial Bills passed in the House.	3	4	2	2	0	None

4.3.4. Strategies to overcome areas of under-performance

- The planned number of targets for the indicator Number of House Resolutions Monitored was not achieved. To address this under performance, the NWPL will develop a Standard Operating Standards for the tracking and monitoring of House Resolutions.
- In terms of the public participation programmes indicator, the under-performance was due to the postponement of public participation activities/events due to the lockdown regulations adjustments relating to public gatherings. The Institution will ensure that the planned public participation activities are conducted within the stipulated timeframe as per the approved Legislature Programme.

4.3.5. Changes to planned targets

There were no changes effected against the planned performance outputs indicators and targets for the year under review.

4.3.6. Linking performance with budgets

Details per Sub-Programme		2021/2022			2020/2021		
		Final Appropriation	Actual Expenditure	(Over)/ Under Actual Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000
1.1	Logistics Members	86 323	76 283	10 040	58 763	50 679	8 084
1.2	Exposure to Parliamentary Services	5 180	3 128	2 052	2 467	509	1 958
1.3	House Proceedings	15 344	13 979	1 365	20 223	12 471	7 752
1.4	Committee Services	32 571	29 638	2 933	37 008	26 614	10 394
1.5	NCOP Liaison	6 619	5 565	1 504	5 899	4 435	1 464
1.6	Public Participation	29 102	25 022	4 080	35 842	24 759	11 083
1.7	Library, Research and Information Services	24 885	21 617	3 268	17 703	16 812	891
	Total	200 024	175 232	24 792	177 905	136 279	41 626

The expenditure of R175million or 88 per cent of the 2021/2022 budget is registered under this core programme. The level of expenditure is 12 percentage points below the 100 per cent spending threshold. The underspending is mainly attributable to the National lockdown regulations which have imposed restrictions on travel and mass gathering and have therefore affected front line Legislature programmes like public hearings and public participation activities, the non-implementation of activities in the Legislature programmed due to COVID is evidenced by the low spending on goods and services, which stands at 70 per cent. The main cost drivers under the core programme namely Catering, Travel and Subsistence have spent 78 per cent, 68 per cent respectively.

5. TRANSFER PAYMENTS

5.1. TRANSFER PAYMENTS TO PUBLIC ENTITIES

No transfer payments were made to public entities.

5.2. TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the NWPL comply with s 35 (1) (a) of the FMPPLA	Amount transferred	Amount spent by the entity	Reasons for the funds unspent by the entity
ANC	Political Party	Political Party Funding, Constituency Allowance, Research Allowance, and Secretarial Allowance	Yes	42 264 205	42 264 205	0.00
EFF	Political Party	Political Party Funding, Constituency Allowance, Research Allowance, and Secretarial Allowance.	Yes	12 275 981	12 275 981	0.00
DA	Political Party	Political Party Funding, Constituency Allowance, Research Allowance, and Secretarial Allowance.	Yes	8 159 886	8 159 886	0.00
VF+	Political Party	Political Party Funding, Constituency Allowance, Research Allowance, and Secretarial Allowance.	Yes	4 732 853	4 732 853	0.00

6. CONDITIONAL GRANTS

6.1. CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

None

6.2. CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED

None

7. DONOR FUNDS

7.1 DONOR FUNDS RECEIVED

The table below details the donor funds received during for the period 1 April 2021 to 31 March 2022.

Name of donor	PSETA
Full amount of the funding	R1 830 400,00
Period of the commitment	2 years
Purpose of the funding	Learnership programme for orphans
Expected outputs	50 Learners
Actual outputs achieved	50 Learners
Amount received (R'000) - Current year	R 372 400
Amount spent - Current year (R'000)	R 372 400
Reasons for the funds unspent	N/A

8. CAPITAL INVESTMENT

8.1. CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

Infrastructure Projects	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over) Under Expenditure	Final Appropriation	Actual Expenditure	(Over) Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	-	-	-	-	-	-
Existing infrastructure assets	5 595	3 931	1 664	-	3 952	(3 952)
Upgrades and additions	20 000	2 057	17 943	5 346	1 941	3 405
Maintenance and repairs	7 480	7 338	142	7 090	7 338	(248)
Infrastructure transfer	-	-	-	-	-	-
Capital	33 075	13 326	19 749	12 436	13 231	(795)

PART C

Governance

1. INTRODUCTION

Section 7(c) of the Financial Management of Parliament and Provincial Legislatures Act (FMPPLA, 2009, requires an Accounting Officer to: “Ensure that the Parliament maintains an effective, efficient and transparent system of financial management, risk management, internal control and internal audit.”

The extension of the general responsibilities, in terms of Section 11 of the FMPPLA, to all managers is the cornerstone of institutionalizing risk management within the legislative sector. It establishes the responsibility for risk management at all levels of management, extending it beyond the roles of the Accounting Officers in this regard.

The implementation of risk management is further supported by the Treasury Regulations 3.2.1 whereby:

“The Accounting Officer must ensure that a risk assessment is conducted regularly to identify emerging risks of the institution.”

2. RISK MANAGEMENT

For the financial year under review, the below stated risk management policy documents were approved by the Accounting Officer:

- Risk Management Strategy;
- Risk Management Policy;
- Risk Management Committee Charter.

The Accounting Officer appointed the Risk Management Committee (RMC), which comprises three (3) members of management and two (2) external members, one of which is the chairperson. The RMC is functional and held meetings during the year. The Committee raised a concern on the minimal progress registered to improve the risk maturity level (currently below level 3), as per the outcome of the Risk Maturity Assessment. The maturity level is indicative of the fact that risk management is not embedded within the institutional processes.

The Institution has functional a Risk Champions Forum. The forum is intended to support management in respect of their risk management responsibilities.

3. FRAUD AND CORRUPTION

The Institution has approved an Anti-fraud and Corruption Policy.

4. MINIMISING CONFLICT OF INTEREST

The requirements for the disclosure of interests allows for transparency, by both the Members and employees of the NWPL. The NWPL developed the Code of Ethics and Conduct Policy to ensure the NWPL guides, regulates and formalises good ethical and professional standards of conduct for both the Members and employees of the Legislature. Furthermore, the Legislature had established the Office of the Integrity Commissioner to process the declaration of interest for Members of the Provincial Legislature.

The Legislature dictates that both Members and staff are required to declare their financial interests annually.

5. CODE OF CONDUCT

The Legislature developed the Code of Conduct in order to ensure that all employees and Members of the Provincial Legislature adhere to sound ethical principles. The Code of Conduct aims to promote good ethical and professional conduct for both Members of the Legislature and staff Members and to define the type of behaviour and conduct that the Legislature expects of its Members and staff members.

6. STANDING COMMITTEE ON THE OVERSIGHT OF THE NWPL

The Standing Committee on the Oversight of the NWPL conducted oversight over the Legislature for the year under review. The table below reflects the number of meetings held and the outcomes thereof.

Table A: Meetings with the Standing Committee on the Oversight of the NWPL

Date of Meeting	Purpose of the Meeting	Outcome of the Meeting
1. 19th May 2021	NWPL Annual Performance Plan 2021/2022.	The Committee adopted the NWPL Annual Performance Plan 2021/2022 with recommendations.

Date of Meeting	Purpose of the Meeting	Outcome of the Meeting
2. 23rd June 2021	2 nd , 3 rd , and 4 th Quarter Performance Information Report 2020/2021.	The Committee adopted the NWPL 2 nd , 3 rd , and 4 th Quarter Performance Information Report 2020/2021 with recommendations.
3. 1 st September 2021	1 st NWPL Quarter Performance Information Report 2021/2022.	The Committee adopted the 1 st NWPL Quarter Performance Information Report 2021/2022 with recommendations.
4. 17 th November 2021	NWPL 2 nd Quarter Performance Information Report 2021/2022.	The Committee adopted the 2 nd NWPL Quarter Performance Information Report 2021/2022 with recommendations
5. 09 th February 2022	Oversight visits to the New East Wing Building	The Committee adopted the Oversight report on the New East Wing building.
6. 02nd March 2022	NWPL 3 rd Quarter Performance Information Report 2021/2022	The Committee adopted the 3 rd NWPL Quarter Performance Information Report 2021/2022 with recommendations.
7. 11th March 2022	NWPL Annual Performance Plan 2022/2023	The Committee adopted the NWPL Annual Performance Plan 2022/2023 with recommendations.

7. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Chapter 8 of the Occupational Health and Safety (OHS) Act, Act No 8 of 1993 as amended, requires of each Employer to provide and maintain as far as it is reasonably practical, a working environment that is safe and without risk to the health of its employees. All persons entering the NWPL were screened to comply with COVID-19 Protocols and Guidelines. More cleaning materials and equipment were procured to ensure the hygiene of the Institution is maintained.

The NWPL, as part of its HR Plan priorities, appointed two Officials on a permanent basis in the Integrated Employee Health and Wellness (IEHW) and Labour Relations Division. Occupational Health and Safety representatives were appointed and trained in terms of Fire and Emergency Preparedness. In the new year, a committee will be established from the appointed representatives.

8. SCOPA RESOLUTIONS

The North West Provincial Legislature does not report its financial performance to the PPAC as an oversight mechanism but to the Standing Committee on the Oversight to the NWPL. The Standing Committee is established in line with the NWPL Standing Rules.

Refer to Part C – Governance, Section 6 for the reports that were discussed.

Table: A Resolutions issued by the Standing Committee on the Oversight of the NWPL

Resolution No.	Resolutions	Management Action	Status
1.	Detailed Expenditure Report on COVID-19	Management presented and submitted the detailed COVID-19 Expenditure Report to the Committee.	Completed
2.	Report on the Auditor General’s Report for the 2018/19 Financial Year	Management submitted a written report to the Committee on the outcome of Auditor General’s Report.	Awaiting Outcome of the Committee response(s).
3.	Report on allegations raised by the Public Protector and SIU	Management submitted a written report to the Committee on the status of the investigations on those allegations.	Awaiting Outcome of the Committee response (s)
4.	- Concern raised by the Chairpersons of Portfolio Committees and; - Functionality of Committee on Oversight of the Legislature	Management submitted a written report to the Committee regarding the concerns raised/ noted.	Awaiting Outcome of the Committee response(s).
5.	Detailed report on the disposal of vehicles	Management is currently compiling the report	Outstanding
8.	Report on the suspension of the NWPL Chamber	Management is currently compiling the report	Outstanding

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Not Applicable

10. INTERNAL CONTROL UNIT

Internal controls are activities that safeguard and provide reasonable assurance that processes and functions are working as planned. The Institution recently established an Internal Control function that shall oversee and assess the internal control environment to ensure that measures are in place to continuously improve the control environment of the NWPL.

Although some measures are already in place to ensure that the internal control environment is stabilized, the NWPL continues to enhance internal control measures to reduce the reoccurrence of irregular, fruitless and wasteful expenditure.

Management reports on the status of implementing the Post Audit Action Plan (PAAP) as at 31 March 2022 (as presented in Table below).

Table: Progress on PAAP

Status/Action plans	Number	Percentage of Implementation
Implemented	8	8%
Not Implemented	54	57%
In Progress	33	35%
Not yet due		

11. INTERNAL AUDIT AND AUDIT COMMITTEES:

Internal Audit Activity (IAA) is a resourceful tool available to management and the Audit Committee. It assists the NWPL in accomplishing their objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organisations control, risk management and governance processes.

Internal Audit implemented its annual audit plan for 2021/2022 financial year as part of the three-year rolling plan, after consultation with management and approval by the NWPL’s Audit Committee. Sixteen (16) audits were planned for the 2021/2022 financial year. Of the sixteen (16)

planned audits, ten (10) were completed, six (6) were not completed and consequently rolled over to the 2022/2023 financial year.

These audits could not be finalized due to the COVID-19 pandemic crisis. The Audit Committee approved all the changes to the planned audits. This resulted in a 63 per cent completion of the approved 2021/2022 internal audit annual plan.

The Audit Committee (AC) is established as a statutory committee in terms of Section 48 of the FMPPLA, as amended. The Committee performs an oversight and advisory role to the NWPL and is accountable to the Executive Authority and the public to properly consider and evaluate all matters as per its terms of reference.

The purpose of the Committee is to assist the Executive Authority to fulfill its oversight responsibilities and the Accounting Officer to fulfil its responsibilities regarding: Financial Reporting process, Management of risk, System of internal control, Audit process, and Legislature’s process for monitoring compliance with laws, regulations and code of conduct.

The Committee has a primary responsibility to the public to form an opinion on the effectiveness of the issues within its ambit, and communicates this in the annual report of the NWPL.

12. AUDIT COMMITTEE REPORT

The North West Provincial Legislature Audit Committee (the Committee) is pleased to present its report for the year ended 31 March 2022. The report has been prepared in line with the requirements of the Financial Management of Parliament and Provincial Legislatures Act 2009 (Act No.10 of 2009), as amended (FMPPLA).

12.1. Membership and Attendance

The Committee comprises five (5) independent non-executive members who are appointed by the Executive Authority. In terms of the FMPPLA and the Committee charter, the Committee is required to meet at least four (4) times per annum. During the financial year, six (6) meetings were held. This included special meetings to consider the financial statements and the report on non-financial performance information.

Meeting attendance per member is also outlined in the table below:

Name	Qualifications	Internal or external member	Date appointed	Termination Date / Resigned	No. of Meetings attended
Ms. M Nkomo	- B. Com - B. Com (Hon.) - M. Com	External Member	Initial appointment Contract extended 01 Nov 2019	Contract ended 31 Oct 2019 Service terminated**	2 out of 6**
Mr. F. Docrat	- MBA - CISM - CISA - CGEIT - CRM-Prac - IRMSA - CD (SA) IoD - COPE	External Member	Initial appointment 01 Jan 2018 Contract extended 01 Jan 2021***	Contract ended 31 Dec 2020	6 out of 6
Mr. M Mokgobinyane	- B. Com - B.Com (Hon) (Accounting) - CA (SA)	External Member	Initial appointment 01 Jan 2018 Contract extended 01 Jan 2021	Contract ended 31 Dec 2020 -	4 out of 6*
Ms. P Mangoma	- B. Compt (Acc) - B. Com (Hon) - Internal Auditing	External Member	01 Nov 2019	-	6 out of 6
Mr. K Maja	- B. Com (Acc) - B. Compt (Hons) - Master of Business Leadership (MBL) - CIA	External Member	01 Nov 2019	-	5 out of 6*

** The Chairperson (Ms Nkomo) passed away on 05 July 2021

*** Mr. F Docrat was appointed as Chairperson in July 2021

12.2. Audit Committee Responsibility

The Committee has complied with its responsibilities arising from Section 48 of the FMPPLA. The Committee has also regulated its affairs in compliance with its Charter and has discharged all its responsibilities as contained therein.

