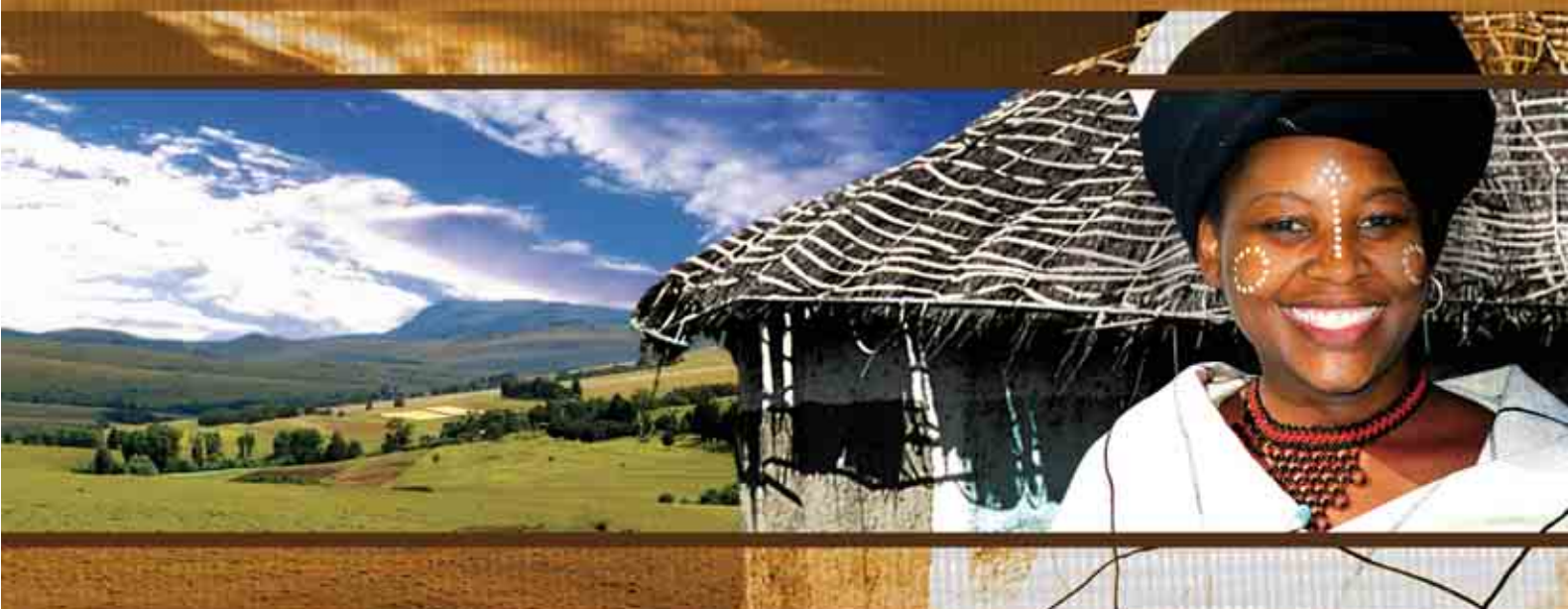




Province of the Eastern Cape

DEPARTMENT OF HOUSING,
LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS



2004/05
ANNUAL REPORT

ANNUAL REPORT 2004 / 05

LAYOUT CONTENTS

SECTION A - ANNUAL REPORT 2004/2005

001/014

1. GENERAL INFORMATION

1.1 Foreword by the Executing Authority (MEC)	005
1.2 Overview by Head of Department	007
1.3 Information on the Department	010
1.3.1 Vision	010
1.3.2 Mission	010
1.3.3 Authorised/Approved Organisation and Establishment	010
1.3.4 Legislative and other mandates	011
1.3.5 Voted Funds	013
1.3.6 Summary of Programmes	013
1.3.7 Departmental Receipts	013
1.3.8 Departmental Payments	013
1.3.9 Housing Monthly Payment Cycle Comparison	014

