

**PART FOUR: ANNUAL FINANCIAL STATEMENTS
WESTERN CAPE PROVINCE
DEPARTMENT OF COMMUNITY SAFETY
VOTE 4
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004**

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PART FOUR: ANNUAL FINANCIAL STATEMENTS

**WESTERN CAPE PROVINCE
DEPARTMENT OF COMMUNITY SAFETY
VOTE 4**

Management Report
for the year ended 31 March 2004

Report of the Accounting Officer to the Executive Authority and the Western Cape Provincial Parliament.

1. General review of the state of financial affairs

The original allocation of R140 443 000 for the 2003/2004 financial year was increased by R887 000 in the Adjustment Estimates, increasing the total budget to R141 330 000. The voted allocation provided for the monitoring of South African Police Services service delivery, crime prevention strategies and creating capacity at the Traffic Management Directorate.

The decentralised functions that the Department accepted last year were consolidated. Supply chain management was strengthened as it forms part of the recommended structure of the chief financial officer. The financial control is reflected in the 0.1% underspending which is within the parameters set by the PFMA. The Department also had an increased income of R1 435 000. It had budgeted for an income of R367 000 and this was adjusted to R967 000 in the Adjustment Estimates, but still surpassed this. The major contributor to the own revenue was accommodation and training.

The Department's main focus was on crime prevention and its spending patterns on these matters are clearly visible in transfer payments. The Bambanani Campaign as well as the Safest Festive Season in a Decade Campaign, which, in terms of crime reduction, were the most successful projects ever; is a clear indication of the contribution the Department is making in creating an enabling environment for other departments. The traffic law enforcement component is labour intensive and the appointment of additional staff contributed to an increased level of personnel costs. This too, was money well spent, as a major reduction in fatalities was achieved.

2. Services rendered by the Department

2.1 The Department renders the following services:

Programme 1: Administration

This Programme makes provision for the Office of the Provincial Minister (Sub-programme 1) as well as Management and Support Services (Sub-programme 2), which includes Finance, Personnel and Administration. This is the corporate hub that supports all other components of the organisation.

Programme 2: Provincial Secretariat for Safety and Security

This Programme includes Civilian Oversight (Sub-programme 1), which deals with the evaluation of service delivery by the South African Police Service and Policy Advice (Sub-programme 2) which analyses crime and traffic statistics and configures the annual strategic safety plan for the Province.

Programme 3: Safety Promotion

This Programme deals with force multipliers such as Municipal Policing and Neighbourhood Watches (Sub-programme 1 – Operational Support), social crime prevention programmes (Sub-programme 2 – Social Crime Prevention) and effective and efficient traffic law enforcement (Sub-programme 3 – Traffic Management).

2.2 Tariff policy

The Department has a Revenue Tariff Register where all tariffs are recorded. This policy has been issued as a Departmental Finance Instruction and is monitored by the Internal Control component. All tariffs were reviewed this year.

2.3 Free services

The Department renders traffic services across the province but the fines accrued are payable to Municipalities. This could be regarded as free services.

2.4 Inventories

Although the Department strives for compliance to all accounting policies regarding supply chain management, it was only able to perform a stock take, checking inventory balances and keeping record thereof. Further issues such as the issuing of certificates and coupling monetary values to store items could not be finalised.

3. Over/under spending

The total expenditure for the year amounts to R141 187 000 which represents an under expenditure of R143 000 or 0.1%. No roll-overs to the next financial year have been requested.

4. Capacity constraints

Not all the posts envisaged for filling were realised during the financial year. The major reason for this is the process of decentralising services of the Department and the prescribed investigation in this regard. The Department's asset register is not fully implemented and the Logis system was activated in November 2003. The asset management is being addressed by Treasury.

5. Utilisation of donor funds

The Department has not received any donor funds in the period under discussion.

6. Trading entities/public entities

The Department has no trading or public entities reporting to it.

7. Other organisations to whom transfer payments have been made

Communities are developed and capacitated to identify, introduce and manage social crime prevention projects. Communities can apply to the Department for funds to launch projects in their specific areas. Once an application is received, it is evaluated against set criteria and if deemed feasible, approved. The transfer of funds only takes place once a formal agreement is signed. These agreements also establish the right of the Department to scrutinise any project expenditure. The latter is done on a regular basis.

The organisations to whom the Department makes transfer payments are the Community Police Forum structures, the Western Cape Chrysalis Trust, the Peace and Development Project and other Non-Government Organisations.

8. Public/private partnerships (PPP)

The department had no public/private partnerships in the 2003/2004 financial year.

9. Corporate governance arrangements

The Department completed its second risk assessment and will update the Fraud Prevention Plan once the micro assessments, in conjunction with the Internal Audit, have been completed. Risk and Compliance Management (Internal Control) regularly performs evaluations to ensure compliance to prescripts. Regular management meetings are also held whereby emphasis is placed on performance management to ensure that objectives are met on time and within budget constraints. The statement of changes in net assets/equity is more attuned to accrual accounting. This statement therefore reflects only zero balances and consequently the Department did not submit the statement.

10. Discontinued activities/Activities to be discontinued

There were no activities that were discontinued during the 2003/2004 financial year.

11. New/proposed activities

During the 2004/2005 financial year the Department's main priority will be institutionalising the Bambanani philosophy. The essence of Bambanani is enshrined in the principles of Batho Pele whereby communities are regularly consulted about Departmental services. To this extent funds were already allocated in the Medium Term Expenditure Framework (MTEF). The Department will also ensure the incremental roll out of Traffic Services within the financial envelope it is allowed.

