

SECTION 4: ACCOUNTING REPORT

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2007.

Audit Committee members and attendance

The Audit Committee is the same as that of the Department of Justice and Constitutional Development and consists of the members listed below. It is required to meet four times a year as per its approved terms of reference. During the current year nine meetings were held, some concurrently with the meetings of the Department of Justice and Constitutional Development.

Table 19: Meeting attendance by Audit Committee members

Name of Member	Number of Meetings attended
Stewart Patterson (Chairperson)	9
Cedric Boltman	8
Ntombi Langa-Royds	6
Motsamai Karedi	9
Andrew Sefala (removed 19 January 2007)	1

Ms. Catharina Sevillano-Barredo, a chartered accountant (SA), joined the Audit Committee on 29 May 2007.

Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The Chief Audit Executive of the DoJ&CD assumed control of the internal audit function of the NPA at the request of the Accounting Officer in 2006 and the decision was subsequently taken to integrate the internal audit staff of the NPA and the DoJ&CD into one unit. Difficulties were experienced with the integration process and this, combined with staff shortages, resulted in certain internal audit functions being outsourced in the latter part of the year.

The system of internal control was not entirely effective during the year under review, as compliance with prescribed policies and procedures were lacking in certain instances. During the year under review, several instances of non-compliance were reported by internal and external auditors that resulted from a breakdown in the functioning of controls.



In particular we are concerned that the lack of adequate IT controls may impair the ability to ensure security of sensitive and confidential information.

Common causes of significant findings reported by internal audit were:

- over-riding of control by management
- lack of skills training or inadequate training
- lack of supervision and discipline
- lack of capacity due to vacancies
- ineffectiveness of human resources function.

Contributory reasons for these are, in certain instances, a lack of laid down policies and guidelines and inadequately developed systems.

These weaknesses continue to be addressed by the Accounting Officer and the management team although certain elements appear to be endemic.

Internal audit has been unable to review and audit the Witness Protection Unit and accordingly we are unable to comment on the effectiveness of internal controls in this area.

Significant control weaknesses have been reported by the Auditor-General under emphasis of matter in the management letter. In certain instances the weaknesses reported previously have not been fully and satisfactorily addressed. The effect on these instances has been included in the annual financial statements and the report of the Accounting Officer.

Quality of in-year management and monthly/quarterly reports submitted in terms of the PFMA and the Division of Revenue Act

The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review.

Evaluation of Financial statements

The Audit Committee has:

- reviewed and discussed with the Auditor-General and Accounting Officer, the audited annual financial statements to be included in the annual report;
- reviewed the Auditor-General's management letter and management response thereto;
- reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements may be accepted and read together with the report of the Auditor-General.

.....
Stewart Patterson
Chairperson of the Audit Committee
16 August 2007

Report of the Auditor-General

Report of the Auditor-General to Parliament on the financial statements and performance information of the National Prosecuting Authority for the year ended 31 March 2007

Report of the financial statements

Introduction

1. I have audited the accompanying financial statements of the National Prosecuting Authority (NPA) which comprise the statement of financial position as at 31 March 2007, appropriation statement, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 84 to 123.

Responsibility of the Accounting Officer for the financial statements

2. The Accounting Officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), Auditor-General Audit Circular 1 of 2005. This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
 - selecting and applying appropriate accounting policies; and
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with General Notice 647 of 2007, issued in Government Gazette No. 29919 of 25 May 2007.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
 - appropriateness of accounting policies used;
 - reasonableness of accounting estimates made by management; and
 - overall presentation of the financial statements.



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

Basis of accounting

8. The NPA's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as set out in the accounting policy 1.1 to the financial statements.

Basis for qualified opinion

9. Assets

The following deficiencies amongst others were identified mainly due to ineffective asset management as monitoring mechanisms not been put in place:

- the opening balance of R61 million and adjustments to the opening balance of R30 million for machinery and equipment, as disclosed in note 26 to the financial statements, do not agree to the asset register;
- accounting policy 4.7 states that where the cost of an asset cannot be determined accurately, the asset may be stated at fair value. Own assets amounting to R61 million and leased assets amounting to R107 million were valued at fair value, where the cost price was available;
- the asset register was done on an excel spreadsheet with insufficient compensating controls to ensure the integrity of data;
- the existence of assets in the regions could not in all instances be verified and some assets could not be traced to the asset register;
- the closing balance of computer equipment incorrectly includes intangible assets amounting to R20 million; and
- leased assets disclosed in note 26 excludes leased assets with an estimated value of R37 million, as no asset register was maintained.

I am therefore unable to confirm the completeness, existence and valuation of assets and the accuracy of the closing balance of the assets as disclosed in note 26 to the financial statements.

10. Lease commitments

The operating and finance lease commitments as disclosed note 22 to the financial statements are overstated by R40 million and R5 million respectively, as the lease commitment was not determined according the rental schedules stipulated in the contract.

11. Intangible assets

Intangible assets amounting to R14 million purchased during the year was classified on the statement of financial performance as current expenditure instead of capital expenditure.

12. Commitments

Commitments disclosed in note 19 to the financial statements are overstated by orders fulfilled during the financial year amounting to R10 million.

13. Prepayments

Prepayments amounting to R10 million have been incorrectly accounted for as current expenditure in the financial statements. Prepayments as disclosed in note 11 to the financial statements, are therefore understated by R10 million and current expenditure overstated by the same amount.

Qualified opinion

14. In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the NPA as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury of South Africa, as set out in the accounting policy 1.1 to the financial statements and in the manner required by the PFMA.

Emphasis of matters

I draw attention to the following matters:

15. Irregular expenditure

- The prior year's irregular expenditure amounting to R65 million as disclosed in note 23 to the financial statements, was still not reported to National Treasury in terms of section 38 (1) of the PFMA.
- Irregular expenditure amounting to R186 million disclosed in note 23 to the financial statements, is as a result of non-compliance to supply chain management and finance lease agreements entered into.

16. Assets less than R5 000

In terms of accounting policy 3.2, only assets with a cost in excess of R5 000 are classified as capital assets. The accumulative value of assets with a value less than R5 000 was estimated to be R24 million and was not disclosed in note 26.

17. Departmental revenue to be surrendered

Departmental revenue of R22 million as disclosed in note 14 to the financial statements, originating from the prior year, was still not surrendered to the National Revenue Fund as required by the PFMA section 2 (11)(1)(a).

Other matters

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

18. Internal control

The following areas within NPA revealed that control activities are not regularly evaluated to ensure that they are still appropriate and working as intended and resulted in:

- the delegation of authority for the authorisation of journals and orders, were not in all instances followed;
- insufficient management of travel and subsistence advances and debtors as evident from the following:
 - new advances given without clearing old advances
 - advances are used as loans as advances are paid back in instalments
 - long outstanding advances and debtors are not timeously followed up
 - debtors' files were not always updated and were, in some cases, incomplete
 - debtors indicated as being settled, but still have an outstanding balance.
- insufficient management of local and foreign donations as evident from the following:
 - reconciliations of donor funds are not performed
 - donor funds not utilised were not surrendered to the National Revenue Fund
 - incorrect treatment of VAT
 - supply chain process not followed for procurement
 - several instances of non-compliance with the terms of donor agreements.



19. Material non-compliance with applicable legislation

- Treasury Regulations (TR) were not complied with in the following respects:
 - o prepayments were made where no contractual obligation required the payment as required in terms of TR 15.10.1.2
 - o payments to service providers was not in all instances made within 30 days as is required in terms of TR 8.2.3
 - o a bank account was opened without obtaining the necessary approval from National Treasury as is required in terms of TR 15.10.3.1
 - o fruitless and wasteful expenditure with an estimated value of R1.2 million identified as a result of the suspension of the P2P system was not reported as required in terms of TR 9.1.2 and was not accounted in the financial statements.
- The Supply Chain Management Circular of 2005 was not complied with in the following respects:
 - o tenders not in all instances awarded to the supplier with the highest points
 - o tender process was not in all instances followed for payments exceeding R200 000
 - o goods were not procured from an approved database of suppliers.

20. Material corrections made to the financial statements submitted for audit

The financial statements submitted for audit on 31 May 2007, were significantly revised in respect of the following misstatements identified during the audit. The necessary corrections have been made to the financial statements:

- commitments amounting to R534 million were previously not disclosed in note 19 to the financial statements
- operating lease commitments amounting to R21 million were previously incorrectly disclosed in note 22 to the financial statements
- finance lease commitments amounting to R89 million were previously not disclosed in note 22 to the financial statements
- irregular expenditure amounting to R82 million were previously not disclosed in note 23 to the financial statements
- intangible assets amounting to R20 million were previously not disclosed in note 27 to the financial statements.