12.3. The effectiveness of internal control

The Committee reviewed the reports of management and internal and external auditors on the design and implementation of the systems of control. Based on the assurance provided by management, internal auditors, and the Auditor-General of South Africa (AGSA), no material breakdown in the system of internal control was reported.

Due to design deficiencies in the accounting system, management has utilised an alternative general ledger on the Pastel Accounting System for the preparation of the 2021/2022 Annual Financial Statements as the integrity and completeness of the Oracle Accounting System was still questionable and not fully reconfigured.

The Accounting Officer has initiated an Oracle stabilisation project to ensure the proper and complete configuration of the system. Phase 2, of this project, started in the 2020/21 financial year, and was expected to be finalised in the 2021/2022 financial year, however it could not be finalized due to COVID-19.

Although some measures are in place to ensure that the internal control environment is stabilised, the ongoing efforts to enhance and mature internal control measures are commendable. Improvement within the internal controls around Information Technology (IT), Supply Chain Management and Human Resources Management are once again strongly encouraged. There is now urgent need to implement and realise outcomes from the consequence management processes to prevent further deterioration of the internal control environment.

12.4. Effectiveness of Internal Audit

The NWPL has established an Internal Audit unit which is an independent function from management, as required in terms of Section 50 of the FMPPLA. During the financial year, the Internal Audit unit operated in terms of the approved Internal Audit Charter, developed a risk-based internal audit annual plan, and reported quarterly to the Committee against the plan.

Internal Audit has reviewed the system of internal controls, performance information, and risk management during the period under review. Notwithstanding the ongoing capacity constraints within the unit, the Internal Audit Activity (IAA) operated effectively and addressed some pertinent risk areas through the conduct its’ audits.

However, some important and urgent recommendations emanating from Internal Audit were not implemented by management, and in some instances, there were no management responses or very delayed management responses on the Internal Audit reports. The Committee has strongly and continuously urged management to implement the Internal Audit recommendations to ensure an improved internal control environment.

The capacity constraints experienced by Internal Audit reduced the reliance the Committee places on the IAA in terms of the combined assurance framework. The Audit Committee’s

concerns were highlighted and reported, at each quarter, to the Honourable Speaker of the Legislature.

12.5. Combined Assurance

The responsibility to oversee combined assurance was delegated to the Committee in terms of its Charter. Combined assurance has not matured over the past year and is still at the infancy stage within the NWPL. During the financial year the Committee worked with management to once again attempt to improve this area. A fully integrated and streamlined assurance provision across all lines of assurance is expected in the near future.

12.6. Performance Information

The Committee monitored the implementation of the NWPL’s Annual Performance Plan (APP) to achieve its strategic objectives and deliver on its mandate. The performance information was not always timeously submitted nor validated against a portfolio of evidence. This has resulted in management not timeously implementing some of Internal Audit’s and AGSA’s recommendations related to performance information.

Notwithstanding the above critical deficiency, the Committee is satisfied that the reports on performance information are a fair reflection of the operational status of the Legislature as set out in the Strategic Plan.

12.7. Risk Management

The NWPL Risk Management Committee (RMC) has an external, independent Chairman. The RMC provided oversight on the development and implementation of the risk management policies, the risk assessment process, and the development of the strategic risk register. Management is ultimately responsible for maintaining an effective set of risk management processes.

The Committee has assessed the adequacy of the NWPL’s risk management processes, which are guided by a risk management framework. The Committee has noted slow progress made by management to implement the RMC’s recommendations.

The risk management processes within the NWPL require significant effort to reach a minimum level of acceptable maturity. The Committee is only partially satisfied with the effectiveness of the risk management posture, while very little efficiency within Risk Management was realised.

The Committee recommended that important interventions be implemented to improve the NWPL risk maturity level. Management was again strongly advised to specifically improve capacity and competence within the Risk Management unit.

12.8. In-Year Management and Quarterly Reports

The NWPL has submitted, in terms of Sections 51 to 53 of the FMPPLA, quarterly and mid-term reports to the Executive Authority. Although the integrity of the accounting system was questionable, mitigating processes were implemented to ensure that the periodic financial reports were of acceptable quality, and compliant with the accounting standards.

The Committee is satisfied with the content and quality of quarterly and in-year management reports issued during the year under review.

12.9. Evaluation of the Financial Statements

The Committee has reviewed and discussed the following:

- Annual Financial Statements for the year ended 31 March 2022 to be included in the annual report, and discuss same with the Auditor-General South Africa and the NWPL Management;
- Information of the audited pre-determined objectives to be included in the 2021/2022 annual report;
- Changes in accounting policies and practices; and
- NWPL's compliance with legal and regulatory provisions.

The Committee concurs with and accepts the conclusion of the AGSA report on the Annual Report Financial Statements and is of the opinion that the Annual Financial Statements be accepted and be read together with the report of the AGSA.

12.10. Auditor-General South Africa

The Committee liaised with the AGSA during the period under review and have reviewed the Legislature's implementation plan for audit findings raised in the previous year. The Committee is partially satisfied that the matters have been adequately resolved.

12.11. Compliance

The Committee has reviewed the Legislature’s compliance universe and checklist that was developed by management.

Implementation of the planned activities will ensure that the NWPL reaches its target of timeously complying with all the requisite statutory and regulatory requirements.

12.12. Conclusion

The Committee would like to thank the Executive Authority, the previous and new Secretary to the NWPL, and management for their support throughout the year. The Committee is confident that through the guidance it provides, and the cooperation by management, internal controls, and good governance practices would be enhanced.

Special appreciation also goes to the AGSA, Internal Audit team and members of the Audit Committee for their support and professionalism in the performance of their mandates.



Mr. F. Docrat
Chairperson: Audit Committee
Date: 30 August 2022

13. B-BBEE COMPLIANCE PERFROMANCE INFORMATION

CODE OF GOOD PACTRICE (B- BBEE Certificate Level 1 – 8)		
Criterion	Responses Yes/ No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	
Developing and implementing a preferential procurement policy?	Yes	The NWPL implements the PPPFA and PPPR. An institutional SCM policy is in place
Determining qualification criteria for the sale of state-owned enterprises?	No	
Developing criteria for entering into partnerships with the private sector?	No	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	

PART D

Human Resource **Management**

1. INTRODUCTION

The NWPL houses 216 staff members and 22 Members of the Legislature as at 31st March 2022. This section of the report relates to all areas within Human Resources. This includes, but is not limited to sick leave, annual performance bonuses and employment equity but to name a few.

2. OVERVIEW OF HUMAN RESOURCE

As indicated earlier in this document, the NWPL had a total of 216, 142 in Administration and 74 in the Core Function. Gender split is 120 males and 96 Females. There was a total of 20 Managers, with 12 males and 08 females. The Institution will review its Employment Equity Plan in the coming year to address the gender disparities.

The NWPL Organisational Structure was approved during the 2019/20 financial year. Priority posts, (first year of implementation - 2020/2021) were advertised during October/November 2021. Shortlings and interviews were conducted and as at the end of the financial year, 90% of these positions were filled.

The priorities of the approved MTEF HR Plan were also monitored during the recruitment process in relation to the advertisement of posts as well as Personnel Suitability Checks. It is expected that the achievement of the identified gaps will assist the Legislature to have the right number of people with the right skills at the right time.

The Institution has, during the year under review, commenced with the process of capacitating the Integrated Employee and Health Wellness (IEHW) unit. This included appointing the Wellness and Labour Relations Specialist to attend to matters relating to Employee Wellbeing.

The Occupational Health and Safety (OHS) Representatives were appointed and trained on Emergency Preparedness as required by the Occupational Health and Safety Act, Act No. 85 of 1993. Plans are in place to establish the OHS Committee from those Reps including the Union Representatives.

There has been an improvement in terms of signing performance agreements by all staff members. Moderations for the 2020/21 Performance cycle was concluded during December 2021 and payments to qualifying Officials will be processed in the new Financial Year.

The Institution offered various skills development programmes to its workforce for the year under review and provided support where required.

3. HUMAN RESOURCE OVERSIGHT STATISTICS

3.1. Personnel related expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2021 to 31 March 2022

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Staff	206 676.00	201 525.00	2 446.00	-	98%	932.99
Members	35 103.00	29 493.00	-	-	84%	1 340.59
Total	241 779.00	231 018.00	2 446.00	-	96%	970.66

Table 3.1.2 Personnel costs by salary band for the period 1 April 2021 to 31 March 2022

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Patterson A-B 5	27 122	13%	34	797.69
Patterson C1-C5	73 762	37%	84	878.12
Patterson D1-D5	90 919	45%	78	1 165.63
Patterson E-F Upper	9 722	5%	20	486.09
Total	201 525	100%	216	932.99

The above table does not include the 22 MPLs.

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2021 to 31 March 2022

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Staff	200 105 015	86.62%	242 511	0.12%	8 657 114	4.33%	10 946 062	5.47%
Members	30 913 164	13.38%	-	0.00%	-	0.00%	-	0.00%
Total	231 018 178	100%	242 511	0.10%	8 657 114	3.75%	10 946 062	4.74%

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2021 to 31 March 2022

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Patterson A-B5	27 122	13%	193	1%	1 438	5%	2 727	10%
Patterson C1-C5	73 762	37%	-	0%	3 552	5%	4 777	6%
Patterson D1-D5	90 919	45%	-	0%	3 298	4%	2 441	3%
Patterson E-F Upper	9 722	5%	-	0%	846	9%	280	3%
Total	201 525	100%	193	0%	9 134	5%	10 224	5%

The above table does not include the 22 MPLs.

3.2. Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 31 March 2022

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	152	142	7%	-
Legislature Operations	81	74	9%	-
Total	233	216	8%	-

The above table does not include the 22 MPLs.

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2022

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	-	-	-	-
Skilled (3-5)	37	34	8,83%	-
Highly skilled production (6-8)	88	84	4,76%	-
Highly skilled supervision (9-12)	86	78	10%	-
Senior management (13-16)	22	20	10%	-
Total	233	216	8%	-

The above table does not include the 22 MPLs.

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2022

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
-	-	-	-	-
-	-	-	-	-

3.3. Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	-	-	-	-	-
Salary Level 16	1	1	100%	0%	%
Salary Level 15	1	-	0%	1	100%
Salary Level 14	4	4	100%	0%	%
Salary Level 13	16	15	94%	1	6%
Total	22	20	90%	2	90%

The above table does not include the 22 MPLs.

Table 3.3.2 SMS post information as on 30 September 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	-	-	-	-	-
Salary Level 16	1	0	0%	1	100%
Salary Level 15	1	0	0%	1	100%
Salary Level 14	4	4	100%	0%	0%
Salary Level 13	16	15	94%	1	6%
Total	22	19	86%	03	14%

The above table does not include the 22 MPLs.

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2021 to 31 March 2022

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department			
Salary Level 16	1	1	0
Salary Level 15	1	0	0
Salary Level 14	0	0	0
Salary Level 13	0	0	0
Total	2	1	0

The above table does not include the 22 MPLs.

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
Not applicable.

Reasons for vacancies not filled within twelve months
The post of Deputy Secretary was awaiting the filling of the Secretary position

The above table does not include the 22 MPLs

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
N/A

Reasons for vacancies not filled within six months
The post of Deputy Secretary was awaiting the filling of the Secretary position

3.4 Job Evaluation

#No job evaluation conducted for the period under review.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2021 to 31 March 2022

Salary band	Number of posts approved on establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels1-2)	-	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	-	-	-	-	-	-	-
Senior Management Service Bands A -13	-	-	-	-	-	-	-
Senior Management Service Bands	-	-	-	-	-	-	-

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
B – 14							
Senior Management Service Bands C – 15	-	-	-	-	-	-	-
Senior Management Service Bands D – 16	-	-	--	-	-	-	-

The above table does not include the 22 MPLs

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2021 to 31 March 2022

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-
Employees with a disability					0

The above table does not include the 22 MPLs

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

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Top Management	-	-	-	-
Senior Management	-	-	-	-

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Professionally qualified and experienced specialists and mid-management	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	-	-	--	
Semi-skilled and discretionary decision making	-		-	-
Unskilled and defined decision making	-	-	-	-
Total number of employees whose salaries exceeded the level determined by job evaluation				-
Percentage of total employed				

The above table does not include the 22 MPLs

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2021 to 31 March 2022

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

Employees with a disability					00
-----------------------------	--	--	--	--	----

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2021 to 31 March 2022

Salary band	Number of employees at beginning of period-1 April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	-	-	-	-
Skilled (Levels3-5)	38	4	5	14,7%
Highly skilled production (Levels 6-8)	73	09	2	2.38%
Highly skilled supervision (Levels 9-12)	73	12	6	7,69%
Senior Management Service Bands A -13	15	-	-	-
Senior Management Service Bands B – 14	3	-	-	-
Senior Management Service Bands C – 15	1	-	-	-
Senior Management Service Bands D – 16	1	1	1	100%

Salary band	Number of employees at beginning of period-1 April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Contracts				
Total	204	26	14	6,5%

The above table does not include the 22 MPLs

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2021 to 31 March 2022

Critical occupation	Number employees at beginning of period-April 2021	of at of	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrations	-		-	-	-
Legislature Operations	-		-	-	-
TOTAL	-		-	-	-

The above table does not include the 22 MPLs

Table 3.5.3 Reasons why staff left the department for the period 1 April 2021 to 31 March 2022

Termination Type	Number	% of Total Resignations
Death	4	28,6%
Resignation	4	28,6%
Expiry of contract	-	-
Dismissal – operational changes	-	-
Dismissal – misconduct	1	7,1%
Dismissal – inefficiency	-	-
Discharged due to ill-health	-	-
Retirement	5	35,7%
Transfer to other Public Service Departments	-	-

Termination Type	Number	% of Total Resignations
Other	-	-
Total	14	100%
Total number of employees who left as a % of total employment	6,5%	

The above table does not include the 22 MPLs

Table 3.5.4 Promotions by critical occupation for the period 1 April 2021to 31 March 2022

Occupation	Employees 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

The above table does not include the 22 MPLs

Table 3.5.5 Promotions by salary band for the period 1 April 2021to 31 March 2022

Salary Band	Employees 1 April 2021	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	-	-	-	-	-
Skilled (Levels 3-5)	38	-	-	-	-
Highly skilled production (Levels 6-8)	73	-	-	-	-
Highly skilled supervision (Levels 9-12)	73	2	0,92%	-	-
Senior	20	-	-	-	-

Salary Band	Employees 1 April 2021	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Management (Level 13-16)					
Total	204	2	0,92%		

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	14	-	-	-	8	-	-	-	22
Professionals	-	-	-	-	-	-	-	-	-
Technicians and associate professionals	53	-	1	1	84	4	1	2	146
Clerks	1	-	-	-	1	-	-	-	2
Service and sales workers	6	-	-	-	5	-	-	-	11
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators	4	-	-	-	-	-	-	-	4