12. Events after the accounting date

Arrangements are being made to hand the Philippi Training College to SAPS. No other material events took place after the accounting date.

13. Financial management improvement programme

During the year under discussion the Department addressed all aspects in the Public Finance Management Act, No. 1 of 1999 to ensure compliance thereto. Regular financial inspections/evaluations were carried out to ensure compliance, identify training needs and ensure that corrective action was taken. Financial Accountability has also been addressed by appointing officials as Programme and Sub-programme Responsibility Managers. The total establishment of the Directorate Finance consists of 35 approved posts.

14. Performance information

The Department, in terms of National Treasury Regulations 5.2 reports on a quarterly basis to the executive authority on the performance of each programme and sub-programme. The information includes the progress made on each objective as set out in the annual strategic plan. Budget information is also addressed in this format.

Approval

The Accounting Officer has approved the attached annual financial statements.



MC Joshua
Accounting Officer
31 May 2004





REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL PARLIAMENT OF THE WESTERN CAPE ON THE FINANCIAL STATEMENTS OF THE DEPARTMENT OF COMMUNITY SAFETY (VOTE 4) FOR THE YEAR ENDED 31 MARCH 2004

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 39 to 61, for the year ended 31 March 2004, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the department at 31 March 2004 and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act, 1999 (PFMA) (Act No. 1 of 1999).

4. EMPHASIS OF MATTER

Without qualifying the audit opinion expressed above, attention is drawn to the following matters:

**4.1 Housing loan guarantees: R928 000
[Note 20 and Annexure 4 to the financial statements]**

Housing loan guarantees issued since the inception of the PFMA were not properly authorised. This was due to a lack of appropriately approved delegations, as the powers granted to the MEC for Finance in terms of section 66(2)(b) of the PFMA, were not further delegated to the provincial departments.

4.2 Asset management

Although the logistical information system (LOGIS) register was implemented at the Department's head office during the financial year under review, certain shortcomings were identified and the Department is still making use of a manual asset register to control moveable assets. However, due to insufficient management policies and procedures, neither of these registers have all the required information to verify the existence and completeness of assets.

4.3 Inventory

As reported in the previous year as well as in paragraph 2.4 of the Management Report, no register exists to verify the value of store-items and no inventory balance at 31 March 2004 is disclosed in the Management Report, as prescribed by National Treasury, due to a lack of a formal policy regarding the general controls over stores. The store purchases during the year are included under the item Inventories which amounted to R7 420 000 (2003: R5 837 000) as disclosed in note 4.1 of the financial statements.

**4.4 Personnel expenditure: R68 380 000
[Note 3 to the financial statements]**

An unreconciled difference of R458 044 was found between personnel expenditure for the year according to the PERSAL system (R68 838 189) and the Financial Management System (R68 380 145) at 31 March 2004. Prescribed policies and procedures to ensure that the expenditure according to these systems are reconciled on a monthly basis were not implemented for the year under review.

**4.5 Employee benefits: Leave entitlement: R7 675 000
[Note 23 to the financial statements]**

The value of the leave entitlement as disclosed in the above-mentioned note was based on a PERSAL report. As the system does not provide for validation checks of the details of the report and no independent check of the data was performed, this report included capped leave of employees who were re-appointed and who have, on resignation, lost their right to be paid out the balance of this leave. The accuracy of this report and the disclosed amount could therefore not be verified.

4.6 Internal audit

Due to capacity constraints by the provincial shared internal audit directorate, only one internal audit was performed at the Department during the financial year under review, which focussed on the adequacy of the sick leave policy in terms of the reporting, recording and monitoring of sick leave. The procedures carried out and subsequent findings were not considered during the external audit due to the limited nature of the above-mentioned assignment.

4.7 Maladministration: Philippi Training College

Various allegations of maladministration at the Philippi Training College, which were brought to the Head of the Department's attention by an official at the College, were also brought to the attention of this Office. During the follow-up of these allegations it emerged that most of the allegations were investigated and taken up with the Head of the College by the Department's inspectorate during August 2003 and May 2004. However, audit revealed that most of the shortcomings still exist. This indicates a lack of control over a wide spectrum of the activities at the College as well as the fact that inadequate management follow-up took place.

These matters include, *inter alia*, the following:

- (a) Logbooks not completed and checked on a regular basis;
- (b) Unauthorised use of government vehicles;
- (c) Damage to government vehicles not followed-up;
- (d) Loss of furniture and equipment transferred from Gene Louw College;
- (e) Lack of control over stores (bedding and blankets); and
- (f) Lack of control over collection of accommodation and course fees.

4.8 Risk assessment and fraud prevention plan

According to Treasury Regulation 3.2.1, the accounting officer must ensure that a risk assessment is conducted regularly to identify emerging risks in the Department. A risk management strategy, which must include a fraud prevention plan, must be used to direct internal audit effort and priority, and to determine the skills required of managers and staff to improve controls and to manage these risks.

A macro risk assessment was performed by internal audit in March 2001. To date no micro risk assessment was performed. As a result, only a draft fraud prevention plan exists.

4.9 Shortcomings in internal control

During the audit, internal control shortcomings covering various areas of the financial administration of the Department were identified and reported to the accounting officer. These control shortcomings resulted either from a lack of management policies and procedures, or relevant personnel not following management policies and procedures that were adopted.