21. Special investigations in progress or completed

- A supplier conducted a forensic investigation about possible collusion between his management and that of the NPA. The NPA did not conduct its own investigation in this regard but relied on the investigation performed by the supplier. The report was issued on 16 February 2007. The NPA submitted the report to the Special Investigation Unit for further investigation. The investigation is not finalised.
- The Integrity Management Unit within the NPA was in the process of investigating various allegations of internal financial misconduct and irregularities by the staff of NPA.

22. Matters of governance

- Accountability and governance status of the NPA
Interim approval has been granted by the Accountant-General for the NPA to prepare its own set of financial statements from the 2002 financial year. Since then no finality has been reached on the following critical matters, affecting the accountability and governance status of the NPA:
 - o clear definition of the duties of the accounting officer of the NPA
 - o the listing of the NPA as an entity in terms of the PFMA
 - o the mechanism of funding for the NPA.

- Internal audit
The Department of Justice and Constitutional Development (DoJ&CD) is in the process of integrating their internal audit function with NPA. Challenges experienced during this process have resulted in internal audit being unable to comply with the planned estimated dates for completion of the audits as outlined in the internal audit plan for the 2006/2007 financial year.

23. Value for money matters

NPA did not have a Human Resources plan, required by the Public Service Regulation that define the posts necessary to perform the relevant functions, based on the strategic plan of the department.

Despite NPA's efforts in filling vacancies by advertising, the high occurrence of staff turnover and the inability of NPA to fill the vacancies have resulted in a vacancy rate of 29% as at the end of the financial year. The high vacancy rate, especially in key positions, could result in NPA not being able to effectively deliver on its operations.

24. Delay in finalisation of audit

Due to the national public sector strike action during June 2007 the Auditor-General had to delay the finalisation of affected departments. As a result, the Auditor-General's consistency review process of the audit reports could only be conducted subsequent to 31 July 2007, the consequence of which was a delay in the finalisation of the audit of NPA for the 2006/07 financial year.

Other reporting responsibilities

Reporting on performance information

25. I have audited the performance information as set out on pages 144 to 165.

Responsibility of the Accounting Officer for the Department

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

Responsibility of the Auditor-General

27. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with General Notice 646 of 2007 (directive on auditing of performance information), issued in Government Gazette No. 29919 of 25 May 2007.
28. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate audit evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
29. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings

30. The Accounting Officer of NPA did not prepare a strategic plan that is consistent with the period covered by the medium term expenditure framework for approval by the relevant executive authority, as required by Treasury Regulations, chapter 5, section 5.1.1. The medium term expenditure framework requires that departments prepare a strategic plan covering a period of three years. Contrary to this requirement, the strategic plan prepared by the NPA covers the period to the 2020 financial year.



Appreciation

31. The assistance rendered by the staff of the NPA during the audit is sincerely appreciated.

S Cele

.....
*S Cele for Auditor-General
Pretoria, 31 August 2007*



Report of the Accounting Officer

Report by the Accounting Officer to the Executive Authority and Parliament/ Provincial Legislature of the Republic of South Africa

1 General review of the state of financial affairs

The structure¹⁵ of the National Prosecuting Authority (NPA) consists of the following business units:

- National Prosecutions Service (NPS)
- Directorate of Special Operations (DSO)
- Asset Forfeiture Unit (AFU)
- National Specialist Services Division (NSSD): consisting of the Sexual Offences and Community Affairs Unit (SOCA), Specialised Commercial Crimes Unit (SCCU), Witness Protection Unit (WPU) and the Priority Crimes Litigation Unit (PCLU)
- Corporate Services.

The NPA has continued to operate on the same basis with respect to its relationship with the DoJ&CD during the year under review. This means that, with respect to all NPA business units, excluding the DSO, the CEO of the NPA operates as the Accounting Officer on the basis of a delegation of authority from the Director-General of the DoJ&CD. With respect to the DSO, the CEO of the NPA operates as the Accounting Officer in terms of the provisions of the NPA Amendment Act of 2001.

These financial statements are the sixth set of financial statements produced by the NPA, separately from the DoJ&CD and, whilst they are separately audited by the Auditor-General, they will be consolidated with the financial statements of the DoJ&CD. These arrangements are by agreement with the DoJ&CD, National Treasury and the Office of the Auditor-General.

Highlights of the financial position

A saving of R46.5 million is attributed to unpaid invoices currently under dispute with a service provider. An application was made for a rollover of these funds. As this matter was not settled during the current year, these funds will be returned to National Treasury.

It is important to note that with respect to budgetary matters, the NPA does not administer the full budget for Lower Court prosecutors. It still only administers the personnel budget. The administration of the remainder of this budget remains with the DoJ&CD. This is an issue that needs to be resolved along with accountability and reporting between the NPA and the department, as prosecutors continue to complain about poor service delivery of non-personnel related items.

Table 20: Financial position

	2006/07	2005/06
	R'000	R'000
Adjusted appropriation	1 582 062	1 354 810
Virement from DoJ&CD	3 023	92 881
Final Appropriation	1 585 085	1 447 691
Less: Total expenditure	1 535 754	1 399 923
Variance	49 331	47 768



Ms Marion Sparg,
Chief Executive Officer: NPA.

¹⁵ Refer Annexure E: Organogram of the NPA



Funds not received via the budget process

A special programme, namely the Integrated Justice System (IJS), has been established within the security cluster with the Department of Safety and Security, identified as the Administering Department. An amount of R213 million was allocated to its budget in respect of the year under review.

Departments within this cluster incur expenditure, which is then recorded in a temporary suspense account. Through the normal procurement process these expenditures are submitted to the IJS Committee for approval and then claimed back from the Department of Safety and Security.

As a result of this process the NPA received an amount of R17 440 130 from the Department of Safety and Security in respect of expenditures on services and capital assets. These assets are recorded in the departmental assets register.

Criminal Assets Recovery Account (CARA)

A separate set of financial statements is published for CARA as agreed with the Office of the Accountant General. These are contained in Section 5 of this Report.

2 Services rendered by the NPA

The NPA's vision is *"Justice in our society so that people can live in freedom and security"*.

The mission statement of the NPA is: *"Guided by the Constitution, we in the National Prosecuting Authority ensure justice for the victims of crime by prosecuting without fear, favour or prejudice and by working with our partners and the public to solve and prevent crime"*.

The services rendered by the NPA are described broadly below:

- Public Prosecutions entails prosecutions in both the High Courts and Lower Courts, special commercial crime courts and sexual offences courts.
- The Witness Protection programme co-ordinates the safekeeping and protection of witnesses in certain serious cases.
- Special Operations, comprising of the Directorate of Special Operations (also known as the Scorpions) together with the Asset Forfeiture Unit, deal with serious organised crime and the proceeds thereof.
- Corporate Services renders the following services to the operational units:
 - Finance and Procurement Management Services
 - Human Resource Management and Development Services
 - Information Management Services
 - Research and Policy Management Services
 - Security Services
 - Communication Services
 - Strategy and Risk Management Services
 - Integrity Management Services.

Inventories

A stock take was conducted on 31 March 2007, and the value thereof was established at R230 760.00. The basis of the valuation was purchase price.

3 Capacity constraints

Directorate of Special Operations (DSO)

The major constraints facing the DSO relate to the delays in the filling of vacant posts, the relative difficulty in recruiting appropriately skilled staff, the inability to offer market related salaries and the current inappropriate budgetary arrangements.

This has once again resulted in insufficient operational staff to conduct investigations, insufficient administrative staff to properly support the DSO and insufficient prosecutors to appear in court. The NDPP decided during the year under review that a separate administration be established for the DSO, in line with the general outcome of Cabinet resolutions on the Khampepe Commission into the location and mandate of the DSO.

To this end, Mr Brian Graham was appointed on a contract basis as Chief Financial Officer for the DSO. A number of administrative posts for the DSO have been created and advertised. These appointments will provide leadership in establishing proper reporting and systems procedures for the DSO.

Permission has also been obtained from National Treasury to open a separate bank account for the DSO. A submission was made to National Treasury for the listing of the DSO as a public entity. This submission has not yet received a response from National Treasury.

Sexual Offences and Community Affairs (SOCA)

Once again the major constraints experienced by this unit are as follows:

- The continued reliance on donor funding for critical projects such as the Thuthuzela Care Centres
- The absence of a provincial presence due to human resource constraints, which limits the unit's ability to monitor and evaluate implemented initiatives, projects and policies.