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
and assemblers									
Elementary occupations	13	-	-	-	18	-	-	-	31
Total	91	-	1	1	117	4	1	2	216
Employees with disabilities	1	-	-	-	1	-	-	-	2

The above table does not include the 22 MPLs

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	-	-	-	1	-	-	-	4
Senior Management	9	-	-	-	7	-	-	-	16
Professionally qualified and experienced specialists and mid-management	17	-	-	1	17	2	1	-	38
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	27	-	1	-	42	2	-	2	75

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Semi-skilled and discretionary decision making	18	-	-	-	31	-	-	-	49
Unskilled and defined decision making	16	-	-	-	18	-	-	-	34
Total	90		1	1	117	4	1	2	216

The above table does not include the 22 MPLs

Table 3.6.3 Recruitment for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management 14-16	1	-	-	-	-	-	-	-	1
Senior Management 13	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	6	-	-	-	3	-	-	-	09
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	-	-	-	5	-	-	-	08

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Semi-skilled and discretionary decision making	3	-	-	-	3	-	-	-	06
Unskilled and defined decision making	02	-	-	-	02	-	-	-	04
Total	15	-	-	-	13	-	-	-	28
Employees with disabilities	01	-	-	-	-	-	-	-	-

Table 3.6.4 Promotions for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	-	-	-	-	2	-	-	-	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	-	-	-	--	-	-	-	-	-

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	2	-	-	-	-
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.5 Terminations for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management 14-16	1	-	-	-	-	-	-	--	1
Senior Management 13	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	2	-	-	-	3	-	1	-	6
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	-	-	-	-		1	-	-	1

3.8 Performance Rewards

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2021 to 31 March 2022

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost	Average cost per employee
African					
Male	11	91	12%	664 897	60 445
Female	29	117	25%	1 055 076	36 382
Asian					
Male	1	1	100%	19 334	19 334
Female	-	-	-	-	-
Coloured					
Male	-	-	-	-	-
Female	4	4	100%	149 045	37 261
White					
Male	1	1	100%	57 578	57 578
Female	-	2	-	-	-
Total	46	216	22%	1 945 929	42 303

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2021 to 31 March 2022

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost	Average cost per employee	
Lower Skilled (Patterson A-B5)	-	-	0%	-	-	0%
Skilled (Patterson C1-C2)	9	34	26%	391 936	43 548	23%
Highly skilled production (Patterson C3-C4)	35	84	41%	249 647	7 133	15%
Highly skilled supervision (Patterson D1-D4)	30	78	38%	1 040 538	34 685	62%
Total	74	196	37%	1 682 121	85 366	100%

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2021 - 31 March 2022

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

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2021 and 31 March 2022

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost	Average cost per employee	
Band A	8	15	53%	126 419	15 802	26%
Band B	3	4	75%	137 389	45 796	74%
Band C	-	-	0%	-	-	-
Band D	-	1	0%	-	-	-
Total	11	20	55%	263 808	61 599	100%

3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2021 and 31 March 2022

Salary band	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	-	-	-	-	-	-
Highly skilled production (Lev. 6-8)	-	-	-	-	-	-
Highly skilled supervision (Lev. 9-12)	-	-	-	-	-	-
Contract (level 9-12)	-	-	-	-	-	-
Contract (level 13-16)	-	-	-	-	-	-
Total	-	-	-	-	-	-

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2021 and 31 March 2022

Major occupation	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
-	-	-	-	-	-	-
-	-	-	-	-	-	-

3.10 Leave utilisation

Table 3.10.1 Sick leave for the period 1 January 2021 to 31 December 2021

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)
Lower Skills (Level 1-2)	-	-	-	-	-	-
Skilled (levels 3-5)	66	13%	5	17%	14	-
Highly skilled production (levels 6-8)	56	5%	11	36%	5	
Highly skilled supervision (levels 9-12)	148	10%	13	25%	12	
Top and Senior management (levels 13-16)	27	3%	7	45%	4	
Total	297	31%	36	8.25%	35	

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 April 2021 to 31 March 2022

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	-	-	-	-	-	-
Senior management (Levels 13-16)	-	-	-	-	-	-
Total	-	-	-	-	-	-

Table 3.10.3 Annual Leave for the period 1 January 2021 to 31 December 2021

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	-	-	-
Skilled Levels 3-5)	35	2	18
Highly skilled production (Levels 6-8)	246	20	13
Highly skilled supervision (Levels 9-12)	470	32	15
Senior management (Levels 13-16)	92	9	11
Total	843	63	14

Table 3.10.4 Capped leave for the period 1 April 2021 to 31 March 2022

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2022
Lower skilled (Levels 1-2)	-	-	-	-
Skilled Levels 3-5)	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-
Highly skilled supervision (Levels 9-12)	-	-	-	-
Senior management (Levels 13-16)	-	-	-	-
Total				

Table 3.10.5 Leave pay-outs for the period 1 April 2021 and 31 March 2022

Reason	Total amount	Number of employees	Average per employee (R'000)
Leave pay-out for 2021/22 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave pay-outs on termination of service for 2021/22	-	-	-
Current leave pay-out on termination of service for 2021/22	742 166,41	09	82 462,93
Total	742 166,41	09	82 462,93

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

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

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

Question	Yes	No	Details, if yes
1. 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		M.S Tselapedi
2. Does the Institution have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		03 ➤ Employee Health and Wellness and Labour Relations Specialist ➤ Labour Relations Officer and ➤ Professional Nurse. R 2 321 000
3. Has the Institution introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.		x	
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.	x		A covid19 Committee was established with the following Members: A.J Maphetle T Lehutso T Sebolecwe

Question	Yes	No	Details, if yes
			T Rakate P Gaaname S Tselapedi R Ditse B Mphatswa S Makgetla S Mncwango L Leoko N Luhabe K Loabile I Nakedi B Lesige T Sello
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	
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 department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.		x	
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		x	

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2021 to 31 March 2022

Subject matter	Date
Salary Negotiations for the Officials of the SA Legislative Sector	January 2022

Notes

- If there were no agreements, keep the heading and replace the table with the following:

--	--

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2021 and 31 March 2022

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	1	2.43%
Fine	0	0
Demotion	0	0
Dismissal	2	4.68%
Not guilty	0	0
Case withdrawn	0	0
Total	3	7.1%

Notes

- If there were no agreements, keep the heading and replace the table with the following:

N/A	
-----	--

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2021 and 31 March 2022

Type of misconduct	Number	% of total
Absenteeism	1	2,34%
Misused and damage vehicle	1	2,34%
Insubordination	1	2,34%
Total	3	7,02%

Table 3.12.4 Grievances logged for the period 1 April 2021 and 31 March 2022

Grievances	Number	% of Total
Number of grievances resolved	0	0
Number of grievances not resolved	2	4,68%
Total number of grievances lodged	2	4,68%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2021 to 31 March 2022

Disputes	Number	% of Total
Number of disputes upheld	-	-
Number of disputes dismissed	-	-
Total number of disputes lodged	-	-

Table 3.12.6 Strike actions for the period 1 April 2021 to 31 March 2022

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2021 to 31 March 2022

Number of people suspended	-
Number of people who's suspension exceeded 30 days	-
Average number of days suspended	-
Cost of suspension(R'000)	-

3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2021 and 31 March 2022

Occupational category	Gender	Number of employees as at 1 April 2021	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	08	-	08	2	08
	Male	12	-	14	-	14
Professionals	Female	35	-	18	4	22
	Male	29	-	12	2	14
Technicians and associate professionals	Female	16	-	07	02	09
	Male	19	-	08	-	08

Occupational category	Gender	Number of employees as at 1 April 2021	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Clerks	Female	43	-	-	-	-
	Male	7	-	-	-	-
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	18	-	16		16
	Male	17	-	10		10
Sub Total	Female	120	-	49		55
	Male	84	-	44		46
Total		204	-	93	08	101

Table 3.13.2 Training provided for the period 1 April 2021 to 31 March 2022

Occupational category	Gender	Number of employees as at 1 April 2021	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	08	-	05	-	05
	Male	12	-	04	-	04

Occupational category	Gender	Number of employees as at 1 April 2021	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Professionals	Female	35	-	12	-	12
	Male	29	-	08	-	08
Technicians and associate professionals	Female	16	-	7	-	07
	Male	19	-	9	-	09
Clerks	Female	43	-	4	-	04
	Male	7	-	-	-	-
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	18	-	15	-	15
	Male	17	-	8	-	08
Sub Total	Female	120	-	43	-	43
	Male	84	-	29	-	29
Total		204	-	72	-	72

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2021 to 31 March 2022

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

3.15 Utilisation of Consultants

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

Project title	Total number of consultants that worked on project	Duration (Work days)	Contract value in Rand
Financial Services Consultants	12	260	R19 300 740.00
Oracle ERP System Support	15	1 137	R8 462 085.00

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
03	34	1 542	R 32 012 825.00

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2020 to 31 March 2021

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Financial Services Consultants	100%	100%	100%
Oracle ERP System Support	100%	100%	100%

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

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

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A			

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

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

3.16 Severance Packages

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

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

PART E

Financial Information



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Report of the auditor-general to the North West Provincial Legislature on vote no. 2: Provincial Legislature

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Provincial Legislature set out on pages 120 to 166 which comprise the statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, statement of cash flow and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Provincial Legislature as at 31 March 2022, 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 auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the legislature in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Unauthorised, irregular and fruitless and wasteful expenditure

7. As disclosed in note 32 to the financial statements, unauthorised expenditure of R18 743 000 in respect of prior years had not yet been resolved.



8. As disclosed in note 31 to the financial statements, irregular expenditure of R1 769 095 was incurred in the current year and irregular expenditure of R263 344 010 from prior years had not yet been resolved.
9. As disclosed in note 30 to the financial statements, fruitless and wasteful expenditure of R123 106 was incurred in the current year and fruitless and wasteful expenditure of R1 185 546 from prior years had not yet been resolved.

Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.
11. In preparing the financial statements, the accounting officer is responsible for assessing the Provincial Legislature's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the legislature or to cease operations, or there is no realistic alternative but to do so.

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

12. 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the legislature's approved performance planning documents. I have



not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the legislature enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the legislature's annual performance report for the year ended 31 March 2022:

Programme	Pages in the annual performance report
Programme 3 – legislature operations	50 to 55

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 3 – legislature operations

Other matters

19. I draw attention to the matters below.

Achievement of planned targets

20. Refer to the annual performance report on pages 53 to 54 for information on the achievement of planned targets for the year.

Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 3 – legislature operations. As management subsequently corrected the misstatements, I did not report any material findings on the usefulness and reliability of the reported performance information.



Report on audit of compliance with legislation

Introduction and scope

22. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the legislature with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
23. The material findings on compliance with specific matters in key legislation are as follows:

Expenditure management

24. Appropriate steps were not taken to prevent irregular expenditure of R1 769 095 as disclosed in note 31 to the financial statements, as required by section 7(e) of the FMPPLA. The irregular expenditure was caused by procurement without inviting at least the minimum prescribed number of written price quotations from prospective suppliers, the deviations were not approved by a properly delegated official and continued payments on contracts that expired in the previous year.
25. Payments were not made within 30 days after receipt of invoices or statements, as required by section 33(2)(e) of the FMPPLA.

Other information

26. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected programme presented in the annual performance report that have been specifically reported on in this auditor's report.
27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and do not express an audit opinion or any form of assurance conclusion on it.
28. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.



Internal control deficiencies

30. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation.

- The leadership did not adequately exercise appropriate oversight of compliance with laws and regulations and related internal controls. In addition, management compiled an action plan in the prior year but it was not implemented and monitored due to the inadequacy of formulated actions and lack of assistance provided by risk management unit.
- A lack of awareness, understanding and exposure by employees to the supply chain management regulations due to limited training and awareness sessions resulted in the non-compliance that led to irregular expenditure. Furthermore, monthly reconciliations were not performed for suppliers to identify outstanding invoices and make necessary arrangements to pay invoices within 30 days.

Auditor General

Rustenburg

31 July 2022



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the legislature’s internal control

evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer

 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Provincial Legislature’s ability 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 the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a legislature to cease to continue as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.



Financial **Statements**

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

General Information

Country of incorporation and domicile	South Africa
Nature of the operations	North West Provincial Legislature's (NWPL) vision is to build a united, non-racial, non-sexist, democratic and prosperous society in the North West province. The North West Provincial Legislature aims to provide services to the people of North West province by ensuring: - A vibrant Legislature that is responsive to and addresses the challenges of development facing our people; - An accountable executive by strengthening oversight on the promises made to our people by government; - Promotion of efficient and healthy co-operative governance between the three spheres of government; and - A creative, effective, efficient and transformative administration that helps the Members of the Legislature to fulfil their constitutional mandate.
Business address	Dr James Moroka Drive New Parliament Building Mmabatho 2735
Postal address	Private Bag X2018 Mmabatho 2735
Bankers	ABSA Bank Limited
Auditors	Auditor General of South Africa
Secretary	Adv. Lutendo Netshitumbu
Jurisdiction	North West Province
Governing Legislation	Financial Management of Parliament and Provincial Legislature Act, 2009 (Act No. 10 of 2009)

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Index

The reports and statements set out below comprise the financial statements presented by the provincial legislature:

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GRAP	Generally Recognised Accounting Practice
SCONWPL	Standing Committee on Oversight of the NWPL
NWPL	North West Provincial Legislature
MPL	Member of the Legislature
NWPT	North West Provincial Treasury

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Accounting Officer's Responsibilities and Approval

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

The 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.

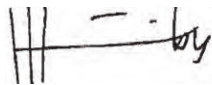
The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Accounting Officer acknowledges that he is ultimately responsible for the system of internal financial control established by the Legislature and places considerable importance on maintaining a strong control environment which includes the safeguarding of assets and compliance with relevant legislation. To enable the Accounting Officer to meet these responsibilities, he 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 financial statements and that the financial statements are free from material misstatement. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement.

The Accounting Officer has reviewed the Legislature's cash flow forecast for the period to 31 March 2023 and, in the light of this review and the current financial position, he is satisfied that the Legislature has or has access to adequate resources to continue in operational existence for the foreseeable future.

The financial statements set out on pages 120 - 166 which have been prepared on the going concern basis, were approved by the Accounting Officer on 30 August 2022 and were signed on its behalf by:



**Secretary of the North West Provincial Legislature
Accounting Officer**

Mmabatho

30 August 2022

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Accounting Officer's Report

The Accounting Officer submits his report for the year ended 31 March 2022.

1. Legal form of the Legislature

North West Provincial Legislature was established in terms of Chapter 6 of the Constitution of South Africa.

2. Review of activities

Main business and operations

North West Provincial Legislature's vision is to build a united, non-racial, non-sexist, democratic and prosperous society in the North West Province.