4.10 Post balance sheet events: Take over of Philippi Training College by the South African Police Services (SAPS)

The Philippi Training College that was established by the Department during May 2001 was taken over by SAPS with effect from 1 July 2004. The Department's activities at the College were subsequently relocated to the campus in Brackenfell, although provision was made for the continued provision of limited hostel facilities to the Province until 31 December 2004.

At the time of writing this report, the official transfer of the property to SAPS, as well as the conclusion of the Department's contractual commitments and the determination of compensation and related matters, were being dealt with by the Western Cape Department of Transport and Public Works.

5. APPRECIATION

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

D.A. van Huyssteen
for Auditor-General
Bellville
30 July 2004

Statement of Accounting Policies and Related Matters for the year ended 31 March 2004

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects, 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), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 7 of 2003.

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 disclosures. The reporting entity is in transition from reporting on a cash basis of accounting to reporting on an accrual basis of accounting. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

2. Revenue

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of Provincial Expenditure. Unexpended voted funds are annually surrendered to the Provincial Revenue Fund.

Interest and dividends received are recognised upon receipt of the funds, and no accrual is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They are recognised as revenue in the financial statements of the department and then transferred annually to the Provincial Revenue Fund.

3. Current expenditure

Current expenditure is recognised in the income statement when the payment is made.

4. Unauthorised, irregular, and fruitless and wasteful expenditure

Unauthorised expenditure means:

- the overspending of a vote or a main division within a vote, or
- expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party or funded from future voted funds.

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or not in accordance with a requirement of any applicable legislation, including:

- the Public Finance Management Act,
- the State Tender Board Act, or any regulations made in terms of this act, or
- any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is treated as expenditure in the income statement.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful must be recovered from a responsible official (a debtor account should be raised), or the vote if responsibility cannot be determined. It is treated as a current asset in the balance sheet until such expenditure is recovered from the responsible official or funded from future voted funds.

5. Debts written off

Debts are written off when identified as irrecoverable. Debts written off are limited to the amount of surplus funds available to the department. No provision is made for irrecoverable amounts.

6. Investments

Non-current investments excluding marketable securities are shown at cost and adjustments are made only where, in the opinion of the directors, the investment is impaired. Where an investment has been impaired, it is recognised as an expense in the period in which the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.



7. Receivables

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the balance sheet arise from cash payments that are recoverable from another party.

Receivables for services delivered are not recognised in the balance sheet as a current asset or as income in the income statement, as the financial statements are prepared on a cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the financial statements.

8. Payables

Payables are not normally recognised under the cash basis of accounting. However, payables included in the balance sheet arise from cash receipts that are due to the Provincial Revenue Fund or another party.

9. Lease commitments

Lease commitments for the period remaining from the accounting date until the end of the lease contract are disclosed as part of the disclosure note to the financial statements. These commitments are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on the cash basis of accounting.

10. Accruals

This amount represents goods/services that have been delivered, but no invoice has been received from the supplier at year end, OR an invoice has been received but remains unpaid at year end. These amounts are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on a cash basis of accounting, but are however disclosed as part of the disclosure notes.

11. Employee benefits

Short-term employee benefits

The cost of short-term employee benefits is expensed in the income statement in the reporting period when the payment is made. Short-term employee benefits, that give rise to a present legal or constructive obligation, are deferred until they can be reliably measured and then expensed. Details of these benefits and the potential liabilities are disclosed as a disclosure note to the financial statements and are not recognised in the income statement.

Termination benefits

Termination benefits are recognised and expensed only when the payment is made.

Retirement benefits

The department provides retirement benefits for 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 money is paid to the fund. 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 Provincial Revenue Fund and not in the financial statements of the employer department.

Medical benefits

The department provides medical benefits for certain of its employees through defined benefit plans. These benefits are funded by employer and/or employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for medical benefits in the financial statements of the department.

Retirement medical benefits for retired members are expensed when the payment is made to the fund.

12. Recoverable revenue

Recoverable revenue represents payments made and recognised in the income statement as an expense in previous years due to non-performance in accordance with an agreement, which have now become recoverable from a debtor. Repayments are transferred to the Revenue Fund as and when the repayment is received.

13. Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the department may reasonably have available for reporting.

APPROPRIATION STATEMENT for the year ended 31 March 2004

Programme	2003/04						2002/03	
	Adjusted appropriation	Virement	Final allocation	Actual expenditure	Savings / (underspend) (excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
I. Administration								
Current	18 577	(987)	17 590	17 543	47	99.73%	13 305	13 214
Capital	1 149	115	1 264	1 263	1	99.92%	879	891
2. Provincial Secretariat for Safety and Security								
Current	16 712	(597)	16 115	16 075	40	99.75%	14 883	14 798
Capital	256	86	342	341	1	99.71%	488	488
3. Safety Promotion								
Current	98 692	1 101	99 793	99 742	51	99.95%	75 732	75 655
Capital	5 944	282	6 226	6 223	3	99.95%	13 672	13 705
Total	141 330	0.00	141 330	141 187	143	99.90%	118 959	118 751
Reconciliation with Income Statement								
Add: Other receipts			1 435				335	
Actual amounts per Income Statement			142 765	141 187			119 294	118 751

Economic classification	2003/04						2002/03	
	Adjusted appropriation	Virement	Final allocation	Actual expenditure	Savings / (excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
I. Current								
Personnel	72 917	(4 452)	68 465	68 380	85	99.88%	52 959	52 891
Transfer payments	25 569	3 152	28 721	28 685	36	99.87%	19 745	19 729
Other	35 495	817	36 312	36 295	17	99.95%	31 216	31 013
2. Capital								
Transfer payments	0	0	0	0	0	0.00%	11 465	11 465
Acquisition of capital assets	7 349	483	7 832	7 827	5	99.94%	3 574	3 653
Total	141 330	0.00	141 330	141 187	143	99.90%	118 959	118 751