Asset Forfeiture Unit (AFU)

A major constraint which the unit continues to experience is the lack of experienced and skilled human resource capacity to deal with complex cases, together with an inadequate budget for legal and other professional services:

- Once again additional funds were requested through the MTEF process. This unit was partially successful in obtaining funds for additional posts and professional services.
- Continued a focused recruitment campaign to attract skilled investigators and advocates, combined with intensive training and development for all staff.
- Additional funds were received from the CARA to fund some of its training and professional services requirements. The indications are positive that the unit will again receive additional funds in the new financial year.

Witness Protection Unit (WPU)

The WPU is also facing staff shortages. However, the long outstanding matter of the transfer of the SAPS members assigned to the unit has now been resolved and the transfer of these individuals will become a reality in the new financial year with the allocation of additional funding from National Treasury. The unit faces budgetary constraints to fund important aspects of its work, such as the After-care programme which seeks to assist witnesses after they exit the program.

Corporate Services (CS)

The CS unit continues to battle to keep pace with the growing size and complexity of operational units. The NPA has received substantial additional funding for prosecutors and other core staff and this has meant that CS has prioritised the filling of posts for operational units, at its own cost. This, together with the high turnover of staff and key management in CS, has meant that CS has failed to grow at the required level to ensure it can service operational units at the required standard.

An additional capacity constraint affecting not only CS but all units in the NPA is the capacity required to spend the additional funding allocated to the NPA. Particular projects and efforts have been put in place but operational units battle to prioritise time for recruitment efforts and to keep pace with the growing demand for core services. One of the key challenges the NPA faces in the new financial year is to ensure it spends the additional funds allocated by National Treasury.

It is also becoming abundantly clear that the NPA's non-personnel budget requires additional funding for centralised items such as fleet services, accommodation, information technology, training and development and security services. A substantial growth in these budget items is required over the next few years to ensure that CS is able to provide operational units with the support they require.



With respect to the capital budget, despite repeated attempts to reach some agreement with DoJ&CD, the NPA has been largely unsuccessful in obtaining sufficient funding for new accommodation projects. Some additional funds were re-prioritised and allocated to the NPA in the last few days of the financial year, but these are not adequate to cover the growing needs of the NPA for adequate facilities and accommodation.

General

The general capacity constraints described above fall into three major areas:

- A general inability to attract and retain staff and managers with the necessary skills and experience.
- This lack of capacity in turn creates a vicious circle and an inability to speed up recruitment efforts and spend additional funds allocated to the organisation.
- A budget that is not yet sufficiently balanced with high personnel expenditure and which in turn is not supported by the required goods and services and capital budget.

4 Utilisation of donor funds

Table 21 reflects an exposition of projects funded through donations during the current financial year.

Table 21: Utilisation of donor funds

Donor	Project	Short description
USAID	Specialist Prosecutors	To empower prosecutors and other role players with specialised knowledge and skills to better handle cases of sexual and domestic violence through multidisciplinary training community outreach and research programmes.
W K Kellogg Foundation	Thuthuzela Project	To manage care centres for victims of child abuse and rape, training and development and public education.
UNICEF	Sexual offences	To manage care centres for victims of child abuse and rape, training and development and public education.
Vodacom	Thuthuzela Project	To establish, renovate and launch sexual offences courts.
SARS	SARS Tax Unit	To assist the NPA in establishing a tax unit.
Business Against Crime (BAC)	RJ Hillhouse	To collaborate and coordinate in the preparation for prosecutions.
Greece	Thuthuzela Project	To manage care centres for victims of child abuse and rape, training and development and public education.
Royal Danish Commission	Ndabezitha Project	To resolve domestic violence in rural communities.
Woolworths	Sexual Offences Courts	To develop a child friendly environment.
Foundation for Human Rights	Missing Persons Task Team	Implementation of the recommendation of theTRC regarding missing persons.

Please refer to Annexure 1D of the Annual Financial Statements for further details in this regard.

5 Corporate Governance Arrangements

Governance and Enterprise Risk Management

The NPA has made progress in the area of governance and enterprise risk management in the year under review. It continues to be guided by the governance model developed as part of NPA Strategy 2020. The necessary progress in establishing a Governance Centre in the year under review was however not made, due to internal debates about the macro-structure of the NPA currently being reviewed as part of the Serurubele Transformation Programme.

This in turn impacted on the capacity of the Office of the CEO to implement new governance processes. Despite this, progress has been made in the development of a governance calendar which is expected to become fully functional in 2007/8.

The NPA has also continued to prioritise its work on enterprise risk management. All business units are expected to identify and manage risks as part of their annual business plans. Reporting on business unit performance includes reporting on the management of these risks.

The NPA Exco also set up an enterprise performance sub-committee in 2006/07 which reviewed business plans of units on a quarterly basis. More information on the work of this committee appears in Section 1 of this report.

Integrity Management Unit (IMU)

During the year 2006/07 the IMU intensified its effort in two critical areas, namely integrity promotion and prevention of integrity breaches. The unit completed a number of highly sensitive internal investigations in the organisation in the past year. At the same time, and perhaps more importantly, it has made strides in 2006/07 in its efforts to prevent integrity breaches. This work culminated in the holding of an integrity conference for the Senior Management Service in March 2007 and the launching of an Integrity Resource (handbook) at the same conference.

The unit has also embarked on the profiling of the SMS leadership in the organisation to bolster the work of vetting of personnel, and to ensure that the NPA is able to intervene timeously should any “red flags” or warning signs be picked up in the profiling process. The initial vetting process does not necessarily identify integrity risks in new personnel recruited and that more often than not, it is only after the individual has been in the employ of the organisation for a period of time that integrity is challenged. It is thus important that the NPA, assisted by the IMU, can track the profiles of its management cadres. The focus was also to assess organisational capacity in promoting integrity.

The unit also completed a culture survey during the year under review and is playing a leading part in the Transformation Programme’s ongoing work to develop a set of shared values for the organisation.

Security and Risk Management (S&R)

The S&R service centre plays a critical role in the NPA’s overall risk management efforts. Its two critical areas of work in this regard are with respect to vetting of personnel and providing threatened employees with protection as and when required.

Whilst the NIA is responsible for issuing of security clearance certificates, this unit plays an important role in gathering of all relevant information to speed up the process at NIA. An improvement of 36 per cent was achieved in its compliance with personnel vetting requirements in the year under review. The NPA has achieved a 74 per cent level of compliance. This is still not high enough for an organisation like the NPA, but represents a significant improvement, given the capacity constraints at the NPA.

S&R have also continued to provide threatened employees with protection in terms of the NPA’s Employee Protection Policy. Protection to the value of R3.2m was provided to employees in the year under review. This will continue to be a key part of the NPA’s risk management strategy, given the number of high profile cases currently under investigation.

Internal Audit and Audit Committee

The Internal Audit Unit conducted two reviews of the Department’s operations under the direction of the Chief Audit Executive (CAE) based at the DoJ&CD.



The Audit Committee, which operates in terms of its own charter, continued to hold quarterly meetings with the Internal Audit Unit, Executive Management and the External Auditors. With the exception of the Chairman, new independent members are appointed annually to serve on this Committee. Individual members of the Audit Committee are required to declare any interest at each meeting, in order to avoid conflict of interest. To date no conflict of interest has been declared.

In order to ensure continuity of this committee, the charter has been amended to enable the services of the Chairman to be retained on an indefinite basis.

The Internal Audit Unit's primary responsibility is to provide assurance on risk management, control and governance processes. This unit continues to report significant findings emanating from the audit process to management and the Audit Committee. Management in turn continues to address significant issues raised by the Internal Audit Unit in order to enhance the risk management and governance processes within the NPA.

The Internal Audit Unit of the NPA was integrated into the Internal Unit of the DoJ&CD during the year in order to optimise the utilisation of auditing resources under the control of the Chief Audit Executive. This arrangement has, however, not proved successful and the CEO has raised repeated concerns with the Chief Audit Executive and the Director-General about the general lack of progress in reporting to the CEO. NPA management has also complained about the standard of audit reports on their respective units. Internal auditing services for the NPA will need to be reviewed comprehensively in 2007/08.

Budget Control

The NPA Exco has set up a Budget Sub-Committee which held quarterly Budget Review meetings with the heads of all business units. During these reviews the heads of the business units presented their budget performance and provided reasons for either over- or under-spending of the funds allocated to them. These reviews allow the business units the opportunity to explain to the Budget Committee why funds projected for certain major projects have not been spent. Management then re-prioritises available funding to other projects during the financial year.

