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GENERAL NOTICE

FREE STATE LEGISLATURE

[NO. 2 OF 2007]

DETERMINATION OF DEVIATIONS FROM THE TEMPLATE SPECIMEN PROVIDED BY NATIONAL TREASURY FOR THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007

I, MA Dukoana, the Speaker of the Free State Legislature, in terms of the power vested in me under section 3(2)(b) of the Public Finance Management Act No.1 of 1999, read with section 28 of the Powers, Privileges and Immunities Act NO.3 of 1996, hereby determines the deviations from the template specimen provided by National Treasury for the annual financial statements for the financial year ended 31 March 2007 as follows:

1. General

The Annual Financial Statements of the Free State Legislature for the financial year-ended 31 March 2007 contains the following deviations from the Template Specimen, provided by National Treasury, so as to accurately comply with their accounting treatment and in conformity with their accounting policy regarding appropriated funds, departmental revenue, local and foreign assistance, retained funds and related party transactions.

2. Accounting Policies

- (a) The accounting policy for appropriated funds has been adjusted to indicate that unexpended appropriated funds are not paid over to the National/ Provincial Revenue Fund and that these unexpended funds, if any, are transferred to the Retained Funds (Accounting Policy 2.1).
- (b) The accounting policy for departmental revenue has been adjusted to indicate that departmental revenue is not paid over to the National/Provincial Revenue Fund. Additionally the Legislature has included the statement that surplus departmental revenue is transferred to retained funds at year end. (Accounting Policy 2.2).
- (c) The accounting policy for Local and Foreign assistance has been adjusted to take cognizance of the assistance received from the European Union with regards to the Legislature Support Programme and that these funds are received in-kind and disclosed at fair value in the annexures to the Annual financial Statements. (Accounting Policy 2.2.7).
- (d) The accounting policy for retained funds has been adjusted to indicate that unexpended funds form part of retained funds in the Annual Financial Statements. This has reference to the accounting treatment for Appropriate Funds and Departmental Revenue (Accounting Policy 6.3).

3. Assets

- (a) Assets procured in financial periods prior to 2004 may be stated at fair value, where determinable, or R1, in instances where the original cost of acquisition or fair value cannot be established.
- (b) The Legislature does not maintain and record its assets on Logis. Assets of the legislature is maintained and recorded on Promun.
- (c) Ownership of antique content currently stationed at the Fourth Raadsaal still needs to be determined by the Department of Public Works.
- (d) The reporting date of valued assets is at 31 March 2007.

4. Key Management

- (a) The reflection of key management packages in respect of political office-bearers is limited to the Speaker of the legislature. Reporting of management packages in respect of the Secretary to the Legislature, Deputy Secretaries, Chief financial Officer and legal Advisor is also confirmed.

5. Date of lease commitments

Date of lease commitments is confirmed on 31 March 2007.

6. Reporting of donations and gifts

Donations and gifts awarded by the institution will be reported under Programme 2: Transfers.

7. Appropriation Statement

The section of the Appropriation Statement is reported at programme and sub-programme level; limited to current, transfer and capital categories.

8. HR Management

- (a) Sick leave is reported for the financial year, i.e. 1 April 2006 to 31 March 2007.

M.A. DUKOANA

11 July 2007