The North West Provincial Legislature aims to provide services to the people of North West Province by ensuring:

- A vibrant Legislature that is responsive to and addresses the challenges of development facing our people;
- An accountable executive by strengthening oversight on the promises made to our people by government;
- Promotion of efficient and healthy co-operative governance between the three spheres of government; and
- A creative, effective, efficient and transformative administration that helps the Members of the Legislature to fulfil their constitutional mandate.

3. Going concern

We draw attention to the fact that at 31 March 2022, the Legislature had an operating surplus for the period of R32 127 090 and that the Legislature's total assets exceed its liabilities by R566 583 496.

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

The ability of the Legislature to continue as a going concern is dependent on the fact that the Legislature would receive appropriation from the North West Provincial Treasury for its ongoing operations.

4. Events after reporting date

The Accounting Officer is not aware of any matter or circumstance arising since the end of the financial year which have not been disclosed in the financial statements.

5. Accounting policies

The accounting policies have been applied consistently with the prior year.

6. Bankers

ABSA serves as the banker for the North West Provincial Legislature.

7. SCONWPL resolution

There were no material SCONWPL (Standing Committee on Oversight of the NWPL) resolutions relating to the Legislature during this financial year.

8. Auditors

Auditor General of South Africa will continue in office for the next financial period.

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Accounting Officer's Report

9. Members and Executives of North West Provincial Legislature

The Members and Executives of the North West Provincial Legislature during the year and to the date of this report are as follows.

Members

- Hon. Dantjie
- Hon. Motsumi
- Hon. Sebegoe
- Hon. Motswana
- Hon. Cwaile
- Hon. Mataboge
- Hon. Williams
- Hon. Dliso
- Hon. Lenkopane
- Hon. Medupe
- Hon. Diale
- Hon. Babuile
- Hon. Xaba
- Hon. Dikolomela
- Hon. Botswe
- Hon. Kerileng
- Hon. Sonakile
- Hon. Theologo
- Hon. Edwards
- Hon. Rabotapi
- Hon. Nel
- Hon. Kleynhans

- Speaker
- Deputy Speaker
- Chief Whip of Majority Party
- Member
- Member
- Member
- Member
- Member
- Member
- Member
- Member
- Member
- Member
- Member
- Member
- Member
- Member
- Member
- Member
- Member

Members of the Executive

- Hon. Mokgoro (Resigned 27 August 2021)
- Hon. Maape (Appointed 07 September 2021)
- Hon. Mosenogi
- Hon. Miga
- Hon. Lehari
- Hon. Mohono
- Hon. Sambatha
- Hon. Molapisi
- Hon. Matsemela
- Hon. Rosho
- Hon. Tlhapi
- Hon. Moiloa

- Premier of North West Province
- Premier of North West Province
- Executive Member
- Executive Member
- Executive Member
- Executive Member
- Executive Member
- Executive Member
- Executive Member
- Executive Member
- Executive Member
- Executive Member

Refer to note 25 to the annual financial statements for information on remuneration of members and to note 27 for information on remuneration of management.

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Statement of Financial Position as at 31 March 2022

Figures in Rand	Note(s)	2022	2021 Restated*
Assets			
Current Assets			
Receivables from exchange transactions	3	10 030 450	5 017 996
Receivables from non-exchange transactions	4	772 257	1 272 258
Cash and cash equivalents	5	215 994 583	174 026 660
		226 797 290	180 316 914
Non-Current Assets			
Property, plant and equipment	6	401 813 744	416 086 246
Intangible assets	7	1 900 321	2 386 061
		403 714 065	418 472 307
Total Assets		630 511 355	598 789 221
Liabilities			
Current Liabilities			
Finance lease obligation	8	526 331	693 975
Provisions	9	6 162 318	6 162 318
Operating lease liability	35	17 404	-
Payables from exchange transactions	10	44 391 946	46 204 099
Payable from non-exchange transactions	11	2 640 163	2 638 680
Employee benefit obligation	12	509 575	377 211
		54 247 737	56 076 283
Non-Current Liabilities			
Finance lease obligation	8	213 422	169 389
Employee benefit obligation	12	9 466 700	8 087 138
		9 680 122	8 256 527
Total Liabilities		63 927 859	64 332 810
Net Assets		566 583 496	534 456 411
Accumulated surplus		566 583 499	534 456 409

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021 Restated*
Revenue			
Revenue from exchange transactions			
Commissions received		111 111	105 145
Interest income	13	5 386 733	3 429 937
Total revenue from exchange transactions		5 497 844	3 535 082
Revenue from non-exchange transactions			
Other revenue			
Donated funds	14	372 400	1 458 000
Transfer revenue			
Appropriation	15	465 517 000	450 511 000
Total revenue from non-exchange transactions		465 889 400	451 969 000
Total revenue	14	471 387 244	455 504 082
Expenditure			
Remuneration cost	16	(231 804 007)	(225 301 687)
Depreciation and amortisation		(20 492 364)	(20 419 253)
Finance costs	17	(787 703)	(1 891 334)
Impairments of receivables		(1 237 007)	-
Transfers and Subsidies	18	(67 932 926)	(50 411 953)
Goods & services	19	(116 470 714)	(88 618 039)
Total expenditure		(438 724 721)	(386 642 266)
Operating surplus	20	32 662 523	68 861 816
Loss on disposal of assets		(58 817)	(68 855)
Actuarial gains	12	(476 616)	99 734
		(535 433)	30 879
Surplus for the period		32 127 090	68 892 695

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Statement of Changes in Net Assets

Figures in Rand		Accumulated surplus	Total net assets
Opening accumulated surplus 2020		465 532 049	465 532 049
Adjustments			
Prior year adjustments	29	31 665	31 665
Opening Accumulated surplus restated 2020		465 563 714	465 563 714
Changes in net assets			
Surplus for the period		68 892 695	68 892 695
Total changes		68 892 695	68 892 695
Opening balance as previously reported		533 651 956	533 651 956
Correction of errors	29	804 453	804 453
Total Opening Accumulated surplus as restated 2021		534 456 409	534 456 409
Changes in net assets			
Surplus for the period		32 127 090	32 127 090
Total changes		32 127 090	32 127 090
Balance at 31 March 2022		566 583 499	566 583 499

Note(s)

North West Provincial Legislature
Financial Statements for the year ended 31 March 2022

Statement of Cash Flows

Figures in Rand	Note(s)	2022	2021 Restated*
Cash flows from operating activities			
Receipts			
Appropriation		467 255 000	450 511 000
Unfunded portion		(1 738 000)	-
Interest income		5 217 914	3 359 693
Other receipts		372 400	1 458 000
		471 107 314	455 328 693
Payments			
Remuneration cost		(233 581 759)	(221 091 916)
Suppliers		(121 226 219)	(86 989 167)
Transfers and subsidies		(67 432 925)	(46 473 273)
		(422 240 903)	(354 554 356)
Net cash flows from operating activities	22	48 866 411	100 774 337
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(2 056 689)	(1 940 990)
WIP Paid		(3 930 744)	-
Net cash flows from investing activities		(5 987 433)	(1 940 990)
Cash flows from financing activities			
Movement in finance leases		(123 352)	(350 761)
Finance costs		(787 702)	(1 276 576)
Net cash flows from financing activities		(911 054)	(1 627 337)
Net increase/(decrease) in cash and cash equivalents		41 967 923	97 206 010
Cash and cash equivalents at the beginning of the year		174 026 660	76 820 650
Cash and cash equivalents at the end of the year	5	215 994 583	174 026 660

North West Provincial Legislature
Financial Statements for the year ended 31 March 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis								
Figures in Rand	Per Approved Budget	Adjustments	Per Final Budget	Amount as per AFS	Adjustments to comparable basis	Amounts on comparable basis	Variance	Reference
Statement of Financial Performance								
Revenue								
Revenue from exchange transactions								
Commissions received	-	-	-	111 111	(111 111)	-	-	-
Interest income	-	-	-	5 386 733	(168 819)	5 217 914	5 217 914	33.1
Total revenue from exchange transactions	-	-	-	5 497 844	(279 930)	5 217 914	5 217 914	
Revenue from non-exchange transactions								
Transfer revenue								
Appropriation	465 517 000	48 738 000	514 255 000	465 517 000	-	465 517 000	(48 738 000)	33.2
Other income	-	-	-	372 400	-	372 400	372 400	33.1
Total revenue from non-exchange transactions	465 517 000	48 738 000	514 255 000	465 889 400	-	465 889 400	(48 365 600)	
Total revenue	465 517 000	48 738 000	514 255 000	471 387 244	(279 930)	471 107 314	(43 147 686)	
Expenditure								
Remuneration cost	(241 779 000)	-	(241 779 000)	(231 804 007)	(1 730 848)	(233 534 855)	8 244 145	33.3.1
Depreciation and amortisation	-	-	-	(20 492 364)	20 492 364	-	-	-
Finance costs	-	-	-	(787 703)	-	(787 703)	(787 703)	33.3.3
Transfers and Subsidies	(74 873 000)	-	(74 873 000)	(67 932 926)	500 001	(67 432 925)	7 440 075	33.3.2
Goods and services	(157 271 000)	-	(157 271 000)	(116 470 714)	(4 755 505)	(121 226 219)	36 044 781	33.3.4
Total expenditure	(473 923 000)	-	(473 923 000)	(437 487 715)	14 506 012	(422 981 702)	50 941 298	
Operating surplus								
Capital Assets capitalised	(8 406 000)	48 738 000	40 332 000	33 899 529	14 226 082	48 125 612	7 793 612	
Loss on disposal of assets	(40 332 000)	-	(40 332 000)	(2 056 689)	(3 930 744)	(5 987 433)	34 344 567	33.3.5
Actuarial gains/losses	-	-	-	(58 817)	58 817	-	-	-
	-	-	-	(476 616)	476 616	-	-	-
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(48 738 000)	48 738 000	-	31 307 408	10 830 771	42 138 179	42 138 179	

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board and in accordance with Section 56 of the Financial Management of Parliament and Provincial Legislature Act, 2009 (Act No. 10 of 2009) (FMPPLA).

These financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention as the basis of measurement, unless specified otherwise.

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

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

1.1 Presentation currency

These financial statements are presented in South African Rand, which is the functional currency of the Legislature.

1.2 Going concern assumption

These 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.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the 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 financial statements. Significant judgements include:

Receivables from exchange transactions

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

Impairment testing

The impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable service amount which is the higher of its fair value less costs to sell and its value in use. These calculations require the use of estimates and assumptions. It is reasonably possible that assumptions may change, which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

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 9 - Provisions.

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Finance lease assets (Cellphones & tablets)

The net book value of finance leases for cellphones and tablets were calculated with certain judgements & assumptions, as follows:

- Prime interest rate was used as the incremental borrowing rate at the inception of each agreement.
- The fair value of the physical devices could not be determined therefore we calculated it as the difference in the fair value of the total contract payments and the fair value of the free data, talk-time and SMS's.
- The fair value of the data, talk-time and SMS's could also not be determined as at the inception of the agreements therefore we calculated using the current market related value. The price of a single SMS was calculated at 50c (2021: 35c) per SMS and 1,000 (2021: 1,000) minutes of talk-time and 50 (2021: 50) SMS's per month were used for contracts with unlimited free minutes & messages. The market related value varies, based on different packages. The cash price per minute was calculated at 79c (2021: 79c)
- No asset was capitalised where the present value of the data, talk-time and SMS's exceeds the present value of the total contract payment. These are mostly where no devices apart from a USB dongle was provided.
- If an agreement commenced mid-way through a month, we assumed payment took place on a pro-rata basis, similarly at the end of the agreement.

Useful lives and residual value of intangible assets & property, plant & equipment

The NWPL's management determines the estimated useful lives and related depreciation and amortisation charges for property, plant and equipment, and intangible assets. This estimate is based on the pattern in which an asset's future economic benefits or service potential are expected to be consumed by the Legislature.

The NWPL's management determines the estimated residual value as the estimated amount that the Legislature would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

Long term employee benefits

The present value of long term employee benefits (i.e. post-employment and other long term employee benefits) 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 the obligation

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 12.

Impairment of receivables

An impairment loss on receivables is recognised in surplus and deficit when there is objective evidence that they are impaired. The impairment is measured as the difference between the receivables' carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.4 Property, plant and equipment

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

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

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

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 bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

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

North West Provincial Legislature
Financial Statements for the year ended 31 March 2022

Accounting Policies

1.4 Property, plant and equipment (continued)

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, it's deemed cost is the carrying amount of the asset(s) given up.

The costs includes 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.

Buildings comprises of constructed buildings.

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

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited in revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Minor assets with a value of R 2,000 or less are not capitalised as property, plant and equipment but expensed to the Statement of Financial Performance. This policy does not apply to library books.

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

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	15 Years
Motor vehicles	Straight line	7 - 12 Years
Office equipment	Straight line	10 - 17 Years
Computer equipment	Straight line	6 - 14 Years
Audio visual equipment	Straight line	12 - 15 Years
Artwork - Internal	Straight line	25 Years
Library books	Straight line	25 - 50 Years
Finance Lease assets	Straight line	Shorter of lease term and useful life
Building	Straight line	30 Years
Porta Cabins	Straight line	10 Years
Generator	Straight line	8 Years
CCTV System	Straight line	8 Years
Public Address and Evacuation System	Straight line	8 Years
Access Control System	Straight line	8 Years
Fire Detection and Automation (Fire Suppression System)	Straight line	8 Years
Asset Control Equipment System	Straight line	8 Years
Voice and Data System	Straight line	8 Years
Building Management System	Straight line	8 Years
Air Conditioning	Straight line	10 Years
Boundary Wall	Straight line	30 Years
Clearview fence	Straight line	15 Years
Car Ports	Straight line	15 Years
Artworks - External	Straight line	10 Years
Freestanding Electric Fence 2,4m	Straight line	15 Years
Lift	Straight line	20 Years

The residual value, the useful life and depreciation method of each asset are reviewed at least at the end of each reporting date.

Reviewing the useful life of an asset on an annual basis does not require the Legislature to amend the previous estimates unless expectations differ from the previous estimate.

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1.4 Property, plant and equipment (continued)

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

Repairs and maintenance relating to items of property, plant and equipment are recognised as an expense when they are incurred.

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

1.5 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

Intangible assets are initially measured at cost.

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.

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

The depreciable amount of an intangible asset with a finite useful life is allocated on a systematic basis over its useful life. Amortisation begins 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.

The amortisation charge for each period is recognised in surplus or deficit.

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

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1.5 Intangible assets (continued)

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	Straight line	8 - 15 Years

Intangible assets are derecognised:

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

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.6 Financial instruments

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

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 minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an Legislature shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the Legislature shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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.

A financial asset is:

- cash;
- a residual interest of another Legislature; or
- a contractual right to:
 - receive cash or another financial asset from another Legislature; or
 - exchange financial assets or financial liabilities with another Legislature 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 Legislature; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the Legislature.