Standard item classification	2003/04						2002/03	
	Adjusted appropriation	Virement	Final allocation	Actual expenditure	Savings / (excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Personnel	72 917	(4 452)	68 465	68 380	85	99.88%	52 959	52 891
Administration	18 708	(382)	18 326	18 323	3	99.98%	17 439	17 426
Inventories	5 981	1 443	7 424	7 420	4	99.95%	5 933	5 837
Equipment	8 748	203	8 951	8 943	8	99.91%	4 344	4 330
Land and buildings	19	20	39	38	1	97.44%	15	15
Professional and special services	8 649	237	8 886	8 882	4	99.95%	6 751	6 742
Transfer payments	25 569	3 152	28 721	28 685	36	99.87%	31 210	31 194
Miscellaneous	739	(599)	140	138	2	98.57%	308	293
Special functions	0	378	378	378	0	100.00%	0	23
Total	141 330	0.00	141 330	141 187	143	99.90%	118 959	118 751



DETAIL PER PROGRAMME 1: ADMINISTRATION for the year ended 31 March 2004

Programme per sub-programme	2003/04						2002/03	
	Adjusted appropriation	Virement	Final allocation	Actual expenditure	Savings / (excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
1.1 Office of the Provincial Minister								
Current	2 927	(22)	2 905	2 903	2	99.93%	2 580	2 524
Capital	48	(31)	17	16	1	94.12%	24	24
1.2 Management and Support Services								
Current	15 650	(965)	14 685	14 641	44	99.70%	10 744	10 689
Capital	1 101	146	1 247	1 246	1	99.92%	836	868
Total	19 726	(872)	18 854	18 806	48	99.75%	14 184	14 105

Economic classification	2003/04						2002/03	
	Adjusted appropriation	Virement	Final allocation	Actual expenditure	Savings / (excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
1. Current								
Personnel	12 572	(1 017)	11 555	11 512	43	99.63%	9 676	9 642
Other	6 005	30	6 035	6 031	4	99.93%	3 629	3 572
2. Capital								
Acquisition of capital assets	1 149	115	1 264	1 263	1	99.92%	879	891
Total	19 726	(872)	18 854	18 806	48	99.75%	14 184	14 105

Standard item classification	2003/04						2002/03	
	Adjusted appropriation	Virement	Final allocation	Actual expenditure	Savings / (excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Personnel	12 572	(1 017)	11 555	11 512	43	99.63%	9 676	9 642
Administration	2 890	236	3 126	3 125	1	99.97%	2 207	2 189
Inventories	872	165	1 037	1 036	1	99.90%	563	545
Equipment	1 452	125	1 577	1 575	2	99.87%	1 041	1 030
Professional and special services	1 498	(286)	1 212	1 211	1	99.92%	595	597
Miscellaneous	442	(353)	89	89	0	100.00%	102	102
Special functions	0	258	258	258	0	100.00%	0	0
Total	19 726	(872)	18 854	18 806	48	99.75%	14 184	14 105

DETAIL PER PROGRAMME 2: SECRETARIAT FOR SAFETY AND SECURITY for the year ended 31 March 2004

Programme per sub-programme	2003/04						2002/03	
	Adjusted appropriation	Virement	Final allocation	Actual expenditure	Savings / (excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
2.1 Civilian Oversight								
Current	7 869	(390)	7 479	7 445	34	99.55%	4 645	4 568
Capital	141	(9)	132	132	0	100.00%	172	172
2.2 Policy Advice								
Current	8 843	(207)	8 636	8 630	6	99.93%	10 185	10 230
Capital	115	95	210	209	1	99.52%	369	316
Total	16 968	(511)	16 457	16 416	41	99.75%	15 371	15 286

Economic classification	2003/04						2002/03	
	Adjusted appropriation	Virement	Final allocation	Actual expenditure	Savings / (excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
1. Current								
Personnel	7 455	(278)	7 177	7 176	1	99.99%	4 459	4 464
Transfer payments	1 799	0	1 799	1 764	35	98.05%	2 201	2 195
Other	7 458	(319)	7 139	7 135	4	99.94%	8 223	8 139
2. Capital								
Acquisition of capital assets	256	86	342	341	1	99.71%	488	488
Total	16 968	(511)	16 457	16 416	41	99.75%	15 371	15 286

Standard item classification	2003/04						2002/03	
	Adjusted appropriation	Virement	Final allocation	Actual expenditure	Savings / (excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Personnel	7 455	(278)	7 177	7 176	1	99.99%	4 459	4 464
Administration	2 851	344	3 195	3 195	0	100.00%	3 232	3 234
Inventories	2 216	(17)	2 199	2 198	1	99.95%	2 443	2 365
Equipment	556	8	564	562	2	99.65%	688	686
Land and buildings	0	6	6	6	0		0	0
Professional and special services	2 091	(597)	1 494	1 493	1	99.93%	2 156	2 148
Transfer payments	1 799	0	1 799	1 764	35		2 201	2 195
Miscellaneous	0	21	21	20	1	95.24%	192	194
Special functions	0	2	2	2	0	100.00%	0	0
Total	16 968	(511)	16 457	16 416	41	99.75%	15 371	15 286