6 Asset Management

Asset management was given high priority during this financial year. All new acquisitions of assets were bar-coded and captured onto Excel spreadsheets on a national basis and verified. The P2P asset management system was suspended due to the fact that National Treasury had not given its written consent to the utilisation of the system, and these records have been transferred to the Logis asset management system.

The information disclosed in Note 26 to the financials is derived as a result of the completion of this exercise. Asset values reflected were arrived at by means of a fair valuation process.

The depreciated replacement cost method was used to assess the fair value, which has been consistently applied to arrive at a closing balance per individual asset.

The condition of the asset was linked to its perceived remaining life and the value was based on its condition and the market related price per asset:

- Good condition 75% of current new value.
- Satisfactory condition 50% of current new value
- Poor condition 25% of current new value.

7 Performance information

The NPA adopted a new process and template for performance progress reporting against annual business plans to support the execution of the NPA Strategy 2020, annual plans and strategic projects. This was a brand new approach for the organisation and teething problems were to be expected. However, significant progress has been made this year to ensure horizontal and vertical integration of annual plans, as well as to stabilise and consolidate enterprise performance progress monitoring and reporting, thus putting performance reporting on a decent footing. Business units reported progress on their performance against annual business plans, and strategic projects on a quarterly basis to Exco and its Enterprise Performance Management sub-committee.

The annual business plans of units as well as their performance progress reports, outputs and statistics were submitted to Internal Audit for independent verification of the integrity of the performance information and reports submitted, and to recommend on improvements in controls to bolster performance information and reporting. The quarterly review process by Exco and its sub-committee, as well as by business unit heads and management committees, further served to interrogate performance information and reports submitted, to provide guidance on corrections to be made, and improvements to be made to ensure integrity of reports and information. The NPA is confident that the integrity of this process has improved each quarter, as the organisation became more familiar with what was required, and improved its understanding of the progress reporting process and template.

The NDPP, CEO, Exco members, unit heads and the Executive Manager: Strategy & Risk are all committed, and make serious efforts, to ensure understanding of and compliance with the enterprise performance process of the NPA. Particular emphasis is placed on the verifiability and accuracy of performance data and outputs reported. This process of review by Exco and its sub-committee, as well as at business unit level, was fairly rigorous and was experienced by all to be of considerable value to enhance performance and accountability. The NPA aims to finalise the design and development of support technology to enhance the accessibility, timeliness, verifiability and availability of performance information during 2007/08.

8 SCOPA resolutions

During the 2006/07 financial year the NPA did not receive any SCOPA resolutions and the NPA has not been notified by SCOPA of any related queries.

9 Information Technology and motor vehicle leasing arrangements

An amount of R64 167 709 for lease payments was disclosed as irregular expenditure in the previous year and R38 996 022 in the current financial year. Payments constituted information technology and motor vehicle leasing arrangements concluded in terms of a master rental agreement and structured as an operating lease. This arrangement was vetted by the State Attorney and agreed to by National Treasury.

These leases were entered into after much analysis, and after the input by National Treasury, gave rise to a saving over the lease term. Clearly management felt that securing this saving was in the best interest of the NPA.

However, in the opinion of the Auditor-General, this transaction constituted a finance lease. As the NPA was unable to secure a written confirmation from National Treasury confirming their agreement to the classification of this transaction as an operating lease, it was decided to revise the annual financial statements in terms of the Auditor-General's recommendation.

During the current year, National Treasury issued a practice note dated 5th December 2006, whereby finance leases may now be entered into subject to certain conditions. As this condonation was issued late in the current financial year, this lease has again been reported as a finance lease.

Application will be made to management of the DoJ&CD during the current financial year to have this expenditure currently designated as irregular expenditure, condoned and written off.

Approval

The Annual Financial Statements set out on pages 93 to 123 have been approved by the Accounting Officer.


Marion Sparg
Chief Executive Officer, NPA
Date: 31-05-07


Adv. M. Simelane
Director General: DCJ&CD
Date: 31/5/07



ACCOUNTING POLICIES

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2006.

1 Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting, supplemented with additional disclosure items. Under the cash basis of accounting, transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated, all financial figures have been rounded to the nearest one thousand Rand (R1 000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary, figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.5 Comparative figures - Appropriation Statement

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

2 Revenue

2.1 Appropriated funds

Appropriated and adjusted appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective. Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund, unless approval has been given by the National/Provincial Treasury to rollover the funds to the subsequent financial year. These approved rollover funds form part of retained funds in the annual financial statements. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is paid into the National/Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and/or regulations (excluding fines, penalties and forfeits). Tax receipts are recognised in the statement of financial performance when received.

2.2.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

2.2.3 Fines, penalties & forfeits

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

2.2.4 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

2.2.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

2.2.6 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds. Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from revenue. Forex gains are recognised on payment of funds.

2.2.7 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the National/Provincial Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements. All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the financial statements.

2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the department directly receives the cash from the donor(s).

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance. The value of the assistance expensed prior to the receipt of the funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.



2.4 CARA Fund assistance

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as current or capital expenditure in the statement of financial performance. Any unspent CARA funds are transferred to Retained Funds as these funds do not need to be surrendered to the National Revenue Fund.

3 Expenditure

3.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the statement of financial performance¹⁶. All other payments are classified as current expense.

Social contributions include the employer's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the statement of financial performance when the payment is effected on the system.

3.1.1 Short term employee benefits

Short term employee benefits comprise leave entitlements (including capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

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

3.1.2 Long-term employee benefits

3.1.2.1 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer (to households) when the payment is effected on the system (by no later than 31 March of each year).

3.1.2.2 Post employment retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National/Provincial Revenue Fund and

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project or an asset of R5000 or more is purchased. All assets costing less than R5000 will also be reflected under goods and services.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). This item excludes rental for

¹⁶ This accounting policy is only relevant when the department elects to capitalise the compensation paid to employees involved on capital projects.

the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under-spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note. Forex losses are recognised on payment of funds. All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Unauthorised expenditure

When discovered, unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person, or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.7 Irregular expenditure

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

3.8 Transfers and subsidies

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

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

4 Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.



4.3 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party. Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.4 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance when the cash is received. Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in disclosure note 36.

4.5 Loans

Loans are recognised in the statement of financial position at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary. Amounts that are potentially irrecoverable are included in disclosure note 36.

4.6 Inventory

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

4.7 Capital assets

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the capital asset may be stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised as assets on completion of the project and at the total cost incurred over the duration of the project.

Disclosure Notes 26 and 27 reflect the total movement in the asset register for the current financial year.

5 Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the statement of financial position.

5.2 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are included in the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures and disclosure notes to the financial statements.

5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system. Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.4 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or it is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure notes.

5.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date. Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are included in the disclosure notes.

6 Net Assets

6.1 Capitalisation reserve

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

6.2 Recoverable revenue

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

7 Related party transactions

Related parties are departments that control or significantly influence entities in making financial and operating decisions. Specific information with regard to related party transactions is included in the disclosure notes.

8 Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. Compensation paid to key management personnel, including their family members where relevant, is included in the disclosure notes.

9 Public private partnerships

A public private partnership (PPP) is a commercial transaction between the department and a private party in terms of which the private party:

- performs an institutional function on behalf of the institution; and/or
- acquires the use of state property for its own commercial purposes; and
- assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and
- receives a benefit for performing the institutional function or from utilising state property, either by way of:



- o consideration to be paid by the department which derives from a Revenue Fund;
- o charges or fees to be collected by the private party from users or customers of a service provided to them; or
- o a combination of such consideration and such charges or fees.