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Accounting Policies

1.6 Financial instruments (continued)

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an Legislature in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the Legislature had not acquired, issued or disposed of the financial instrument.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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
Receivables from exchange and non-exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	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 and non-exchange transactions	Financial liability measured at amortised cost
Finance lease obligations	Financial liability measured at amortised cost

Initial recognition

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

The Legislature recognises financial assets using trade date accounting.

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Accounting Policies

1.6 Financial instruments (continued)

Initial measurement of financial assets and financial liabilities

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

The Legislature measures a financial asset and financial liability initially at its fair value [if subsequently measured at 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.

Reclassification

The legislature does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Gains and losses

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

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

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

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

Financial assets measured at cost:

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

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Accounting Policies

1.6 Financial instruments (continued)

Derecognition

Financial assets

The Legislature derecognises financial assets using trade date accounting.

The Legislature derecognises a financial asset only when:

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

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 Legislature 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.

1.7 Leases

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

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Accounting Policies

1.7 Leases (continued)

Finance leases - lessee

Initial recognition

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

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The total future minimum lease payments within a year is disclosed under current liability and the future minimum lease payments later than one year is disclosed under non-current liability.

Subsequent recognition

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

A finance lease gives rise to a depreciation expense for depreciable assets as well as finance expense for each accounting period. The depreciation policy for depreciable leased assets shall be consistent with that for depreciable assets that are owned and the useful lives are stipulated in note 1.4. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

Operating leases - lessee

The lease payments under an operating lease should be recognised as an expense in the statement of financial performance on a straight-line basis over the lease term. Payments for services such as insurance and maintenance should, however, be separately recognised and disclosed in the period they occur.

Where the lease payments in respect of an operating lease is escalated by a fixed rate, the total cost is calculated for the whole lease (over the whole lease term) and is then equalised over the lease term. Any difference between the actual lease payments and the straight-lined amounts will be recognised as operating lease assets or liabilities in the statement of financial position.

1.8 Impairment of non-cash-generating assets

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

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

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.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

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 service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the Legislature; or

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Accounting Policies

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

- the number of production or similar units expected to be obtained from the asset by the Legislature.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the Legislature's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the Legislature is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Other long term employee benefits

The long service awards and exit gratuity benefit provided by the Legislature fall under the definition of other long term employee benefits as defined in GRAP 25.

Other long-term benefits are not usually subject to the same degree of uncertainty as the measurement of post-employment benefits and are therefore not as complex to measure. Notwithstanding above, the method used to account for long-term benefits is similar to the method used to account for defined benefit plans.

The NWPL used an adaptation of the disclosure requirements for post-employment benefits to devise the disclosure of the other long term employee benefit obligation, as the Standard does not require specific disclosures about other long-term employee benefits.

1.10 Provisions and contingencies

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.

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1.10 Provisions and contingencies (continued)

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.

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.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 24.

1.11 Commitments

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

The total minimum lease payments under non-cancellable operating leases for each of the following periods are disclosed in the financial statements:

- Not later than one year;
- Later than one year and not later than five years, and
- Later than five years.

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

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

1.12 Revenue from exchange transactions

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

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

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

Measurement

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

Interest income

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

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

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

Commission income

Commission income is recognised as revenue when it becomes receivable.

1.13 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.

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1.13 Revenue from non-exchange transactions (continued)

Exchange transactions are transactions in which one Legislature 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 Legislature in exchange.

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

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

Transfer payments are expensed.

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.

Measurement

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

Appropriation revenue

Appropriation revenue is transfers received from the North West Provincial Treasury in terms of the Appropriation Act, 2018 (Act No. 2 of 2018).

1.14 Borrowing costs

Borrowing costs are interest and other expenses incurred by the Legislature in connection with the borrowing of funds.

1.15 Comparative figures and prior period errors

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current period, the correction is made retrospectively as far as is practicable, and the prior period comparatives are restated accordingly. Where there has been a change in accounting policy in the current period, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.16 Unauthorised expenditure

Unauthorised expenditure means:

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

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 when recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.17 Fruitless and wasteful expenditure

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. 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.

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1.18 Irregular expenditure

Irregular expenditure as defined in paragraph 63 of the FMPPLA Act is expenditure, other than unauthorised expenditure, incurred in contravention of, or that is not in accordance with, a requirement of this Act or any other applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements is recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end is recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

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 is updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the relevant authority is recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account is created if such a person is liable in law. Immediate steps are thereafter taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer writes off the amount as debt impairment and discloses such in the relevant note to the financial statements. The irregular expenditure register is also updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto remains against the relevant programme/expenditure item, is disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.19 Services in-kind

Services in-kind are recognised.

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

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

1.20 Budget information

Legislature is typically subject to budgetary limits in the form of appropriations, which are given effect through authorising legislation, appropriation or similar.

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

The financial statements and the budget are not on the same basis of accounting therefore a reconciliation between the statement of financial performance and the budget have been included in the financial statements. Refer to note 33 explanation of budget differences.

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

Comparative information is not required.

1.21 Related parties

The Legislature operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the provincial sphere of government are considered to be related parties.

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1.21 Related parties (continued)

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.

Key management is defined as being individuals within the authority that are responsible for planning, directing and controlling the activities of the NWPL, including those charged with the governance of the Legislature in accordance with legislation, in instances where they are required to perform such functions. The NWPL regards all individuals at executive management as key management per the definition of GRAP 20 - Related parties.

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.

Related party transactions and balances are disclosed in note 25 - Related Parties.

1.22 Events after reporting date

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

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

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

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

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The possible impact of Standards approved, but not yet effective was assessed and none were identified that will be relevant to the Legislature's activities.

3. Receivables from exchange transactions

Prepayments: Advances paid	7 300 741	1 753 046
Salary control accounts	60 640	60 640
Other receivables	4 736 084	3 970 510
Staff debt	487 559	551 367
Provisions for bad debt	(2 554 574)	(1 317 567)
	10 030 450	5 017 996

Fair value of trade and other receivables

The fair value of trade and other receivables approximates the carrying amounts.

Trade and other receivables past due but not impaired

Trade and other receivables which were past due but not considered to be impaired amounted to R10 030 450 (2021: R 5 017 996).

The ageing of amounts past due but not impaired is as follows:

Current (Within 30 days)	1 228 468	836 693
60 - 90 days	64 123	156 730
90+ days	8 737 859	4 024 573

Trade and other receivables impaired

As of 31 March 2022, trade and other receivables of R 2 554 574 (2021: R 1 317 567) were impaired and provided for. The factors considered in determining the impairment were long outstanding debt and the probability of recovering this debt is slight.

The ageing of these receivables is as follows:

Provisions (90+ days)	2 554 574	1 317 567
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Reconciliation of provision for impairment of trade and other receivables

Opening balance	(1 317 567)	(1 320 802)
Current year adjustment	(1 237 007)	3 235
	(2 554 574)	(1 317 567)

Class of Receivables Impaired

Salary control account	60 640	60 640
Prepayments	93 819	-
Staff debts	105 965	-
Other debtors	2 294 150	1 256 927
	2 554 574	1 317 567

The creation and release of the allowance for credit losses has been included in operating expenses in surplus or deficit. Impairment testing was performed and the impairment amount relates to long outstanding debt with low probability of recoverability.

The Legislature does not hold any collateral as security.

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

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4. Receivables from non-exchange transactions

Other receivables	772 257	1 272 258
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Other receivables relates to transfer payments to be received after year end.

North West Provincial Legislature does not hold any collateral as security.

Trade and other receivables past due but not impaired

Receivables from non-exchange transactions (90+ days)	772 257	1 272 258
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The fair values of receivables from non-exchange transactions approximate their carrying amounts. No further adjustment is required.

Receivables from non-exchange transactions impaired

No receivables from non-exchange transactions were impaired in the current or previous financial year.

5. Cash and cash equivalents

Cash and cash equivalents consist of:

ABSA Expense account	175 069 066	127 261 258
ABSA Salary account	40 925 517	46 765 402
	215 994 583	174 026 660

The bank balances consist of the following accounts:

Name of account	Type of account	Date opened
- ABSA	Expense account	18 July 2007
- ABSA	Salary account	18 July 2007

Cash at banks earn interest at floating rates based on daily bank deposits rates. The fair value of cash equivalents approximates their carrying value as cash equivalents are readily convertible to cash.

Total facilities for credit cards

The Legislature has the the following credit cards with the respective limits. Any amounts utilised during the month is settled in the following month.

Credit rating		
Credit card	75 000	75 000
Fleet card	90 000	90 000
	165 000	165 000

North West Provincial Legislature

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6. Property, plant and equipment

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Work in progress: Buildings	76 225 109	-	76 225 109	73 197 732	-	73 197 732
Building: East Wing	344 853 593	(50 516 254)	294 337 339	344 853 593	(36 178 437)	308 675 156
Furniture and fixtures	10 921 274	(5 320 023)	5 601 251	10 475 808	(4 639 607)	5 836 201
Motor vehicles	7 287 797	(3 207 666)	4 080 131	7 287 797	(2 407 293)	4 880 504
Office equipment	2 684 981	(933 930)	1 751 051	2 263 081	(710 009)	1 553 072
Computer equipment	18 982 028	(10 545 694)	8 436 334	17 923 186	(8 695 257)	9 227 929
Audio visual equipment	16 268 214	(6 254 348)	10 013 866	16 259 641	(5 062 211)	11 197 430
Artwork	287 237	(79 458)	207 779	287 237	(67 981)	219 256
Library books	807 534	(365 323)	442 211	807 534	(335 913)	471 621
Finance lease assets (Cellphones & tablets)	2 478 456	(1 759 783)	718 673	1 765 455	(938 110)	827 345
Total	480 796 223	(78 982 479)	401 813 744	475 121 064	(59 034 818)	416 086 246

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Work in progress: Buildings	73 197 732	3 027 377	-	-	76 225 109
Building: East Wing	308 675 156	-	-	(14 337 817)	294 337 339
Furniture and fixtures	5 836 201	460 391	(1 195)	(694 146)	5 601 251
Motor vehicles	4 880 504	-	-	(800 373)	4 080 131
Office equipment	1 553 072	421 900	-	(223 920)	1 751 051
Computer equipment	9 227 929	1 169 316	(65 739)	(1 895 172)	8 436 334
Audio visual equipment	11 197 430	9 200	(134)	(1 192 630)	10 013 866
Artwork	219 256	-	-	(11 477)	207 779
Library books	471 621	-	-	(29 410)	442 211
Finance lease assets (Cellphones & tablets)	827 345	713 001	-	(821 673)	718 673
	416 086 246	5 801 185	(67 068)	(20 006 618)	401 813 744

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Work in progress: Buildings	69 266 988	3 930 744	-	-	73 197 732
Building: East Wing	323 012 973	-	-	(14 337 817)	308 675 156
Furniture and fixtures	5 866 881	630 452	(2 813)	(658 319)	5 836 201
Motor vehicles	5 680 877	-	-	(800 373)	4 880 504
Office equipment	1 670 885	88 200	(11)	(206 002)	1 553 072
Computer equipment	10 451 136	663 550	(75 017)	(1 811 740)	9 227 929
Audio visual equipment	12 352 099	48 990	(12 404)	(1 191 255)	11 197 430
Artwork	230 733	-	-	(11 477)	219 256
Library books	501 031	-	-	(29 410)	471 621
Finance lease assets (Cellphones & tablets)	1 190 018	525 681	-	(888 354)	827 345
	430 223 621	5 887 617	(90 245)	(19 934 747)	416 086 246

North West Provincial Legislature

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6. Property, plant and equipment (continued)

Pledged as security

No property, plant and equipment has been pledged as security for liabilities.

Fully depreciated assets

Fully depreciated assets still in use are included in the office and computer equipment balance. The majority are old assets purchased in 2007-2009 for which the useful lives have already been extended on 2 occasions and management plans to dispose and replace these assets in the near future.

No adjustment in the financial statements were made as these assets are not material. If the useful lives of computer equipment are extended, the net book value will be adjusted by R29 199 (2021: R29 199) which is 0.28% (2021: 0.28%) of the population. The net book value of office equipment, will be adjusted by R972 (2021: R972) which is 0.06% (2021: 0.06%) of the population.

Details of building

Extension of the East Wing (Legislature Building)

The NWPL has been allocated funds in the 2016/19 MTEF period for infrastructure development which relates to the extension of the east wing for the building occupied by the Legislature. The capital expenditure incurred for this project were capitalised as work in progress in the prior financial years.

The construction was finalised during the 2018/19 financial period. The building with a cost of R344 853 593 is subject to s42 of the PFMA transfer to the North West Department of Public Works and Roads in the next financial period. The NWPL has already provided required information to conclude the transfer.

Work in progress

Work in progress consists of work already carried out on the refurbishment of the Chamber and National Key Point security upgrades. To date costs has been capitalised under work in progress as follows:

- Capitalised expenditure	76 225 109	73 197 732
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Repairs and maintenance

Repairs and maintenance relating to property, plant and equipment amounting to R7 338 166.05 (2021: R7 338 180) were incurred.

A fixed asset register containing the information required by section 30 of the FMPPL Act is available for inspection at the Legislature.

7. Intangible assets

	2022			2021		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	7 553 669	(5 653 348)	1 900 321	7 553 669	(5 167 608)	2 386 061

Reconciliation of intangible assets - 2022

	Opening balance	Amortisation	Total
Computer software	2 386 061	(485 740)	1 900 321

North West Provincial Legislature

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7. Intangible assets (continued)

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
Computer software	2 865 060	6 325	(485 324)	2 386 061

Pledged as security

No intangible assets have been pledged as security for liabilities.

No contractual commitment exists for the acquisition of intangible assets.

8. Finance lease obligation

Minimum lease payments due

- within one year	561 996	732 817
- in second to fifth year inclusive	219 653	174 360

	781 649	907 177
less: future finance charges	(41 895)	(43 813)

Present value of minimum lease payments	739 754	863 364
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Present value of minimum lease payments due

- within one year	526 332	693 975
- in second to fifth year inclusive	213 422	169 389

	739 754	863 364
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Non-current liabilities	213 422	169 389
Current liabilities	526 332	693 975
	739 754	863 364

It is the Legislature's policy to lease cellphones & tablets for staff members under finance leases.

Contracts relating to cellphones and tablets have an option for renewal after 2 years. No restrictions are imposed by the lease arrangements and no purchase options exist for these assets.

The average lease term for cellphones and tablets are 2 years.

Interest rates are fixed at the inception of the contract date, which was linked to prime. The average effective borrowing rate was 7.5% (2021: 7%).

All leases have fixed repayments and no arrangements have been entered into for contingent rent.

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

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9. Provisions

Reconciliation of provisions - 2022

	Opening Balance	Additions	Total
Provision for bonus	6 162 318	-	6 162 318

Reconciliation of provisions - 2021

	Opening Balance	Additions	Total
Provision for bonus	5 653 503	508 815	6 162 318

The provision represents management's best estimate of the Legislature's liability for performance bonuses. The provision raised, is an estimates of the provision based on the anticipated performance of employees.