DETAIL PER PROGRAMME 3: SAFETY PROMOTION for the year ended 31 March 2004

Programme per sub-programme	2003/04						2002/03	
	Adjusted appropriation	Virement	Final allocation	Actual expenditure	Savings / (excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
3.1 Operational support								
Current	22 931	(269)	22 662	22 658	4	99.98%	22 190	22 212
Capital	2 300	(466)	1 834	1 833	1	99.95%	401	378
3.2 Social Crime Prevention								
Current	19 758	3 114	22 872	22 869	3	99.99%	14 662	14 622
Capital	117	(4)	113	112	1	99.12%	11 627	11 625
3.3 Traffic Management								
Current	56 003	(1 744)	54 259	54 215	44	99.92%	38 948	38 821
Capital	3 527	752	4 279	4 278	1	99.98%	1 576	1 702
Total	104 636	1 383	106 019	105 965	54	99.95%	89 404	89 360

Economic classification	2003/04						2002/03	
	Adjusted appropriation	Virement	Final allocation	Actual expenditure	Savings / (excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
1. Current								
Personnel	52 890	(3 157)	49 733	49 691	42	99.92%	38 824	38 786
Transfer payments	23 770	3 152	26 922	26 921	1	100.00%	17 544	17 534
Other	22 032	1 106	23 138	23 130	8	99.97%	19 364	19 335
2. Capital								
Transfer payments	0	0	0	0	0		11 465	11 465
Acquisition of capital assets	5 944	282	6 226	6 223	3	99.95%	2 207	2 240
Total	104 636	1 383	106 019	105 965	54	99.95%	89 404	89 360

Standard item classification	2003/04						2002/03	
	Adjusted appropriation	Virement	Final allocation	Actual expenditure	Savings / (excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Personnel	52 890	(3 157)	49 733	49 691	42	99.92%	38 824	38 786
Administration	12 967	(962)	12 005	12 002	3	99.98%	12 000	12 003
Inventories	2 893	1 295	4 188	4 186	2	99.95%	2 927	2 927
Equipment	6 740	70	6 810	6 806	4	99.94%	2 615	2 615
Land and buildings	19	14	33	33	0		15	15
Professional and special services	5 060	1 120	6 180	6 179	1	99.98%	4 000	3 996
Transfer payments	23 770	3 152	26 922	26 921	1	100.00%	29 009	28 999
Miscellaneous	297	(267)	30	29	1	96.67%	14	19
Special functions	0	118	118	118	0	100.00%	0	0
Total	104 636	1 383	106 019	105 965	54	99.95%	89 404	89 360

Notes to the Appropriation Statement for the year ended 31 March 2004

1. Detail of current and capital transfers as per Appropriation Act (after virement):

Detail of these transactions can be viewed in note 8 (Transfer payments) and Annexure 1 to the annual financial statements.

2. 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.

3. Detail of special functions (theft and losses)

Detail of these transactions per programme can be viewed in note 10.4 (Details of special functions ((theft and losses)) to the annual financial statements.

4. Explanations of material variances from amounts voted (after virement):**4.1 Per programme:**

Programme 1:	None
Programme 2:	None
Programme 3:	None

4.2 Per standard item:

Personnel:	None
Administrative:	None
Inventories:	None
Equipment:	None
Land and buildings:	None
Professional and special services:	None
Transfer payments:	None
Miscellaneous:	None



Income Statement (Statement of Financial Performance)
for the year ended 31 March 2004

	Note	2003/04 R'000	2002/03 R'000
REVENUE			
Voted funds		141 330	118 959
Annual Appropriation	1	141 330	118 959
Other revenue to be surrendered to the Revenue Fund	2	1 435	335
TOTAL REVENUE		142 765	119 294
EXPENDITURE			
Current			
Personnel	3	68 380	52 891
Administrative		18 323	17 426
Inventories	4	7 420	5 837
Machinery and equipment	5	1 116	677
Land and buildings	6	38	15
Professional and special services	7	8 882	6,742
Transfer payments	8	28 685	31 194
Miscellaneous	9	138	293
Special functions: authorised losses	10	378	23
TOTAL CURRENT EXPENDITURE	A	133 360	115 098
Capital			
Machinery and equipment	5	7 827	3 653
TOTAL CAPITAL EXPENDITURE	B	7 827	3 653
TOTAL EXPENDITURE	A + B	141 187	118 751
NET SURPLUS /(DEFICIT)		1 578	543
NET SURPLUS FOR THE YEAR		1 578	543
Reconciliation of Net Surplus / (Deficit) for the year			
Voted funds to be surrendered to the Revenue Fund	13	143	208
Other Revenue to be surrendered to the Revenue Fund	2	1 435	335
NET SURPLUS /(DEFICIT) FOR THE YEAR		1 578	543

Balance Sheet (Statement of Financial Position) at 31 March 2004

	Note	2003/04 R'000	2002/03 R'000
ASSETS			
Current assets			
Cash and cash equivalents	11	18	1 743
Receivables	12	861	828
Other Revenue funds to be surrendered by the Revenue Fund	14	298	-
TOTAL ASSETS	A	1 177	2 571
LIABILITIES			
Current liabilities			
Voted funds to be surrendered to the Revenue Fund	13	143	208
Other Revenue funds to be surrendered to the Revenue Fund	14	-	46
Bank overdraft	15	-	2 151
Payables	16	986	98
TOTAL LIABILITIES	B	1 129	2 503
NET ASSETS/LIABILITIES	A - B	48	68
Represented by:			
Recoverable revenue		48	68
Total		48	68



Statement of Changes in Net Assets
for the year ended 31 March 2004

	Note	2003/04 R'000	2002/03 R'000
Recoverable Revenue			
Opening Balance		68	*
Transfer to Revenue Fund	2	(24)	*
Debts raised		4	
Closing Balance		48	68

* This department previously did not complete the full set of Annual Financial Statements due to their non-departmental status as a financially independent department. Dept 70 was previously rendering this service, therefore the detailed comparative figures could not be disclosed.