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



THE SOUTH AFRICAN CRIMINAL LAW REPORTS

2001 (1)

11 49
11 49
11 49
DIE SUID-AFRIKAANSE STRAFREG-VERSLAE

THE SOUTH AFRICAN CRIMINAL LAW REPORTS

2001 (2)

11 49
11 49
11 49
DIE SUID-AFRIKAANSE STRAFREG-VERSLAE

THE SOUTH AFRICAN CRIMINAL LAW REPORTS

2002 (1)

11 49
11 49
11 49
DIE SUID-AFRIKAANSE STRAFREG-VERSLAE

THE SOUTH AFRICAN CRIMINAL LAW REPORTS

2002 (2)

11 49
11 49
11 49
DIE SUID-AFRIKAANSE STRAFREG-VERSLAE

THE SOUTH AFRICAN CRIMINAL LAW REPORTS

2003 (1)

11 49
11 49
11 49
DIE SUID-AFRIKAANSE STRAFREG-VERSLAE

THE SOUTH AFRICAN CRIMINAL LAW REPORTS

2003 (2)

11 49
11 49
11 49
DIE SUID-AFRIKAANSE STRAFREG-VERSLAE

THE SOUTH AFRICAN CRIMINAL LAW REPORTS

2004 (1)

11 49
11 49
11 49
DIE SUID-AFRIKAANSE STRAFREG-VERSLAE

THE SOUTH AFRICAN CRIMINAL LAW REPORTS

2006 (1)

11 49
11 49
11 49
DIE SUID-AFRIKAANSE STRAFREG-VERSLAE

SOUTH AFRICAN CRIMINAL LAW AND PROCEDURE

VOLUME 1
GENERAL PRINCIPLES

MCNEILL
AND
BENT

SOUTH AFRICAN CRIMINAL LAW AND PROCEDURE

VOLUME 1
GENERAL PRINCIPLES

MCNEILL
AND
BENT

1972 SUPPLEMENT TO SOUTH AFRICAN CRIMINAL LAW AND PROCEDURE - VOL 1

PROCEEDINGS IN RESCISSA (FORMS IN BYLAE)
NEDERLANDSE ACT EN REGULERING (FORMS AND ANNEXURES)

2

23/1009

NIC • NNR

NUCLEAR, STEEL, ENGINEERING, AND METALLURGICAL TECHNOLOGY
+
NIEKERK STAAL INGENIEUR EN METALLURIESE OORSPRONG

CONCISE
REFERENCES
TO
SOUTH AFRICAN
LAW

STRAFPROSEDURE IN DIE LAAT HOOFD + PERKULAS

MINES AND WORKS ACT



FINANCIAL STATEMENTS FOR THE NPA

Appropriation Statement	93
Notes to the Appropriation Statement	97
Statement of Financial Performance	98
Statement of Financial Position	99
Statement of Changes in Net Assets	100
Cash Flow Statement	101
Notes to the Annual Financial Statements	102
Disclosures Notes to the Annual Financial Statements	111
Annexures	117

Appropriation Statement for the year ended 31 March 2007

Appropriation per programme									
	2006/07							2005/06	
1. Programme 4	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payment	1 562 228	-	3 475	1 565 703	1 516 694	49 009	96.9%	1 382 449	1 334 884
Transfers and subsidies	2 890	-	2 272	5 162	3 368	1 794 (1 472)	65.2%	6 106	6 106
Payment for capital assets	16 944	-	(2 724)	14 220	15 692	-	110.4%	59 136	58 933
TOTAL	1 582 062	-	3 023	1 585 085	1 535 754	49 331	96.9%	1 447 691	1 399 923
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				6 849				22 750	
CARA Fund Assistance				31 800				-	
Local and foreign aid assistance received				1 047				2 814	
Actual amounts per Statements of Financial Performance (Total revenue)				1 624 781				1 473 255	
Add:									
Local and foreign aid assistance					3 299				3 871
Actual amounts per Statements of Financial Performance (Total expenditure)					1 539 053				1 403 794



Detail per Programme 4
for the year ended 31 March 2007

	Appropriation per economic classification								
	2006/07						2005/06		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments									
Compensation of employees	1 104 196	-	(43 711)	1 060 485	1 060 485	-	100.0%	900 189	900 189
Goods and services	458 032	-	47 053	505 085	456 076	49 009	90.3%	482 247	434 682
Financial transactions in assets and liabilities	-	-	133	133	133	-	100.0%	13	13
Transfers and subsidies	-	-							
Provinces and municipalities	2 890	-	-	2 890	1 096	1 794	37.9%	3 100	3 025
Households	-	-	2 272	2 272	2 272	-	100.0%	3 006	3 081
Payments for capital assets	-								
Buildings and other fixed structures		-	-	-	-	-	0.0%	15 000	15 000
Machinery and equipment	16 944	-	(2 724)	14 220	15 692	(1 472)	110.4%	44 136	43 933
Total	1 582 062	-	3 023	1 585 085	1 535 754	49 331	96.9%	1 447 691	1 399 923

Detail per Programme 4
for the year ended 31 March 2007

Programme per sub-programme	2006/07							2005/06	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Public Prosecutions									
Current payment	1 248 787	-	(21 711)	1 227 076	1 180 564	46 512	96.2%	1 090 902	1 043 337
Transfers and subsidies	2 380	-	2 160	4 540	2 746	1 794	60.5%	4 666	4 666
Payment for capital assets	12 525	-	1 331	13 856	13 868	(12)	100.1%	54 288	54 085
Special Operations									
Current payment	250 548	-	18 283	268 831	267 161	1 670	99.4%	237 093	237 093
Transfers and subsidies	486	-	128	614	614	-	100.0%	1 401	1 401
Payment for capital assets	2 625	-	(2 317)	308	1 768	(1 460)	574.0%	4 840	4 840
Witness Protection									
Current payment	62 893	-	6 903	69 796	68 969	827	98.8%	54 454	54 454
Transfers and subsidies	24	-	(16)	8	8	-	100.0%	39	39
Payment for capital assets	1 794	-	(1 738)	56	56	-	100.0%	8	8
TOTAL	1 582 062	-	3 023	1 585 085	1 535 754	49 331	96.9%	1 447 691	1 399 923



Detail per Programme 4
for the year ended 31 March 2007

	Appropriation per economic classification								
	2006/07						2005/06		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final a	Final Appropriation R'000	Actual expenditure R'000
Current payments									
Compensation of employees	1 104 196	-	(43 711)	1 060 485	1 060 485	-	100.0%	900 189	900 189
Goods and services	458 032	-	47 053	505 085	456 076	49 009	90.3%	482 247	434 682
Financial transactions in assets and liabilities	-	-	133	133	133	-	100.0%	13	13
Transfers and subsidies									
Provinces and municipalities	2 890	-	-	2 890	1 096	1 794	37.9%	3 100	3 025
Households	-	-	2 272	2 272	2 272	-	100.0%	3 006	3 081
Payments for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	0.0%	15 000	15 000
Machinery and equipment	16 944	-	(2 724)	14 220	15 692	(1 472)	110.4%	44 136	43 933
Total	1 582 062	-	3 023	1 585 085	1 535 754	49 331	96.9%	1 447 691	1 399 923

Notes to the Appropriation Statement for the year ended 31 March 2007

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

Detail of these transactions can be viewed in note 7 (transfers and subsidies) and annexure 1 (a-d) to the annual financial statements.

a. Detail of specifically and exclusively appropriated amounts voted (after virement)

Detail of these transactions can be viewed in note 1 (annual appropriation) to the annual financial statements.

b. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 6 (financial transactions in assets and liabilities) to the annual financial statements.

c. Explanations of material variances from amounts voted (after virement)

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Programme 4	1 585 085	1 535 754	49 331	3.1%

The under spending of R46.5 million is attributed to delays in the legal outcome of unpaid invoices currently under dispute. The two sets of senior counsels are currently consulting on a regular basis regarding the presentations of this complex contract to court and the discovery of approximately 73 000 documents. Application has been made to National Treasury for a roll-over of the saving of R46.5 million.

Per Economic classification	2006/07 R'000	2005/06 R'000
Current payments:		
Goods and services	49 009	47 768
Transfers and subsidies:		
Provinces and municipalities	1 794	-
Payment for capital assets:		
Machinery & equipment	(1 472)	-



Statement of Financial Performance For the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
REVENUE			
Annual appropriation	1	1 585 085	1 447 691
Departmental revenue	2	6 849	22 750
CARA Fund assistance	3A	31 800	-
Local and foreign aid assistance	3	1 047	2 814
TOTAL REVENUE		1 624 781	1 473 255
EXPENDITURE			
Current expenditure			
Compensation of employees	4	1 060 485	900 189
Goods and services	5	456 076	434 682
Financial transactions in assets and liabilities	6	133	13
Local and foreign aid assistance	3	3 142	3 320
Total current expenditure		1 519 836	1 338 204
Transfers and subsidies	7	3 368	6 106
Expenditure for capital assets			
Buildings and other fixed structures	8	-	15 000
Machinery and equipment	8	15 692	43 933
Local and foreign aid assistance	3	157	551
Total expenditure for capital assets		15 849	59 484
TOTAL EXPENDITURE		1 539 053	1 403 794
SURPLUS/(DEFICIT)		85 728	69 461
Add back fruitless and wasteful expenditure	9	372	166
SURPLUS/(DEFICIT) FOR THE YEAR		86 100	69 627
Reconciliation of Surplus/(Deficit) for the year			
Voted Funds	13	49 703	47 934
Departmental Revenue	14	6 849	22 750
Local and foreign aid assistance	3	(2 252)	(1 057)
CARA Fund assistance	3A	31 800	-
SURPLUS/(DEFICIT) FOR THE YEAR		86 100	69 627