This anticipated performance is based on experience and performance by the employees of the Institution, taking into account performance trends in the prior periods. Furthermore, the amount of the performance bonus is determined with reference to the salary scales as at the end of the financial year.

The provision would be forfeited if the staff member resigns, prior to when it becomes due, thus the timing and value of these bonuses are uncertain.

10. Payables from exchange transactions

Trade and other payables	22 342 090	28 565 288
Accrued leave pay	16 441 946	12 374 445
13th cheque accruals	5 607 910	5 264 366
	44 391 946	46 204 099

Fair value of trade and other payables

Trade payables	44 391 946	46 204 099
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The fair value of trade and other payables approximates the carrying amount.

Accruals for 13th cheque amounts to one month's basic salary paid in the month in which the employees celebrate their birthdays. The 13th cheque is calculated on a pro-rated basis of the actual months employed if the employee only worked for part of the year.

Accrual for leave pay relates to employees' entitlement to annual leave that is due as a result of services rendered by employees up to reporting date. The accrual has been calculated based on salary rates effective on the reporting date.

11. Payables from non-exchange transactions

Amount payable to Related Parties	2 640 163	2 638 680
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Amount payable to Political Parties relates to Constituency and Secretarial allowances due to Political Parties at year end.

An amount of R1 738 000 is payable to North West Provincial Treasury as a result of overpayment of appropriation

The fair value of payables from non-exchange transactions approximates the carrying amount

North West Provincial Legislature

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12. Employee benefit obligations

Defined benefit plan

Actuarial valuations were performed to determine the financial obligation to the Legislature. The obligation is determined by calculating the present value of the possible long service award and gratuity benefit payable throughout the employee's service guided by the Legislature's policy.

a) Other long term benefits

Long service award (Employees)

Employees are entitled to a long service award after completing the following number of years' service:

- 10 years:	R 10,000
- 20 years:	R 20,000
- 30 years:	R 30,000
- Retirement:	R 10,000

Exit gratuity benefit (Members)

An Office Bearer who has served a minimum of five years and whose service is terminated is entitled to receive a once-off gratuity equal to four times pensionable monthly salary, for each five-year term, or a pro rata share of that for a part thereof, completed by the member. The probability of being re-elected has been assumed to be 33%. This implies a probability of 11% to be re-elected twice, 4% to be re-elected three times, etc.

b) Post employment benefit: Defined benefit plan

Pension fund gratuity (Members)

Political Office Bearer will receive a pension fund benefit upon ceasing to be a political office bearer which is made up of three components:

1. The basic Fund Credit comprising the total ordinary retirement-funding contributions paid by the member or by the employer on her/his behalf (including any transfer value received from another fund), plus net Fund returns.
2. The Additional Service Benefit, of 20% per year of qualifying service (up to a maximum of 10 years) multiplied by the member's Revalued Pensionable Salary as at date of leaving office. Qualifying service is all contributory service except for service as a diplomat.
3. In the case of a member who has completed more than one full term of office (or more than 5 years in office), the Equalisation Amount which is calculated as the accumulated value of deemed employer contributions of 20% of the member's pensionable salary over the member's full period of contributory service (but excluding any service as a diplomat), accumulated with Fund returns, but subject to a maximum of the difference between (a) an amount termed the Maximum Benefit and (b) the sum of (i) the member's basic Fund Credit, being the accumulated value of the member's own ordinary contributions (but excluding any such contributions made after completing 15 years of qualifying service) and the State's ordinary retirement-funding contributions, and (ii) the member's Additional Service Benefit. The Equalisation Amount has a minimum of zero.

The Maximum Benefit, as referred to above, is defined as the deemed capital value, calculated on a specified actuarial basis, of a pension annuity of 92.5% of the member's Revalued Pensionable Salary.

North West Provincial Legislature

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12. Employee benefit obligations (continued)

A member whose period of service is too short to qualify for the Equalisation Amount will instead qualify for a Terminal Gratuity benefit (which may be zero). This is the amount (if any) needed to top the member's basic Fund Credit plus Additional Service Benefit up to a total of 45% of the member's annual pensionable salary (as actually earned at the date of exit) for each year of qualifying service, pro-rated for fractions of a year. Again, service as a diplomat is excluded.

Prior to 29 February 2016 this entire benefit was met from the Political Office-Bearers Pension Fund. Following the changes to the Pension Fund Rules, on 29 February 2016, the value of the member's Additional Service Benefit, Equalisation Amount and Terminal Gratuity (as outlined above) were crystallised in the Fund at the lesser of the immediate value of these benefits as at 29 February 2016 and the discounted value of their expected amounts as at 30 June 2019 (i.e. the deemed date of the next election). Within the Fund these crystallised amounts are now pure defined contribution benefits (Fund Credits), increasing with Fund returns and further retirement-funding contributions for periods after 1 March 2016. Upon the earlier of the date of leaving office or 7 May 2019 (or the date of the next National Election if different), the amount held in the Fund (the Fund Credit) will be compared with the benefit that that the member would have received if the Rules had not been amended (as described above). If the Fund Credit is lower than the "old rules" benefit, then a gratuity will be payable outside of the Fund to compensate the member for the loss of Fund benefit(s) up to the member's date of leaving (or the election date, if earlier). This report outlines the cost of the gratuity payable outside of the Fund.

After the next election date, the gratuity amount due in respect of a member who return after the election is increased with price inflation and will ultimately be paid out upon the member's date of ceasing to be a political office bearer.

Overview

Long service awards accrued liability (Employees)

As at 31 March 2022, the total employer's accrued liability is R1,955,665. The total expense for 2021/22 was R34,504. The total recognised accrued liability as at 31 March 2022 is therefore R1,955,665. The total projected expense for 2022/23 is R73,559.

Exit gratuity accrued liability (Members)

As at 31 March 2022 the total employer's accrued liability is R2,970,610. The total expense for 2021/22 was R910,422. The total recognised accrued liability as at 31 March 2022 is therefore R2,970,610. The total projected expense for 2022/23 is R1,010,075.

Pension fund gratuity (Members)

As at 31 March 2022, the total employer's accrued liability is R5,050,000. The total expense for 2021/22 was R567,000. The total recognised accrued liability as at 31 March 2022 is therefore R5,050,000. The total projected expense for 2022/23 is R249,000.

The total employee benefit obligations recognised in the statement of financial position are as follows:

Carrying value

Present value of the defined benefit obligation-wholly unfunded	(9 976 275)	(8 464 349)
Present value of the defined benefit obligation-partly or wholly funded	-	-
	-	-
Present value of unfunded obligations	(9 976 275)	(8 464 349)
Non-current liabilities	(9 466 700)	(8 087 138)
Current liabilities	(509 575)	(377 211)
	(9 976 275)	(8 464 349)

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Figures in Rand	2022	2021
12. Employee benefit obligations (continued)		
Changes in the present value of the total long term employee benefit obligations are as follows:		
Opening balance	8 464 346	15 463 028
Benefits paid	(140 208)	(8 448 308)
Actuarial (gain) / loss	476 616	(99 734)
Net expense recognised in the statement of financial performance	1 175 521	1 549 360
	9 976 275	8 464 346

Net expense recognised in the statement of financial performance

Current service cost (included under employee related costs)	607 305	934 602
Interest cost (included under finance cost)	568 216	614 758
	1 175 521	1 549 360

Calculation of actuarial gains and losses

Discount rate changes	(22 939)	164 022
Changes in the participants to the entitled to the benefits	(225 590)	(87 936)
Miscellaneous	337 992	(618 543)
Actuarial (gains) and losses due to experience	273 000	(106 000)
Actuarial (gains) and losses due to assumptions	2 000	108 000
Staff changes	53 436	213 604
Increase in salaries	58 717	227 119
	476 616	(99 734)

Key assumptions used

The following main assumptions were used in valuing the obligation at the reporting date:

Long service award assumptions		
Discount rate	9.51 %	8.40 %
CPI	5.78 %	4.63 %
Net Discount Rate	3.53 %	3.60 %
Gratuity benefits assumptions		
Discount rate	7.08 %	5.86 %
CPI	4.39 %	3.78 %
Salary inflation:	5.39 %	4.78 %
Net Discount Rate	1.60 %	1.03 %
Pension fund gratuity assumption		
Discount rate	7.40 %	6.70 %
Asset return	7.40 %	6.70 %
Price inflation	4.30 %	3.60 %
Salary inflation	4.30 %	3.60 %

Basis of assumptions: Long service award and exit gratuity benefit.

Due to guidance received from the auditing profession, the methodology of setting the financial assumptions has been updated to be more duration specific. At the previous valuation date, 31 March 2021 the duration of liabilities was 6.22 years (long service award) and 3.25 years (exit gratuity benefit). At this duration the discount rate determined by using the Bond Exchange Zero Coupon Yield Curve as at 31 March 2022 is 9.51% (long service award) and 7.08% (exit gratuity benefit) per annum.

As mentioned in the paragraph above, the duration of liabilities was estimated to be 6.22 years (long service award) and 3.25 years (exit gratuity benefit) at the previous valuation date of 31 March 2021. At 31 March 2022 the yield on inflation-linked bonds of a similar term was about 3.05% (long service award) and 2.10% (exit gratuity benefit) per annum. This implies an underlying expectation of inflation of 5.78% per annum $[(1 + 9.51\% - 0.05\%) / (1 + 3.05\%) - 1]$ (long service award) and 4.39% per annum $[(1 + 7.08\% - 0.5\%) / (1 + 2.10\%) - 1]$.

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12. Employee benefit obligations (continued)

The CPI was used to determine the level of salary inflation of 5.39%, which was at a 1.0% premium to the CPI (exit gratuity benefit).

However, it is the relative levels of the discount rate and CPI, to one another that are important, rather than the nominal values. We have thus assumed a net discount factor of 3.53% per annum $([1 + 9.51\%] / [1 + 5.78\%] - 1)$ (long service award) and 1.59% per annum $([1 + 7.08\%] / [1 + 5.39\%] - 1)$ (exit gratuity benefit).

Basis of assumptions: Pension fund gratuity benefit.

Discount rate:

The discount rate of 7.4% proposed for the 2022 year end has been set with reference to the yields obtained from the zero coupon yield curve published by the Johannesburg Stock Exchange at 31 March 2022 at a duration of 3 years.

Due to the “better of” nature of the arrangement, the duration was previously more volatile than that which would normally be observed for a standard gratuity arrangement. As a result of the crystallisation of the benefit at the election date, we would expect the duration of the liability move in a consistent manner going forwards.

Asset returns: We have assumed that members’ Fund Credits grow in line with the discount rate used above. We would note that since the benefit is crystallised, this is no longer used.

Price inflation rate: We propose future inflation rates of 4.3% per annum for current year end. This is calculated from the difference between the yield obtained from the zero coupon yield curve published by the Johannesburg Stock Exchange and the yield obtainable on the real yield curve constructed from the available data for inflation linked bonds at points corresponding to that used in calculation of the discount rate. In the derivation of the proposed inflation rates allowance was made for a 0.5% inflation risk premium.

Salary inflation: It has been assumed that salary increases for North West Provincial Legislature members would increase in line with price inflation.

Demographic assumptions

Long service awards accrued liability (Employees):

The following demographic assumptions were applicable over the prior and current valuation periods:

Mortality		SA85-90
Normal retirement age	-	63

Amounts for the current and previous four years are as follows:

	Example at stated age	Female rates	Male rates
Withdrawal from service	20	24 %	16 %
Withdrawal from service	30	15 %	10 %
Withdrawal from service	40	6 %	6 %
Withdrawal from service	50	2 %	2 %
Withdrawal from service	55	1 %	1 %

North West Provincial Legislature

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Notes to the Financial Statements

12. Employee benefit obligations (continued)

Effect of mortality on the obligation for long service awards and gratuity benefits

The table that follows shows the impact of a change in the mortality assumption from SA85-90 to SA85-90-2, i.e. a two-year adjustment.

	31 March 2022 *Mortality	
	Valuation basis basis -2	
Employer's accrued liability	4 926 272	4 948 304
Employer's expense cost	1 145 890	1 150 778

* Mortality Basis -2 (with a two-year age adjustment) means that, to each beneficiary we assigned a mortality rate of an individual two years younger than that beneficiary. The resulting mortality implies that the individual lives longer than expected in the valuation basis.

The above table highlights the effects of a two-year adjustment to the mortality assumption as at 31 March 2022. The adjustment would result in a 0.53% increase in the long service awards accrued liability and 0.40% increase in the gratuity accrued liability.

Effect of discount rate assumption on the long service award liability (Employees)

The future cashflows emanating from bonuses earned on accrued service are discounted back to present value via the duration specific discount rate. The current discount rate assumption, which forms part of the valuation basis, was 8.4%. The effect of a one percent increase and decrease in the discount rate is as follows:

	One percentage point decrease	31 March 2022 Valuation basis	One percentage point increase
Employer's accrued liability	2 067 179	1 955 665	1 855 259
Employer's service cost	184 114	173 111	163 262
Employer's interest cost	164 290	173 023	180 699

The above table illustrates that for the 31 March 2022 financial year, a 1% increase in the discount rate assumption will result in roughly a 5.13% decrease in the accrued liability. Similarly, a 1% decrease in the discount rate assumption will result in roughly a 5.70% increase in the accrued liability.

Effect of salary inflation on the exit gratuity payable (Members)

The valuation bases assume that the salary inflation rate (which manifests itself as the annual increase in employees' salaries which determine the Gratuity payable) will be 1.06% less than the corresponding discount rate, in the long term. The effect of a one percent increase and decrease in the salary inflation rates is as follows:

	One percentage point decrease	31 March 2022 Valuation basis	One percentage point increase
Employer's accrued liability	3 046 429	2 970 610	2 900 647
Employer's expense cost	832 429	799 756	769 440

The above table illustrates that for the 31 March 2022 financial year, a 1% increase in the salary cost inflation assumption will result in roughly a 2.35% increase in the accrued liability. Similarly, a 1% decrease in the salary inflation assumption will result in roughly a 2.55% decrease in the accrued liability.

North West Provincial Legislature

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12. Employee benefit obligations (continued)

Effect of discount rate assumption on pension fund gratuity liability (Members)

The effect of a one percent increase and decrease in the discount rate is as follows:

	One percentage point decrease	31 March 2022 Valuation basis	One percentage point increase
Effect on the aggregate of the service cost and interest cost	5 148 000	5 050 000	4 954 000
	-	-	-

The amounts for the current and previous three years were as follows.