Cash Flow Statement
for the year ended 31 March 2004

	Note	2003/04 R'000	2002/03 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flow generated by operating activities	17	10 372	4 762
Cash generated / (utilised) to (increase) / decrease working capital	18	835	(661)
Voted funds and Revenue funds surrendered	19	(2 954)	(856)
Net cash flow available from operating activities		8 253	3 245
CASH FLOWS FROM INVESTING ACTIVITIES		(7 827)	(3 653)
Capital expenditure		(7 827)	(3 653)
Net cash flows from operating and investing activities		426	(408)
Net increase / (decrease) in cash and cash equivalents		426	(408)
Cash and cash equivalents at beginning of period		(408)	
Cash and cash equivalents at end of period	14	18	(408)

Notes to the Annual Financial Statements
for the year ended 31 March 2004

1. Annual Appropriation

1.1 Included are funds appropriated in terms of the Appropriation Act for Provincial Departments (Equitable Share):

Programmes	Total appropriation 2003/04 R'000	Actual funds received R'000	Variance over/ (under) R'000	Total appropriation 2002/03 R'000
Programme 1	18 854	18 854	-	14 184
Programme 2	16 457	16 457	-	15 371
Programme 3	106 019	106 019	-	89 404
Total	141 330	141 330	-	118 959

2. Other revenue to be surrendered to the revenue fund

Description

(specify material amounts separately)

Recovery: interest	24	24
Recovery: loans	-	8
Sport gatherings: Public Roads	679	228
Sale of moveable assets	1	1
Parking	1	6
Accommodation: Personnel	124	122
Accommodation: Private	832	-
Cheques written back/stale cheques	18	13
Administration fees	41	32
Course fees	669	350
Refunds: Previous year	-	7
Revenue: Previous year	11	111
Reprographic services	2	-
Total revenue collected	2 402	902
Less: Own revenue budgeted	(967)	(567)
Total other revenue collected	1 435	335

3. Personnel

3.1 Current expenditure

Appropriation to Executive and Legislature	723	668
Basic salary costs	44 931	34 090
Pension contributions	5 853	4 058
Medical aid contributions	3 170	2 466
Other salary related costs	13 703	11 609
Total Personnel Costs	68 380	52 891
Average number of employees	608	683*

* Reflects funded posts. Filled posts are 570

Note	2003/04 R'000	2002/03 R'000
4. Inventories		
4.1 Current expenditure		
Inventories purchased during the year		
Stationery	2 718	2 976
Uniforms	1 263	1 065
Ammunition	32	602
Plants	91	45
Requisites	457	784
Household	25	23
*Water	946	-
*Electricity	462	-
Other	291	10
Vehicle accessories	23	45
Maintenance	437	287
Publications	208	-
Photostat paper	223	-
Bedding/linen/needlework	40	-
Computer requisites	204	-
Total cost of inventories	7 420	5 837

* Water and Electricity were incorrectly budgeted as inventories and not as Professional and Special Services.

5. Machinery and equipment

Current (Rentals, maintenance and sundry)	1 116	677
Capital	7 827	3 653
Total current and capital expenditure	8 943	4 330

5.1 Capital machinery and equipment analysed as follows

Computer equipment	2 144	1 654
Computer requirements	554	286
Cellular telephones	7	17
Cellular telephone requirements	2	8
Motor vehicles	4 326	472
Tools	2	6
Furniture and office equipment	681	941
Household equipment	63	31
Photographic equipment	19	120
Labour saving devices	29	2
Two-way radios	-	116
Total	7 827	3 653

6. Land and buildings

Rental	38	15
Total current expenditure	38	15

	Note	2003/04 R'000	2002/03 R'000
7. Professional and special services			
7.1 Current expenditure			
Auditors' remuneration		-	-
Regulatory		273	230
Contractors		1 020	1 598
Consultants and advisory services		1 704	137
State Attorney		7	-
Computer services		13	33
Injury on duty		105	114
Professional services other		869	831
Courier services		21	19
Catering		2 093	1 754
Cleaning		534	645
Terrain		77	113
Development of photos		6	2
Artwork/photography/design		32	77
Repro work		-	16
Freelance translation		73	87
Functional training		81	86
Safety training		5	3
Special services other		968	571
Rates and taxes		-	21
Removal of furniture		65	-
HIV/AIDS		40	-
Refuse removal		8	5
Sanitation		23	7
Machines		117	222
Mechanical		4	4
Furniture		120	23
Vehicles		5	144
Security services		618	-
Other (specify material amounts separately)		1	-
Total professional and special services		8 882	6 742
8. Transfer payments			
Other transfers	Annexure I	28 685	31 194
		28 685	31 194
Analysis of transfer payments			
Current		28 685	31 194
		28 685	31 194