Statement of Financial Position

For the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
ASSETS			
Current assets		109 820	76 374
Fruitless and wasteful expenditure	9	2 797	2 425
Cash and cash equivalents	10	63 030	38 504
Prepayments and advances	11	23 245	23 647
Receivables	12	19 944	11 179
Local and foreign aid assistance receivable	3	804	619
TOTAL ASSETS		109 820	76 374
LIABILITIES			
Current liabilities		75 696	75 689
Voted funds to be surrendered to the Revenue Fund	13	49 703	47 934
Departmental revenue to be surrendered to the Revenue Fund	14	22 543	21 035
Payables	15	1 053	2 256
Local and foreign aid assistance unutilised	3	2 397	4 464
TOTAL LIABILITIES		75 696	75 689
NET ASSETS		34 124	685
Represented by:			
Recoverable revenue		2 324	685
Retained funds (Legislatures/Parliament/CARA Fund assistance)		31 800	-
TOTAL		34 124	685

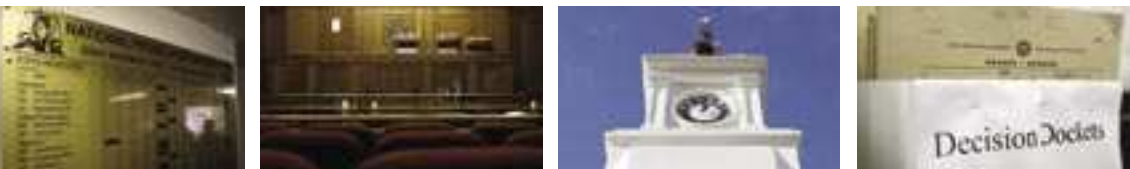


Statement of Changes in Net Assets for the Year Ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
Recoverable revenue			
Opening balance		685	364
Transfers		1 639	321
Debts raised			
Closing balance		<u>2 324</u>	<u>685</u>
Retained funds			
Opening balance		-	-
CARA Fund assistance	3A	<u>31 800</u>	-
Closing balance		<u>31 800</u>	-
TOTAL		<u><u>34 124</u></u>	<u><u>685</u></u>

Cash Flow Statement for the Year Ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1 624 781	1 451 356
Annual appropriated funds received	1.1	1 585 085	1 447 691
Departmental revenue received		6 849	851
CARA Fund assistance received		31 800	-
Local and foreign aid assistance received	3	1 047	2 814
Net (increase)/decrease in working capital		(9 938)	(695)
Surrendered to Revenue Fund		(53 275)	(35 630)
Current payments		(1 519 464)	(1 338 038)
Transfers and subsidies paid		(3 368)	(6 106)
Net cash flow available from operating activities	16	38 736	70 887
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(15 849)	(59 484)
Proceeds from sale of capital assets	2	-	21 899
Net cash flows from investing activities		(15 849)	(37 585)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		1 639	321
Net cash flows from financing activities		1 639	321
Net increase/(decrease) in cash and cash equivalents		24 526	33 623
Cash and cash equivalents at the beginning of the period		38 504	4 881
Cash and cash equivalents at end of period	17	63 030	38 504



Notes to the Annual Financial Statements for the Year Ended 31 March 2007

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for National Prosecuting Authority:

	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation received 2005/06 R'000
Programme 4: National Prosecuting Authority	1 585 085	1 585 085	-	1 447 691
Total	1 585 085	1 585 085	-	1 447 691

2. Departmental revenue to be surrendered to revenue fund via the DoJ&CD

Tax revenue

	Note	2006/07	2005/06
Sales of goods and services other than capital assets	2.1	851	389
Interest, dividends and rent on land	2.2	358	180
Sales of capital assets	2.3	-	21 899
Financial transactions in assets and liabilities	2.4	5 640	282
Departmental revenue collected		6 849	22 750

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department

Sales by market establishment

	851	389
Total	851	389

2.2 Interest dividends and rent on land and buildings

Interest

Total

	358	180
Total	358	180

2.3 Sale of capital assets

Other capital assets

Total

	-	21 899
Total	-	21 899

2.4 Financial transactions in assets and liabilities

Nature of loss recovery

Stale cheques written back

Other Receipts including Recoverable Revenue

Total

	22	-
	5 618	282
Total	5 640	282

3. Local and foreign aid assistance

3.1 Assistance received in cash: Other

	2006/07	2005/06
Local		
Opening Balance	(220)	1 967
Revenue	965	-
Expenditure	1 405	2 187
Current	1 263	1 636
Capital	142	551
Closing Balance	(660)	(220)
Foreign		
Opening Balance	4 065	2 935
Revenue	82	2 814
Expenditure	1 894	1 684
Current	1 879	1 684
Capital	15	-
Closing Balance	2 253	4 065
Total assistance		
Opening Balance	3 845	4 902
Revenue	1 047	2 814
Expenditure	3 299	3 871
Current	3 142	3 320
Capital	157	551
Closing Balance	1 593	3 845
Analysis of balance		
Local and foreign aid receivable	804	619
Local and foreign aid unutilised	2 397	4 464
Closing balance	1 593	3 845

3A CARA Fund assistance

Opening Balance	-	-
Revenue received	31 800	-
Closing Balance	31 800	-



4. Compensation of employees

2006/07

2005/06

4.1 Salaries and Wages

Basic salary	773 181	667 625
Performance award	18 592	18 321
Service Based	524	315
Compensative/circumstantial	4 494	2 956
Other non-pensionable allowances	134 707	86 412
Total	931 498	775 629

4.2 Social contributions

4.2.1 Employer contributions

Pension	97 950	93 405
Medical	30 929	31 032
UIF	3	10
Bargaining council	105	113
Total	128 987	124 560

Total compensation of employees

1 060 485

900 189

Average number of employees

4 044

3 872

5. Goods and services

	Note	2006/07	2005/06
Advertising		10 060	1 861
Attendance fees (including registration fees)		6	-
Bank charges and card fees		452	369
Bursaries (employees)		1 579	1 361
Communication		32 553	41 832
Computer services		36 997	41 401
Consultants, contractors and special services		67 615	57 857
Courier and delivery services		450	394
Drivers' licences and permits		-	2
Entertainment		1 390	1 087
External audit fees	5.1	2 691	2 265
Equipment less than R5000		13 194	1 122
Firearm handling fees		6	-
Inventory	5.2	14 404	15 254
Legal fees		27 995	24 927
Maintenance, repairs and running costs		6 715	3 213
Medical Services		22	221
Operating leases		86 340	54 729
Personnel agency fees		211	899
Photographic services		8	3
Plant flowers and other decorations		30	11
Printing and publications		2 653	112
Professional bodies and membership fees		19	36
Resettlement costs		2 055	3 248
Subscriptions		1 856	5 967
Storage of furniture		4	-
System access fees		13	-
Owned leasehold property expenditure		23 326	13 522
Translations and transcriptions		771	767
Transport provided as part of the departmental activities		5 336	61 327
Travel and subsistence	5.3	65 537	60 000
Venues and facilities		2 729	2 273
Protective, special clothing & uniforms		521	282
Training & staff development		4 585	1 711
Witness and related fees		43 953	36 629
Total		456 076	434 682



5.1 External audit fees

Regulatory audits

Total

2006/07	2005/06
2 691	2 265
2 691	2 265

5.2 Inventory

Domestic consumables

Food and Food supplies

Fuel, oil and gas

Other consumables

Parts and other maintenance material

Stationery and printing

Medical supplies

Weapons and armaments

Total

241	50
4	-
1	3
1	-
94	173
12 573	15 021
1	7
1 489	-
14 404	15 254

5.3 Travel and subsistence

Local

Foreign

Total

62 350	57 817
3 187	2 183
65 537	60 000

6. Financial transactions in assets and liabilities

Material losses through criminal conduct

- Other material losses

Other material losses written off

Debts written off

Total

6.1	-	9
6.2	1	-
6.3	132	4
	133	13

6.1 Other material losses

Other material losses

Total

-	9
-	9

6.2 Other material losses written off

Nature of losses

Duplicate payment written off

Total

1	-
1	-

6.3 Debts written off

Nature of debts written off

Bad debt written off

Total

Note	2006/07	2005/06
	132	4
	132	4

7. Transfers and subsidies

Provinces and municipalities

Households

Total

Annex 1A	1 096	3 025
Annex 1B	2 272	3 081
	3 368	6 106

8. Expenditure for capital assets

Buildings and other fixed structures

Machinery and equipment

Software & Other Intangible Assets

Total

26	-	15 000
26	15 692	43 933
27	14 542	-
	30 234	58 933

9. Fruitless and wasteful expenditure

9.1 Reconciliation of fruitless and wasteful expenditure

Opening balance

Fruitless and wasteful expenditure – current year

Current

Fruitless and wasteful expenditure awaiting condonement

2 425	2 259
372	166
372	166
2 797	2 425

9.2 Analysis of current fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	
Accident Fees	Under investigation. Awaiting report from IMU and Security and Risk	106
Cancellation Fees	Under investigation. Letters sent to officials to obtain explanations	65
Legal Fees	Under investigation. Transactions to be verified for correctness.	206
Extra Accommodation	Under investigation.	1
Journal Corrections		(6)
Total		372