	2022	2021	2020	2019
Defined benefit obligation	9 976 275	8 464 346	15 463 028	19 680 123

13. Interest income

Interest revenue

Bank	5 386 733	3 429 937
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14. Revenue

Commissions received	111 111	105 145
Interest income	5 386 733	3 429 937
Donated funds (PSETA)	372 400	1 458 000
Appropriation	465 517 000	450 511 000
	471 387 244	455 504 082

The amount included in revenue arising from exchanges of goods or services are as follows:

Commissions received	111 111	105 145
Interest income	5 386 733	3 429 937
	5 497 844	3 535 082

The amount included in revenue arising from non-exchange transactions is as follows:

Other revenue

Donated funds (SETA)	372 400	1 458 000
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Transfer revenue

Appropriation	465 517 000	450 511 000
	465 889 400	451 969 000

Donated funds

PSETA and North West Provincial Legislature entered into an agreement of discretionary grant funding towards a learnership programme for 50 unemployed eligible learners. NWPL is meant to implement the learnership programme by recruiting and monitoring of the learners.

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
15. Appropriation		
Operating grants		
Annual appropriation	479 152 000	408 858 000
Statutory appropriation	35 103 000	43 302 000
Less: Unfunded portion	(1 738 000)	(1 649 000)
Less: Roll over - Retained Earnings	(47 000 000)	-
	465 517 000	450 511 000

Annual appropriation

Included in above are the following appropriation received:

Final appropriation: Administration Programme	279 128 000	230 953 000
Final appropriation: Legislative Operations Programme	200 024 000	177 905 000
Actual Funds Received	(430 414 000)	(407 209 000)
Funds not requested/not received	48 738 000	1 649 000

Statutory appropriation

Member's Remuneration	35 103 000	43 302 000
Actual Statutory Appropriation received	(35 103 000)	(43 302 000)
Funds not requested/not received	-	-

The total Appropriation for the NWPL for the 2021/22 period amounts to R514 255 000 which is made up of R479 152 000 which is the Annual appropriation (made up of R279 128 000 for the Administration programme and R200 024 000 for the Legislative operations programme) and R35 103 000 which is the Statutory funds. Funds not requested/ not received related to roll over (R47 000 000) and unfunded portion (R1 738 000).

16. Remuneration cost

Remuneration of members	30 848 687	30 132 723
Remuneration of staff	200 955 321	195 168 966
	231 804 008	225 301 689

Remuneration of members

Basic earnings	24 148 342	31 184 348
Car allowance	300 000	298 000
Group life Insurance	562 343	472 721
Medical Aid Company contributions	1 943 136	1 977 519
Pension contributions	3 894 866	3 877 983
Employee benefit obligation	-	(7 677 848)
	30 848 687	30 132 723

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
16. Remuneration cost (continued)		
Remuneration of staff		
13th Cheque	11 262 988	10 414 806
Leave pay provision charge	4 870 763	3 510 694
Bonus	1 793 161	5 617 520
Overtime Payments	242 511	151 588
Basic earnings	131 725 436	128 768 543
Acting Allowance	2 615 442	1 604 856
Uniform allowance	41 970	-
Housing benefit allowance	8 657 114	8 074 330
Car allowance	8 737 187	7 218 290
Unemployment Insurance Fund	424 591	372 544
Group life insurance	3 918 599	3 018 513
Medical aid company contributions	10 946 062	10 701 616
Pension contributions	15 719 499	15 551 522
Employee benefit obligation	-	164 146
	200 955 321	195 168 966

The Government Employees Pension Fund (GEPF)

Contribution to the GEPF for the reporting period	15 719 499	15 551 522
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Contributions to pension funds

Retirement benefits are provided by membership of the Government Employees Pension Fund which is a defined benefit fund. The North West Provincial Legislature's responsibility regarding the funding of the shortfall of the pension fund is limited to the current contributions made on behalf of its employees. The obligation of the fund is guaranteed by the National Revenue Fund and not by the individual government departments and entities. This responsibility is governed by the Government Employees Pension Law, Proclamation 21 of 1996.

The Political Office Bearers Pension Fund (POBF)

Contribution to the POBF for the reporting period	3 894 866	3 877 983
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Contributions to pension funds

The Political Office Bearers Pension Fund has a defined contribution and a defined benefit section in terms of which the basis of funding of retirement benefits is on a defined benefit basis through additional service and equalisation benefits provided by National Treasury, and on a defined contribution basis through the utilisation of the member credits accumulated. This responsibility is governed by the Members of Parliament and Political Office Bearers Pension Scheme Act, 1984 (Act No. 112 of 1984) as amended in 1992. The North West Provincial Legislature's responsibility regarding the funding of the shortfall of the pension fund is limited to the current contributions made on behalf of its employees.

17. Finance costs

Finance cost	62 880	1 276 576
Employee benefit interest cost	724 823	614 758
	787 703	1 891 334

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
18. Transfers and subsidies		
Research allowance	4 365 900	4 158 000
Secretarial allowance	3 213 789	3 060 756
Constituency allowance	33 018 088	31 445 437
Political party funding	27 335 149	11 747 760
	67 932 926	50 411 953

Transfers and subsidies relate to non-exchange payments made to Political Parties.

19. Goods and services

Advertising		3 935 812	8 376 179
Assets expensed		754 751	342 007
Auditors remuneration	21	3 276 377	2 921 669
Bank charges		100 346	108 304
Catering expense		3 942 902	1 412 705
Committee expenses		1 342 746	1 645 604
Communication expense		4 748 590	5 148 209
Conferences and seminars		351 802	6 500
Consulting and professional fees	23	32 636 563	19 917 588
Consumables		1 414 722	447 004
Consumables: Diesel		628 664	431 508
Expenditure incurred to repair and maintain		8 248 263	7 342 574
Gifts and promotional		342 041	155 732
Insurance		536 313	560 887
Learnership & bursaries		648 139	2 769 703
Legal cost		1 529 816	2 446 124
License fees		5 648 005	3 821 779
Motor vehicle expenses		1 077 502	674 617
Plants and Flowers		13 475	6 850
Printing and stationery		2 569 504	2 692 773
Professional bodies, membership and subscription fees		988 578	763 511
Rental & hiring expenses		7 869 472	7 706 441
Security services		2 875 520	4 123 098
Staff welfare		22 875	27 993
Training		2 445 956	386 192
Travel and accommodation		28 290 935	14 342 749
Uniforms		226 225	34 739
Venues and facilities		4 820	5 000
		116 470 714	88 618 039

20. Operating surplus

Operating surplus for the year is stated after accounting for the following:

Profit/(Loss) on sale of property, plant and equipment	(58 817)	(68 855)
Amortisation on intangible assets	485 740	485 324
Depreciation on property, plant and equipment	20 006 621	19 933 929
Remuneration costs	231 804 007	225 301 687

21. Auditors' remuneration

Fees	3 276 377	2 921 669
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North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
22. Cash generated from operations		
Surplus	32 127 090	68 892 695
Adjustments for:		
Depreciation and amortisation	20 492 364	20 419 253
(Gain)/Loss on sale of assets and liabilities	58 817	68 855
Finance costs	787 703	1 891 334
Interest received basis difference	(168 819)	(70 243)
Bad debts written off	1 237 007	-
Movements in employee cost	(1 777 752)	4 209 771
Transfers and subsidies	500 001	3 938 680
Actuarial gains/losses	476 616	(99 734)
Commission	(111 111)	(105 145)
Changes in working capital:		
Receivables from exchange transactions	(6 245 958)	(596 140)
Receivables from non-exchange transactions	500 001	90 000
Payables from exchange transactions	988 968	5 257 960
Payables from non-exchange transactions	1 483	(2 403 000)
Prior period adjustment	-	33 261
	48 866 410	101 527 547
23. Consulting and professional fees		
Financial consulting	19 300 740	16 177 325
Information Systems Consultants	12 713 085	3 396 827
Sign language Interpreters	593 000	336 000
Other consultants	29 738	7 436
	32 636 563	19 917 588

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
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24. Contingencies

Contingent liabilities

Imbizo Office Furniture (Supplier) has filed a civil action against NWPL in 2014 over an appointment letter issued by the NWPL that was not honoured as a result of a tender process. This case is still active according to court records. The potential cost to the Legislature amounts to R14 560 145.

EFF members have filed a civil action against the NWPL in February 2021 over the alleged unlawful assault on their members during the State of Province address that was held on the 20th of February 2020. This case is still active according to court records. The potential cost to the NWPL amount to R4 500 000.

SA Pulse Media had entered into a written agreement with NWPL during March 2016 where they provide the advertorial services to the NWPL. SA Pulse Media alleges that they performed the services (Banner Weblink and Premium Listing) in terms of their contractual agreement. Invoice PM-229111-SA was issued but never been paid by NWPL. This case is still active according to court records. NWPL disputes that the service was received from the supplier and that the party to contract was not duly authorised to enter any contract on behalf of the NWPL. The potential cost to the NWPL amount to R683 726,40.

Nature of contingent liabilities

Imbizo Office Furniture	14 560 145	14 560 145
EFF Members	4 500 000	4 500 000
SA Pulse Media	683 726	683 726
	19 743 871	19 743 871

Contingent assets

The Legislature instituted summons against a member for the recovery of over-expenditure on his private quota. This case was instituted in Mmabatho High Court and the case has been resolved.

Nature of contingent asset

Staff labour dispute	-	131 516
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North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
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25. Related parties

Relationships

Custodian of public resources	The North West Provincial Treasury
Registered owner of the legislature buildings and precinct	North West Department of Public Works and Roads
Close family member of key management	None

Members of key management

Speaker of the Legislature	Hon SR Dantjie
Deputy Speaker	Hon Motsumi
Secretary of the Legislature	Mr OS Mosiane (Deceased: 03 September 2021)
Secretary of the Legislature	Adv L Netshitumbu (Appointed from 01 January 2022)
Executive Manager: Finance	Mr T Lehutso
Acting Secretary of the Legislature	Mr AJ Maphetle (From 02 August 2021 to 31 December 2021)
Executive Manager: Support Services	Mr AJ Maphetle
Acting Executive Manager: Support Services	Ms Tselapedi (From 22 September 2021 to December 2021)
Acting Executive Manager: Committees, Public Participation & Research	Mr BM Tsenga
Executive Manager: Office of the Speaker	Mr TE Chaane
Executive Manager: Proceedings, Hansard And NCOP	Ms A Diutlwileng

Emoluments of key management have been disclosed in note 27.

The members and executives of the North West Provincial Legislature are disclosed in the Accounting Officer's report, item 9.

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties

Other receivables from exchange transactions	554 985	554 985
Payables from non-exchange transactions	1 738 000	-

Included in other receivables are amounts recoverable from Members due to cell phone use and subsistence and travel expenses. The terms and conditions of the related party balance is interest free, unsecured and the repayment terms is per the discretion of management.

Included in Other receivables from exchange transactions are a provision for bad debts for MPLs amounting to R446 245: March 2022 (R197 417: 2021).

Included in Payables from non-exchange transactions is a deposit incorrectly paid from North West Provincial Revenue Fund.

Related party transactions

Revenue received from related parties

North West Provincial Revenue Fund	465 517 000	450 511 000
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Payments to related parties

Hon Mahlakens	-	116 783
Hon Moiloa	-	5 358
Hon Diale	1 178 937	1 120 518
Hon Schutte	-	415 390
Hon Motswenyane	-	639 563
Hon Theologo	1 449 237	1 144 845
Hon Botswe	1 448 803	1 386 546
Hon Faleni	-	350 633
Hon Motsi	-	340 342
Hon Sehloho	-	391 585
Hon Mosala	-	500 441
Hon Ntshangani	-	765 487
Hon Tlhapi	-	5 358

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
25. Related parties (continued)		
Hon Babuile	1 390 288	1 309 316
Hon Visser	-	3 064
Hon Elisha	-	2 035 926
Hon Galeng	-	900 852
Hon Tlhape	-	3 745
Hon Masike	-	1 231 315
Hon Cwaile	772 580	910 295
Hon Dikolomela	1 183 390	1 139 675
Hon Dliso	1 452 690	1 397 162
Hon Edwards	1 456 110	1 129 189
Hon Kegakilwe	-	1 613
Hon Kerileng	1 236 722	1 211 565
Hon Kleynhans	1 217 147	1 181 850
Hon Lenkopane	1 403 902	1 403 343
Hon Mataboge	1 398 493	1 379 175
Hon Medupe	1 512 621	1 415 811
Hon NL Miga	372 722	567 840
Hon Motswana	1 408 791	1 393 452
Hon Mosenogi	-	1 613
Hon Nel	1 311 146	1 379 810
Hon Rabotapi	1 324 704	1 303 747
Hon Sebegoe	1 620 969	1 591 694
Hon Sonakile	1 399 478	1 277 735
Hon Williams	1 369 496	1 448 452
Hon Xaba	1 269 090	1 223 162
Hon Maape	18 691	-

North West Provincial Revenue Fund

2021

- Revenue received relates to the annual appropriation received from Provincial Revenue Fund in the normal course of business.

2022

- Revenue received relates to the annual appropriation received from Provincial Revenue Fund in the normal course of business

26. Services in kind

South African Police Service (SAPS)

North West Provincial Legislature receives services relating to the safeguarding of the building from SAPS at no cost to the Legislature.

North West Department of Public Works and Roads

North West Provincial Legislature occupies a building owned by the North West Department of Public Works and Roads. No rental or utilities are being paid by the North West Provincial Legislature.

North West Provincial Legislature was not able to determine the above service in kind at year end, as the calculation thereof was impractical. Currently no active market exist to determine the market value of the service in kind

National Parliament

National Parliament paid for training in the current financial year. The training amounted to R23 900 per member, however 1 member was billed R16 200. Total of 12 members of parliament received the training. National Parliament paid R279 100 for the training of the members of parliament.