	Note	2003/04 R'000	2002/03 R'000
9. Miscellaneous			
9.1 Current expenditure			
Remissions, refunds and payments made as an act of grace	9.2	1	-
Gifts, donations and sponsorships	9.3	75	14
Claims against the State		62	279
Total miscellaneous expenditure		138	293
9.2 Remissions, refunds and payments made as an act of grace			
Nature of remissions, refunds and payments			
Act of grace		1	-
		1	-
9.3 Gifts, donations and sponsorships paid in cash by the department (items expensed during the current year)			
Nature of gifts, donations and sponsorships			
Current		75	14
		75	14
10. Special functions: Authorised losses			
Material losses through criminal conduct	10.1	305	4
Other material losses written off in income statement	10.2	69	19
Debts written off	10.3	4	-
		378	23
10.1 Material losses through criminal conduct			
Nature of losses			
Mala fide - damage to government vehicles		305	4
		305	4
10.2 Other material losses written off in income statement			
Nature of losses			
Vis major or unavoidable causes		69	19
		69	19
10.3 Debts written off			
Nature of debts written off			
Departmental debt		4	-
		4	-
10.4 Details of special functions (theft and losses)			
Per programme			
Programme I		378	23
		378	23
*Could not do it in different programmes because expenditure was journalised to the ledger account in programme I			
11. Cash and cash equivalents			
Paymaster General Account		7	-
Cash on hand		2	4
Short-term investments		9	1 739
		18	1 743

	Note	2003/04 R'000	2002/03 R'000
12. Receivables - current			
Amounts owing by other departments	Annexure 2	101	22
Staff debtors	12.3	233	499
Other debtors	12.4	117	237
Advances	12.5	410	70
		861	828
12.1 Amounts of R45 432 included above may not be recoverable, but have not been written off in the income statement			
12.2 Age analysis - receivables current			
Less than one year		573	
One to two years		84	
More than two years		204	
		861	
*This department previously did not complete the full set of Annual Financial Statements due to their non-departmental status as a financially independent department. Dept 70 was previously rendering this service, therefore the detailed comparative figures could not be disclosed.			
12.3 Staff debtors			
Damage to GG vehicles		183	445
Tax (S.I.T.E.)		-	2
Dept Debt: Departmental Regional		50	52
		233	499
12.4 Other debtors			
Dept Debt: disallowances - losses other		21	99
Debtors		96	138
		117	237
12.5 Advances			
Nature of advances			
Personnel: Advances		2	70
Arrive Alive		408	-
		410	70
* No debt cases older than 2 years			
13. Voted funds to be surrendered to the Revenue Fund			
Opening balance		208	-
Transfer from income statement		143	208
Paid during the year		(208)	-
Closing balance		143	208
14. Other revenue funds to be surrendered (by) to the Revenue Fund			
Opening balance		46	-
Total own revenue collected		2 402	902
Paid during the year		(2 746)	(856)
Closing balance		(298)	46

	Note	2003/04 R'000	2002/03 R'000
15. Bank overdraft			
Paymaster General Account (Exchequer account)		-	(573)
ACB Control account EFT payments		-	(1 573)
EFT payments		-	(5)
		-	(2 151)
16. Payables - current			
Description			
Amounts owing to other departments	Annexure 3	-	20
Advances received	16.1	-	52
Other payables	16.2	986	26
		986	98
16.1 Advances received			
Arrive Alive		-	52
		-	52
16.2 Other payables			
Income tax		270	24
Pension		-	1
Income tax: Persal		15	1
ACB Recalls: Persal		25	-
EFT write-back & re-issue		676	-
		986	26
17. Net cash flow generated by operating activities			
Net surplus as per Income Statement		1,578	543
Adjusted for items separately disclosed		8 794	4 219
Own revenue budget		967	567
Capital expenditure		7 827	3 652
Net cash flow generated by operating activities		10 372	4 762
18. Cash generated / (utilised to (increase) / decrease working capital			
(Increase) / decrease in receivables – current		287	(690)
(Increase) / decrease in prepayments and advances		(340)	(69)
Increase / (decrease) in payables – current		888	98
		835	(661)
19. Voted funds and revenue funds surrendered			
Revenue funds surrendered		(2 746)	(856)
Voted funds surrendered		(208)	-
		(2 954)	(856)



Disclosure Notes to the Annual Financial Statements for the year ended 31 March 2004

These amounts are not recognised in the financial statements, and are 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), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 7 of 2003.

	Note	2003/04 R'000	2002/03 R'000
20. Contingent liabilities			
Liable to	Nature		
Motor vehicle guarantees	Employees Annexure 4	-	190
Housing loan guarantees	Employees Annexure 4	928	792
		928	982
21. Commitments			
Current expenditure			
Approved and contracted / ordered		209	26
		209	26
Capital expenditure			
Approved and contracted / ordered		452	452
		452	452
Total commitments		661	478
22. Accruals			
Listed by standard Item			
Administrative		224	121
Stores and livestock		185	241
Equipment and machinery		315	413
Land and buildings		-	2
Professional and special services		393	557
Transfer		177	-
		1 294	1 334
Listed by programme level			
Programme 1		232	486
Programme 2		223	672
Programme 3		839	176
		1 294	1 334

	Note	2003/04 R'000	2002/03 R'000		
23. Employee benefits					
Leave entitlement		7 675	7 049		
Thirteenth cheque		1 846	1 988		
Performance bonus		-	408		
		9 521	9 445		
24. Leases					
24.1 Operating leases		Equipment	Total	Total	
Name of financial institution					
Plantscape/Rentokil/Xerox/Minolco					
Not later than 1 year		183	183	241	
Later than 1 year and not later than 3 years		86	86	104	
Later than 3 years		26	26	-	
		295	295	345	
Total present value of lease liabilities		295	295	345	
25. Key management personnel					
25.1 Remuneration		2003/04	2002/03	R'000	R'000
Provincial Minister of Community Safety		1	1	726	669
Head of Department		1	1	675	637
Senior Managers (Chief Directors)		3	3	1 507	1 177
Directors		7	10	2 645	2 831
				5 553	5 314
26. Receivables for services delivered					
Escorting services				28	-
				28	-