10. Cash and cash equivalents

Consolidated Paymaster General Account

Cash receipts

Disbursements

Cash on hand

Total

62 912	38 486
-	2
33	1
85	15
63 030	38 504



11. Prepayments and advances

	2006/07	2005/06
Travel and subsistence	1 346	1 748
Prepayments	21 899	21 899
Total	23 245	23 647

12. Receivables

				2006/07	2005/06
	Note	Less than one year	One to three years	Older than three years	Total
Staff debtors	12.1	3 191	5 486	3 507	12 184
Other debtors	12.2	3 252	263	59	3 574
Intergovernmental receivables	Annex 3	4 147	39	-	4 186
Total		10 590	5 788	3 566	19 944

12.1 Staff Debtors

Sal: Deduction Disall Acc: CA	-	13
Sal: Disallowance Account: CA	318	343
Sal: Tax Debt: CA	21	125
Debt Account: CA	11 541	8 480
Sal: Reversal Control	230	264
Irregular Expenditure: Dept Vote Account	33	26
Sal: Medical Aid	41	48
Sal: Housing	-	8
Sal: Fin Institutions Study Loans	-	9
Total	12 184	9 316

12.2 Other debtors

Disallowance Miscellaneous	1 293	376
Private Telephone	99	463
Telephone Control Account	2 061	-
VAT Clearing Account	121	-
Total	3 574	839

13. Voted funds to be surrendered to the Revenue Fund

Opening balance	47 934	32 000
Transfer from Statement of Financial Performance	49 703	47 934
Paid during the year	(47 934)	(32 000)
Closing balance	49 703	47 934

14. Departmental revenue to be surrendered to the Revenue Fund

	2006/07	2005/06
Opening balance	21 035	1 915
Transfer from Statement of Financial Performance	6 849	22 750
Paid during the year	(5 341)	(3 630)
Closing balance	22 543	21 035

15. Payables – current

Description	Notes	30 Days	30+ Days	2006/07	2005/06
				2006/07 Total	2005/06 Total
Amounts owing to other entities	Annex.5	-	1 944	1 944	4 355
Advances received	15.1	231	56	287	-
Clearing accounts	15.2	517	249	766	2 256
Total		748	2 247	2 997	6 611

15.1 Advances received

Description

Claims National Departments - IJS Funds	287	-
Total	287	-

15.2 Clearing accounts

Description

Sal: Reg Service Council	-	56
Sal: Pension Fund	58	5
Sal Income Tax	405	191
Sal: Garnishee Order	-	1
Telephone Control Acc	-	56
Sal: ACB Recalls	54	19
Pension Recoverable Account	204	127
Disallowance Miscellaneous	45	1 727
Payables: Other Departments	-	74
Total	766	2 256



16. Net cash flow available from operating activities

	2006/07	2005/06
Net surplus/(deficit) as per Statement of Financial Performance	86 100	69 627
Add back non cash/cash movements not deemed operating activities	(47 364)	1 260
(Increase)/decrease in receivables - current	(8 765)	31 693
(Increase)/decrease in prepayments and advances	402	(22 077)
(Increase)/decrease in other current assets	(557)	(785)
Increase/(decrease) in payables - current	(1 203)	(10 145)
Proceeds from sale of capital assets	-	(21 899)
Expenditure on capital assets	15 849	59 484
Surrenders to Revenue Fund	(53 275)	(35 630)
Other non-cash items	185	619
Net cash flow generated by operating activities	38 736	70 887

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

Consolidated Paymaster General account	62 912	38 486
Cash receipts	-	2
Disbursements	33	1
Cash on hand	85	15
Total	63 030	38 504

Disclosure Notes to the Annual Financial Statement for the Year Ended 31 March 2007

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

18. Contingent liabilities

		Note	2006/07	2005/06
Liable to	Nature			
Motor vehicle guarantees	Employees	Annex 2A	459	1 042
Housing loan guarantees	Employees	Annex 2A	5 553	5 960
Claims against the department		Annex 2B	325 781	86 011
Other departments (interdepartmental unconfirmed balances)		Annex 4	66	79
Total			331 859	93 092

19. Commitments

Current expenditure

Approved and contracted	758 136	35 592
	758 136	35 592

Capital expenditure

Approved and contracted	32 747	11 864
	32 747	11 864

Total Commitments

	790 883	47 456
--	----------------	---------------

20. Accruals

Listed by economic classification			2006/07	2005/06
	30 Days	30+ Days	Total	Total
Compensation of employees	25	40	65	587
Goods and services	8 573	23 849	32 422	42 267
Transfers and subsidies	-	1	1	11
Machinery and equipment	1 944	6 813	8 757	31 172
Total	10 542	30 703	41 245	74 037

Listed by programme level

Public Prosecution	24 980	34 067
Special Operations	14 060	30 911
Witness Protection	2 205	9 059
	41 245	74 037

Confirmed balances with other departments

Annex 4	1 878	4 355
	1 878	4 355



21. Employee benefits

	2006/07	2005/06
Leave entitlement	47 851	41 645
Thirteenth cheque	33 288	27 726
Performance awards	18 049	15 553
Capped leave commitments	98 486	95 674
Total	197 674	180 598

22. Lease Commitments

22.1 Operating leases

2006/2007	Vehicles	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	4 672	-	4 672
Later than 1 year and not later than 5 years	-	39 792	-	39 792
Later than five years	-	-	-	-
Total present value of lease liabilities	-	44 464	-	44 464

2005/2006	Vehicles	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	2 483	8 567	11 050
Later than 1 year and not later than 5 years	-	15 730	53 644	69 374
Later than five years	-	17 752	6 404	24 156
Total present value of lease liabilities	-	35 965	68 615	104 580

22.2 Finance leases

2006/2007	Vehicles	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	12 184	9 528	18 159	39 871
Later than 1 year and not later than 5 years	11 218	42 800	45 122	99 140
Later than five years	-	12 807	-	12 807
Total present value of lease liabilities	23 402	65 135	63 281	151 818

2005/2006	Vehicles	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	6 939	-	14 789	21 728
Later than 1 year and not later than 5 years	17 709	-	26 902	44 611
Later than five years	-	-	-	-
Total present value of lease liabilities	24 648	-	41 691	66 339

23. Irregular expenditure

23.1 Reconciliation of irregular expenditure

	2006/07	2005/06
Opening balance	65 341	1 147
Add: Irregular expenditure - current year	121 348	64 194
Irregular expenditure awaiting condonement	186 689	65 341

Analysis of awaiting condonement per classification

Current expenditure	186 689	65 341
	186 689	65 341

Analysis of awaiting condonement per age classification

Current	121 348	64 194
Prior years	65 341	1 147
	186 689	65 341

23.2 Irregular expenditure

Incident	Disciplinary steps taken/criminal proceedings		
Cases (prior years)	Still under investigation	65 341	
Irregular appointment	Still under investigation	686	
Rentworks Payments	Still under investigation	38 996	
Noted cases	Still under investigation	10 666	
CFM Finance Lease	Still under investigation	54 000	
CFM Soft services not in terms of contract	Still under investigation	17 000	
		186 689	

24. Key management personnel

	No. of Individuals	2006/07	2005/06
Political office bearers (provide detail below)	5	4 475	4 157
Officials			
Level 15 to 16	19	15 256	14 161
Level 14 (incl CFO if at a lower level)	11	6 372	1 235
Total		26 103	19 553

25. Provisions

Staff Debtors	3 330	-
Total	3 330	-



26. Tangible Capital Assets

26.1 movement in tangible capital assets per asset register for the year ended 31 March 2007

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	Cost R'000	Cost R'000	Cost R'000	Cost R'000	Cost R'000
BUILDING AND OTHER FIXED STRUCTURES	30 336	-	-	-	30 336
Other fixed structures	30 336	-	-	-	30 336
MACHINERY AND EQUIPMENT	61 341	(30 837)	18 900	-	49 404
Computer equipment	42 746	(21 505)	14 705	-	35 946
Other machinery and equipment	18 595	(9 332)	4 195	-	13 458
TOTAL TANGIBLE ASSETS	91 677	(30 837)	18 900	-	79 740

Note: The following finance lease assets are not included in the above schedule: 87 photo copiers valued at R3.8m vehicles and related equipment valued at R63.3m and computer equipment valued at R40.6m. The opening balance i.r.o. "other machinery and equipment" and "computer equipment" has been restated due to incorrect classification and values of assets in the prior year.