North West Provincial Legislature
Financial Statements for the year ended 31 March 2022
Notes to the Financial Statements

Figures in Rand

27. Management emoluments

Executive

2022

	Basic salary	13th cheque/Per formance bonus	Pension fundcontri bution	Medical aidcontri bution	Contribution to bargainin gcouncil	Contribution to Old Mutual	Unemployment Insurance F und(UIF)	Total
Speaker of the Legislature	1 590 587	-	267 002	120 206	-	40 380	-	2 018 175
Deputy Speaker	1 253 330	-	216 063	131 296	-	32 676	-	1 633 365
Secretary of the Legislature	1 002 634	117 048	109 583	22 440	23	26 306	1 006	1 279 040
Secretary of the Legislature	598 771	-	64 994	-	14	15 234	531	679 544
Acting Secretary of the Legislature	806 911	186 355	59 535	17 952	18	12 262	708	1 083 741
Executive Manager: Support Service	1 051 015	-	124 474	36 082	36	35 295	1 360	1 248 262
Acting Executive Manager: Support Service	395 209	69 270	37 521	-	14	10 304	471	512 789
Executive Manager: Proceedings, Hansard And NCOP	1 566 984	114 491	179 680	8 302	54	39 763	2 069	1 911 343
Executive Manager: Office of the Speaker	1 704 090	298 697	167 750	-	54	42 780	2 069	2 215 440
Acting Executive Manager: Committees, Public Participation & Research	1 588 109	97 411	152 726	-	54	33 774	2 069	1 874 143
Executive Manager: Finance	1 602 588	186 355	184 016	-	54	48 212	2 069	2 023 294
	13 160 228	1 069 627	1 563 344	336 278	321	336 986	12 352	16 479 136

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in Rand

27. Management emoluments (continued)

2021

	Basic salary	13th cheque/Per formance bonus	Pension fundcontri bution	Medical aidcontri bution	Contribution to bargainin gcouncil	Contribution to Old Mutual	Unemployment Insurance F und(UIF)	Total
Speaker of the Legislature	1 595 585	-	267 002	115 208	-	34 425	-	2 012 220
Deputy Speaker	1 269 196	-	216 063	130 012	-	27 858	-	1 643 129
Secretary of the Legislature	2 508 431	281 236	241 940	68 827	54	42 407	1 785	3 144 680
2nd Deputy Secretary of the Legislature	220 388	80 417	12 545	4 159	5	2 295	149	319 958
Executive Manager: Support Service	1 507 549	114 491	163 954	62 747	-	34 531	1 785	1 885 056
Executive Manager: Proceedings, Hansard And NCOP	1 967 439	114 491	218 518	32 269	54	38 391	1 785	2 372 947
Executive Manager: Office of the Speakers	1 657 513	206 115	138 184	-	54	29 029	1 785	2 032 680
Executive Manager: Infrastructure	83 735	12 440	-	-	54	-	-	96 229
Acting Executive Manager: Committees, Public Participation & Research	426 878	-	37 911	-	14	-	-	464 803
Executive Manager: Finance	1 570 452	114 491	164 861	-	54	34 860	1 785	1 886 503
	12 807 166	923 681	1 460 978	413 222	289	243 796	9 074	15 858 205

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

28. Commitments

Authorised capital expenditure

	2022		2021	
	Within 1 year	Within 2 - 5 years	Within 1 year	Within 2 - 5 years
Already contracted for				
NWPL Chamber	5 843 814	8 824 620	5 843 814	8 824 620
NWPL Security Upgrades	13 613 043	5 815 235	12 974 718	9 480 937
	19 456 857	14 639 855	18 818 532	18 305 557

Total capital commitments

Already contracted for	19 456 857	14 639 855	18 818 532	18 305 557
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Total commitments

Total commitments

Authorised operational expenditure	19 456 857	14 639 855	18 818 532	18 305 557
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The commitments relates to the refurbishment of the North West Provincial Legislature Chamber as well as the Security Upgrade designs of the National Key Point. The funds budgeted for the refurbishment of the chamber were reprioritized and as such, no expenditure has been incurred in the financial period 2021/22. Construction on the refurbishment of the Chamber has been delayed due to review, reprioritization and re-sequencing of sub-projects within the main project. The carrying value of the refurbishment of the Chamber amounts to R69 266 988. No impairment losses have been recognised. The NWPL paid R3 930 744,27 and accrued R3 027 376,94 related to security upgrades.

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	193 190	-
- in second to fifth year inclusive	633 313	-
	826 503	-

The operating lease is for a period of 60 months and has an escalation rate of 4.5% per annum. The amount paid for the year is R184,870.56 and the straight-lined expense for the period is R202,274.63.

Operating lease payments represent rentals payable by the Legislature for its printers. Leases are negotiated for an average term of five years. No contingent rent is payable.

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

29. Prior period errors

Property, plant and equipment

a) Computer equipment that was supposed to be disposed of in the previous financial year, was only accounted for in the current financial year. This resulted in the property, plant and equipment being overstated with R31 695.50 (Cost price: R49 098.86, Accumulated depreciation: R17 403.36), the loss on disposal of assets being understated with R32 513.40 and the depreciation being overstated with R817.90.

Payables

b) The accruals for the prior period were reassessed and reversed after reconciliation with the supplier. The effects of the reversal resulted in the following adjustment:

- An accrual of R385 420.86 that relates to the 2020/2021 financial year was only identified and raised in the 2021/2022 financial year. This resulted in an increase in the goods and services of R385 420.8 and an increase in payables of R385 420.82.
- An accrual of R236 111.95 that relates to the 2020/2021 financial year was only identified and raised in the 2021/2022 financial year. This resulted in an increase in the goods and services of R236 111.95 and an increase in payables of R236 111.95.
- An accrual of R5 501.00 that relates to the 2019/2020 financial year was paid in the 201/2022 financial year. This resulted in a decrease in the payables of R5 501.00 and an increase in retained earnings of R5 501.00.

Receivables

c) An overpayment was made to the Public Investment Corporation for NCOP office rental for the following periods:

- In the 2019/2020 period which resulted in an increase in debtors of R26 163.65 and an increase in retained earnings of R26 163.65.
- In the 2020/2021 period which resulted in an increase in debtors of R325 166.03 and an increase in goods and services of R325 166.03.

Goods and Services

d) An accrual of R1 016 316.96 that relates to the 2020/2021 period and an amount of R84 501.98 that relates to the 2019/2020 period was reversed as the amount was received in the current year. This results in an decrease in payables of R1 100 818.94 and a decrease in legal fees of R1 016 316.96 and an increase in retained earnings of R84 501.98.

The correction of the error(s) results in adjustments as follows:

Statement of financial position

Property, plant and equipment	(31 696)	-
Receivable from exchange transaction	325 166	26 164
Payables from exchange transactions	479 286	5 501

Statement of financial performance

Goods and services	(719 950)	-
Retained earnings	(84 502)	(31 665)
Depreciation	(818)	-
Loss on sale of assets	32 513	-

30. Fruitless and wasteful expenditure

Opening balance	1 185 546	1 151 694
Add : Public Investment Corporation Interest	1 405	3 669
Add: Interest AMS (Library Books)	-	11 277
Add: Traffic fines, cancellations and repair charges	121 701	55 984
Add: Umbengo (Damage due to negligence)	-	66 784
Less: Debt acknowledged and recovered	-	(27 599)
Less: PIC Interest Acknowledged as debt	-	(3 669)
Less: Traffic fines, Cancellations and repair charges debt acknowledged as debt	-	(5 809)
Less: Umbengo (Damage due to negligence) refunded	-	(66 784)
	1 308 652	1 185 547

Fruitless and wasteful expenditure for the 2021/22 period comprises of interest on over due accounts and late payments to suppliers, costs for damages due to negligence, traffic fines, cancellation fees and repairs charged incurred from travel agencies.

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
31. Irregular expenditure		
Opening balance	267 391 001	347 995 894
Add: Irregular Expenditure - current year	1 769 095	4 870 031
Less: Adjustment	(2 699 866)	(181 194)
Less: Amounts recoverable (condoned)	(1 347 125)	(85 293 731)
	265 113 105	267 391 000

Analysis of expenditure awaiting condonation per age classification

Current year	1 769 095	4 870 031
Prior years	263 344 010	262 520 969
	265 113 105	267 391 000

Details of irregular expenditure

	Disciplinary steps taken/criminal proceedings		
Irregular expenses	Amounts under investigation but not finalised	14 951 899	15 386 019
Irregular contracts	Amounts under investigation but not finalised	248 797 776	250 641 551
Travel card fraud	Amounts under investigation but not finalised	1 363 430	1 363 430
		-	-
		265 113 105	267 391 000

Irregular expenditure of R1 769 094 was incurred as at 31 March 2022. A total amount of R1 347 124,97 was approved for condonation by the Speaker and an additional R2 699 865,90 de-recognized from the irregular expenditure register. Included in the current year total of R1 769 094 is an amount of R568 380,00 which relates to PIC.

32. Unauthorised expenditure

Unauthorised expenditure	18 743 000	18 743 000
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The unauthorised expenditure has been investigated and submitted to Provincial Treasury for condonation and this expenditure has not yet been approved. The total amount of R18 743 000 is awaiting condonation.

33. Budget differences

Material differences between budget and actual amounts

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

33. Budget differences (continued)

The budget is approved on a cash basis by functional classification and allocated according to the Expenditure Reporting Framework. The Approved budget covers the period from 1 April 2021 to 31 March 2022. The budget and accounting basis differ. The financial statements are prepared on the accrual basis using a classification on the nature of expenses in the statement of financial performance.

The amounts in the financial statements were reconciled from the accrual basis to the cash basis and reclassified by functional classification to be on the same basis as the final approved budget. A reconciliation between the actual amounts on a comparable basis as well as the amounts of these adjustments are identified and presented in the statement of comparison of budget and actual amounts and the actual amounts in the cashflow statement for the period 31 March 2022. The financial statements and the budget documents are thus not prepared for the same period. Furthermore, there is a basis difference: the budget is prepared on a cash basis and the financial statements are prepared on the accrual basis.

33.1

Interest Received

The year on year increase on the interest received is as a result of the higher credit balances as compared to the prior financial year.

Other Income

Other Income comprises of funds which were received from PSETA for learnerships. The year on year decline on the fund is as a result of the proportional funding of the programme according to its duration across financial years.

33.2

Appropriation

The total Appropriation for the NWPL for the 2021/22 period amounted to R514 255 000 of which R465 517 000 relates to the funded portion for the current year, R47 000 000 relates to an amount reallocated from the prior year and R1 738 000 related to the unfunded portion.

Funded Portion

The R465 517 000 is funded by the North West Provincial Treasury.

Unfunded Portion

The unfunded portion is made up of R1 738 000 which the Provincial Legislature is expected to fund from its own revenue.

33.3

Employee Related Cost

33.3.1

Employee Cost

1. During the 2021/22 financial period, the Legislature had advertised and budgeted for various vacancies which were filled.
2. The PMDS payments in the current year was lower than that of the prior year.

33.3.2

Transfer and Subsidies

1. Transfers and subsidies were paid in accordance with the members enabling policy. No further adjustments were required in the current year.
2. The African National Congress further repaid a portion of their debt to the value of R500 000.

33.3.3

Finance Cost

Finance costs are not budgeted for.

33.3.4

Goods and Services

The underspending is mainly linked to activities that could not be performed and some public participation programmes had to be converted to virtual and hybrid platforms as a result of the COVID-19 restrictions.

The relaxation of the national state of disaster provided legislature with the opportunity to meet more of their obligations in the current year, compared to the prior year.

33.3.5

Capital Assets Capitalised

There has been a delay in the implementation of the National Key Point security upgrade as well as the refurbishment of the

North West Provincial Legislature

Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

33. Budget differences (continued)

Chamber.

34. Risk management

Financial risk management

Due to the largely non-trading nature of the activities and the way in which it is financed, the legislature is not exposed to the same degree of financial risk faced by business entities.

The Legislature recognises the need to implement Risk Management. The Accounting Officer accordingly maintains effective, efficient and transparent systems of risk management and internal control. Risk management is an integral part of the institution's activities to reduce risks to acceptable levels. Continued integration of risk management into key decision-making processes of the organisation was also achieved with the explicit inclusion of risk management principles into the department's strategic and business planning processes.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The Legislature's risk to liquidity is a result of the funds available to cover future commitments. The Legislature manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the Legislature's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Finance lease obligations	526 331	213 422	-	-
Payables from non-exchange transactions	2 640 163	-	-	-
Payables from exchange transactions	27 950 000	-	-	-
At 31 March 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Finance lease obligations	693 975	169 389	-	-
Payables from non-exchange transactions	2 638 680	-	-	-
Payables from exchange transactions	33 829 654	-	-	-

Credit risk

Credit risk consists mainly of cash and cash equivalents and trade receivables from exchange - and non-exchange transactions. The legislature only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Refer to note 5 in Cash and cash equivalents for the total facilities of credit cards with their respective limits.

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

Financial instrument	2022	2021
Cash & cash equivalents	215 994 583	174 026 660
Receivables from exchange transactions	2 729 709	2 913 620
Receivables from non-exchange transactions	772 257	1 272 258

Receivables from exchange transactions have been updated to exclude prepayments which does not fall within the definition of financial instruments.

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34. Risk management (continued)

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.

35. Operating lease asset (accrual)

Current liabilities	(17 404)	-
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The operating lease is for a period of 60 months and has an escalation rate of 4.5% per annum. The amount paid for the year is R184,870.56 and the straight-lined expense for the period is R202,274.63.

36. Going concern

We draw attention to the fact that at 31 March 2022, the Legislature had an operating surplus for the period of R 32 127 090 and that the Legislature's total assets exceed its liabilities by R566 583 496.

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

The ability of the Legislature to continue as a going concern is dependent on the fact that the Legislature would receive appropriation from North West Provincial Treasury for its ongoing operations

37. Impact of Covid-19 on the Legislature

The worldwide pandemic, Coronavirus had a significant impact on Legislature's normal operations in the previous financial year and has continued to impact on the operations of the Legislature in the 1st 2 quarters of the financial year, forcing the NWPL to implement the new normal wherein virtual and hybrid platforms were utilized to that ensure business continuity is not compromised.

Although in the past financial year Public participation and Legislature oversight programmes had to be suspended, the NWPL has now adjusted to the new normal wherein efficiency gains are obtained through conducting the business of the Legislature through virtual and hybrid platforms.

The NWPL established a Covid-19 Committee in the previous financial year and has maintained the effective functioning thereof in the 2021/22 financial year. This is to ensure that the NWPL is kept abreast and complies with the periodic reviews of the adjusted risk management strategies. The Committee has been effective in ensuring that proactive measures are implemented to address risks that emerge as a result of new waves that are encountered.

The Committee has issued a number of instructions/directives to the staff and MPLs to curb the spread of the virus amongst all stakeholders. This is evidenced by the shutdown of the premises (with restricted access) after a breakout of multiple positive cases during the 1st quarter of the 2021/22 financial year. Despite the shutdown of the premises, a directive was issued, outlining the protocols to be observed for remote working and rotational onsite work schedule.

Inasmuch as the new normal resulted in financial efficiency gains, fiscal pressure was experienced in a form of procurement of tools of trade, procurement of additional radio airtime (including simulcast broadcasting) as well as provision for additional data and airtime.

As the NWPL has successfully managed to procure most of the once-off needed material and equipment in the previous financial year, the earmarked funds for COVID-19 funds were reduced from R5 million to an earmarked allocation of R2.5 million. This is a 50 % reduction year-on-year.

The following significant spending was reported against the R2.5 million allocation:f

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37. Impact of Covid-19 on the Legislature (continued)

Disinfection/ Decontamination of the NWPL premises	: R1 878 697.50
Provision of PPE and sanitisers	: R 387 188.90
Total	: R 2 265 886.40

The reduction of budget by 50 % year-on-year did not compromise the compliance status of the NWPL but it was adequate to deal with the identified needs for the current financial year. The expenditure disclosed above amount to 91% of the allocated budget.

NOTES

[illegible]

[illegible]



NORTH WEST PROVINCIAL LEGISLATURE

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