Annexures to the Annual Financial Statements for the year ended 31 March 2004

ANNEXURE 1

STATEMENT OF OTHER TRANSFERS BY PROVINCIAL DEPARTMENTS AS AT 31 MARCH 2004

Project name	Appropriations Act			Grant allocation			Total available	Expenditure			Capital	Current		
	R'000	Adjustments Estimate	Roll overs	R'000	R'000	R'000		Amount not transferred	% of available transferred	R'000			R'000	R'000
Civilian Oversight														
CPF Re-registration	500	72	-	572	561	11	561	98.1%	-	561	-	561		
Bambanani	-	1 092	-	1 092	1 081	11	1 081	99.0%	-	1 081	-	1 081		
Policing Priorities	-	130	-	130	122	8	122	93.8%	-	122	-	122		
Policy Advice														
Academic Institutions	5	-	-	5	-	5	-	0.0%	-	-	-	-		
Operational Support														
Chrysalis Fund	7 750	440	-	7 750	7 750	-	7 750	100.0%	-	7 750	-	7 750		
Peace and Development	500	103	-	940	940	-	940	100.0%	-	940	-	940		
Community Peace and Safety	-	709	-	103	103	-	103	100.0%	-	103	-	103		
Cops	-	-	-	709	708	1	708	99.9%	-	708	-	708		
Community Projects														
General Projects	2 000	1 958	-	3 958	5 011	(1 053)	5 011	126.6%	-	5 011	-	5 011		
HOOC	1 000	665	-	1 665	1 566	99	1 566	94.1%	-	1 566	-	1 566		
Learner Support	1 485	-	-	1 485	1 514	(29)	1 514	102.0%	-	1 514	-	1 514		
Youth Leaders against Crime	460	-	-	460	424	36	424	92.2%	-	424	-	424		
Safer Festive Season Campaign	-	9 157	-	9 157	8 210	947	8 210	89.7%	-	8 210	-	8 210		
Urban Renewal	600	95	-	695	695	-	695	100.0%	-	695	-	695		
	14 300	14 421	-	28 721	28 685	36	28 685	99.9%	-	28 685	-	28 685		

(*) Academic Institutions: underspending occurred due to the fact that it was not necessary for academic institutions to do research on behalf of Department.

ANNEXURE 2

INTER-DEPARTMENTAL RECEIVABLES - CURRENT,

Department	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2004	31/03/2003	31/03/2004	31/03/2003
	R'000	R'000	R'000	R'000
Department of Transport and Public Works	-	-	97	-
Department 70 - March balance	-	-	4	-
Health: Gauteng	-	-	-	18
Economic Development Tourism and Agriculture	-	-	-	4
Total	-	-	101	22

An amount of R97 339 was disclosed in the annual financial statements from the Department of Transport and Public Works. However, only an amount of R93 224 was confirmed. The necessary adjustments to the financial records will be made.

ANNEXURE 3

INTER-DEPARTMENTAL PAYABLES - CURRENT

Department	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2004	31/03/2003	31/03/2004	31/03/2003
	R'000	R'000	R'000	R'000
Department 70	-	-	-	20
Total	-	-	-	20

ANNEXURE 4
STATEMENT OF FINANCIAL GUARANTEES AS AT 31 MARCH 2004
DOMESTIC

Guaranteed institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 01/04/2003	Guarantees issued during the year	Guarantees released during the year	Guaranteed interest outstanding as at 31/03/2004	Closing Balance 31/03/2004	Realised losses i.r.o. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank	Housing	1 005	173	16	36		153	
Nedbank	Housing	310	24	41	15		50	
Firstrand Bank FNB	Housing	679	83	41	-		124	
Nedbank (inc BOE)	Housing	416	75	-	-		75	
ABSA	Housing	1 438	212	117	54		275	
Peoples Bank (NBS)	Housing	125	25	-	-		25	
FNB (former Saambou)	Housing	509	72	46	19		98	
Old Mutual (Nedb/Perm)	Housing	586	128				128	
Stannic Fleet	Motor Financing	-	190		190			
		5 068	982	261	314		928	

ANNEXURE 5

PHYSICAL ASSET MOVEMENT SCHEDULE (not including inventories)

Physical Assets Acquired during Financial Year 2003/04	Opening balance	Additions	Disposals	Transfers in	Transfers out	Closing balance
	R'000	R'000	R'000	R'000	R'000	R'000
Machinery and equipment	3 653	7 827	-	-	-	7 827
Computer equipment	1 940	2 698				2 698
Furniture and office equipment	1 063	729				729
Other machinery and equipment	178	74				74
*Transport assets	472	4 326				4 326
	3 653	7 827	-	-	-	7 827

Physical Assets Acquired during Financial Year 2002/03	Opening balance	Additions	Disposals	Transfers in	Transfers out	Closing balance
	R'000	R'000	R'000	R'000	R'000	R'000
Machinery and equipment	-	3 653	-	-	-	3 653
Computer equipment	-	1 940				1 940
Furniture and office equipment	-	1 063				1 063
Other machinery and equipment	-	178				178
*Transport assets	-	472				472
	-	3 653	-	-	-	3 653

*Represents the purchase of Government Motor Vehicles as set out in Note 5.1 to the annual financial statements.