26.2 Additions to tangible capital assets per asset register for the year ended 31 March 2007

	Cash	Non-cash	(Capital Work in Progress current costs)	Received current not paid (Paid current year received prior year)	Total
	Cost R'000	Fair Value R'000	Cost R'000	Cost R'000	Cost R'000
MACHINERY AND EQUIPMENT	15 692	729	-	2 479	18 900
Computer equipment	12 218	729	-	1 758	14 705
Other machinery and equipment	3 474	-	-	721	4 195
TOTAL	15 692	729	-	2 479	18 900

26.3 Movement in tangible capital assets per asset register for the year ended 31 March 2007

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDING AND OTHER FIXED STRUCTURES	15 336	15 000	-	30 336
Other fixed structures	15 336	15 000	-	30 336
MACHINERY AND EQUIPMENT	31 941	51 299	21 899	61 341
Computer equipment	21 899	42 746	21 899	42 746
Other machinery and equipment	10 042	8 553	-	18 595
TOTAL TANGIBLE ASSETS	47 277	66 299	21 899	91 677

27. Intangible Capital Assets

27.1 Movement in intangible capital assets per asset register for the year ended 31 March 2007

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	Cost R'000	Cost R'000	Cost R'000	Cost R'000	Cost R'000
Computer Software	6 414	-	14 542	-	20 956
Total Intangible Assets	6 414	-	14 542	-	20 956



27.2 Additions to intangible capital assets per asset register for the year ended 31 March 2007

	Cash	Non-Cash	(Develop- ment work in progress – current costs)	Received current year not paid (Paid current year received prior year)	Total
	Cost R'000	Fair Value R'000	Cost R'000	Cost R'000	Cost R'000
Computer Software	14 542	-	-	-	14 542
Total	14 542	-	-	-	14 542

27.3 Movement in intangible capital assets per asset register for the year ended 31 March 2007

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Computer Software	-	6 414	-	6 414
TOTAL	-	6 414	-	6 414

Annexures to the Annual Financial Statements for the Year Ended 31 March 2007

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO PROVINCES

NAME OF PROVINCE/ GRANT	GRANT ALLOCATION				TRANSFER		SPENT			2006/07
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Regional Service	-	-	-	-	1 096	-	-	-	-	-
Council Levies	-	-	-	-	1 096	-	-	-	-	-
	-	-	-	-	1 096	-	-	-	-	-

ANNEXURE 1B STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2006/07
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Social Benefits	-	-	-	-	2 272	-	3 006
Household: Act of Grace	-	-	-	-	-	-	75
Total	-	-	-	-	2 272	-	3 081



ANNEXURE 1C

STATEMENT OF GIFTS DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07 R'000	2005/06 R'000
Received in Cash		133	-
Various Sponsors	DPP-JHB (Golf Day)		
Received in kind			
BHP Billiton	Year-end function	-	58
Centre of Organised Crime	Sponsorship for International Travel by the National Head of the Witness Protection Unit (Mr D Adam)	-	11
Lexmark	Furniture	-	41
Standard Bank	Furniture	-	37
Justice College	SA Law Reports	-	1 526
SA Law Commission	SA Law Reports	-	88
USAID	Training	-	1 143
Nashua	Office equipment	-	12
Mercedes Benz	Advanced Driver's Course	-	2
British High Commission	Training week	70	-
G8 Lyon Group	Airfare, Accommodation & Meals	10	-
UN Office on Drugs & Crime	Travel, Subsistence & Accommodation	10	-
US Embassy	Godiva Chocolates	1	-
Vodacom	Caps and T-shirts	2	-
SUB TOTAL		93	2 918
TOTAL		226	2 918

ANNEXURE 1D

STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	CLOSING BALANCE R'000
Received in cash					
Vodacom	Thutuzela C.C.	242	-	276	(34)
SARS	SARS Tax Unit	(465)	465	-	-
Woolworths	Child Courts	151	-	14	137
BAC	Payment for JR Hillhouse to collaborate and coordinate in preparation of cases for prosecution	6	-	-	6
Foundation for Human Rights	Implementation of recommendations of the TRC regarding missing persons	(154)	500	1 116	(770)
WK Kellogg	Thutuzela Training	1 329	72	496	905
UNICEF	SOCA C.C. TV's	873	-	683	190
USAID	Prosecution of Child Sex Offenders	293	-	-	293
Greece	Thutuzela	633	10	315	328
Royal Danish Commission	Ndabezitha Project	937	-	399	538
		3 845	1 047	3 299	1 593



ANNEXURE 2A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2007 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2006	Guarantees draw downs during the year	Guarantees repayments cancelled/ reduced/ released during the year	Currenc revaluations	Closing balance 31 March 2007	Guaranteed interest for year ended 31 March 2007	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Stanic	Motor Vehicles	-	1 042	-	583	-	459	-	-
		-	1 042	-	583	-	459	-	-
Standard Bank	Housing	-	1 378	114	19	-	1 473	-	-
Nedbank	Housing	-	711	-	42	-	669	-	-
First Rand Bank	Housing	-	769	26	189	-	606	-	-
ABSA	Housing	-	2 103	257	353	-	2 007	-	-
Old Mutual Finance Limited	Housing	-	(4)	-	22	-	(26)	-	-
Peoples Bank Limited	Housing	-	40	-	-	-	40	-	-
Nedbank Limited Incorporated	Housing	-	400	-	137	-	263	-	-
First Rand Bank	Housing	-	244	-	24	-	220	-	-
Old Mutual Finance Limited	Housing	-	213	-	-	-	213	-	-
Free State Development Corp.	Housing	-	46	-	-	-	46	-	-
VBS Mutual Bank	Housing	-	60	-	18	-	42	-	-
		-	5 960	397	804	-	5 553	-	-
	Total	-	7 002	397	1 387	-	6 012	-	-

ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2007

Nature of Liability	Opening Balance 01/04/2006	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31/03/2007
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Fleet Management	80 000	-	-	-	80 000
DSO Litigation cases	1 000	-	-	-	1 000
Outstanding Lawsuits (AFU WPU and PCLU)	5 011	239 770	-	-	244 781
Total	86 011	239 770	-	-	325 781



ANNEXURE 3 INTER-GOVERNMENT RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Business Against Crime (BAC)	-	-	674	-	674	-
Department of Agriculture	-	-	-	43	-	43
Department of Art and Culture	-	-	20	-	20	-
Department of Correctional Services	-	-	24	23	24	23
Department of Defence	-	-	-	12	-	12
Department of Education	-	-	11	10	11	10
Department of Environmental Affairs	-	-	15	15	15	15
Department of Health	8	-	84	90	92	90
Department of Home Affairs	-	-	6	-	6	-
Department of Housing	-	-	7	-	7	-
Department of Justice and Constitutional Development	3 023	-	82	559	3 105	559
Department of Public Works	4	-	10	18	14	18
Department of Trade and Industry	-	-	7	25	7	25
Department of Transport	-	-	36	45	36	45
Department of Water Affairs	-	-	13	-	13	-
DPSA	-	-	-	15	-	15
Free State Province	-	-	12	12	12	12
Gauteng Province	-	-	-	22	-	22
Gauteng Shared Service Centre	-	-	79	65	79	65
Independent Compains Directorate	-	-	14	-	14	-
National Intelligent Agency	-	-	-	21	-	21
North West Province	-	-	17	-	17	-
SA Secret Services	-	-	25	35	25	35
Other	-	-	15	14	15	14
TOTAL	3 035	-	1 151	1 024	4 186	1 024

ANNEXURE 4 INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of Agriculture	-	3	-	-	-	3
Department of Correctional Services	-	-	-	16	-	16
Department of Education	-	-	6	-	6	-
Department of Health	-	-	20	-	20	-
Department of Justice and Constitutional Development	-	3 484	24	-	24	3 484
DPSA	-	-	-	22	-	22
Gauteng Provincial Government	1 843	868	5	-	1 848	868
Motor Transport	35	-	11	41	46	41
Safety and Security						
Total	1 878	4 355	66	79	1 944	4 434