SECTION B - PROGRAMME PERFORMANCE

015/082

2. PROGRAMME PERFORMANCE

2.1 PROGRAMME 1 : Administration	015
2.1.1 Aim of the Programme	017
2.1.2 Key Performance Areas	017
2.1.3 Achievements	017
2.1.4 Challenges and Strategies to address them	018
2.1.5 Budget	018
2.1.6 Challenges and Planned strategies to Address Them	019
2.1.7 Budget	019
2.1.8 Service Delivery Achievements : Corporate Governance	020
2.2 PROGRAMME 2 : Housing Development	033
2.2.1 Aim of the Programme	035
2.2.2 Key Performance Areas	035
2.2.3 Achievements	035
2.2.4 Challenges and Measures to Address Them	036
2.2.5 Budget	037
2.2.6 Service Delivery Achievements : Housing Development	038
2.3 PROGRAMME 3 : Developmental Local Government	043
2.3.1 Aim of the Programme	045
2.3.2 Key Performance Areas	045
2.3.3 Summary of Programmes	045
2.3.4 Achievements	046
2.3.5 Challenges	046
2.3.6 Budget	047
2.3.7 Service Delivery Achievements : Developmental and Local Government	048
2.4 PROGRAMME 4 : Traditional Affairs	077
2.4.1 Aim of the Programme	079
2.4.2 Key Performance Areas	079
2.4.3 Achievements	079
2.4.4 Challenges and Strategies to Address Them	080
2.4.5 Budget	081
2.4.6 Service Delivery Achievements : Traditional Affairs	082

3. REPORT OF THE AUDIT COMMITTEE

3.1 Report of the Audit Committee	086
3.2 Management Report	089
3.3 Report of the Auditor General	094
3.4 Statement of Accounting Policies	098
3.5 Appropriation Statement	103
3.6 Notes to the Appropriation Statement	109
3.7 Statement of Financial Performance	110
3.8 Statement of Financial Position	111
3.9 Cash Flow Statement	112
3.10 Disclosure Notes to the Annual Financial Statements	113
3.11 Annexures	121
3.12 Human Resources Management	130

CONTACT DETAILS

MAP OF THE EASTERN CAPE





ANNUAL REPORT
2004/2005

GENERAL
INFORMATION





SECTION A - GENERAL INFORMATION

1.1 FOREWORD BY THE EXECUTING AUTHORITY (MEC)



Mr S Kwelita

It is indeed a privilege for me to present the annual report of the department of housing, local government and traditional affairs. Having taken over the baton from very capable hands, mine is to consolidate and close any gaps that might hamper service delivery

INSTITUTIONAL TRANSFORMATION

The department finalised its restructuring process to respond to new challenges in April 2004, which resulted in the upgrading of Head of Department post to a Superintendent General and Traditional Affairs to a fully fledged branch. This process was concluded before the launch of projects like Project Consolidate and finalisation Community Development Worker institutionalisation process. This and other new mandate poses further challenges that warrants re-looking at this new structure to ensure that these mandates are catered for

The Traditional Leadership and Governance Framework Act, 2003 paved way for the transformation of Tribal Authorities to Traditional Councils as well as the establishment of Local Houses of Traditional Leaders. Our province piloted the amendment of the House of Traditional Leadership Act of 1995 to provide fulltime status for the Chairperson of the House and his/her deputy.

As the country is busy with the implementation of Developmental Local Government Model, we have finished the consolidation phase of the planned municipal transformation. Powers and functions of certain municipalities have been adjusted based on their performance capability

The unintended consequences of demarcation still pose a challenge in that some communities have been located away from their logical service centres ;addressing these concern and collective looking at possible solution will be my focus for the next financial year

Although ward committees have been established, their functionality is still a challenge; it is for this reason that my department will focus on training of ward committees early in the new term of local government. Implementation of Community Development Workers Program in our province has been exemplary national and we now have to keep this momentum and ensure their effective utilisation. The strategic district support planned for the next financial will see us realise this objective. A total of 180 Community Development Workers have been trained during this financial year.

INTERGOVERNMENTAL RELATIONS (IGR)

Introduction of Municipal & Member of Executive Members (MUNIMEC) has improved relations with our municipal structured and this is assist in the implementation of the IGR bill soon to be passed. The Premier's Coordinating Forum (PCF) further enhances these relations towards a seamless government system.

The launch of Project Consolidate and the housing project "breaking the new grounds" by the national ministers towards the end of this year further demands close partnerships between all spheres of government and interdepartmentally.

SERVICE DELIVERY

The department has successfully implemented the R1.1 billion Housing Development Turn-around Strategy. Our focus has to be on effective project management and quality assurance so that all blocked projects can be finalised during the financial year 2005/6.

Technical, administrative support has been given to various municipality with positive results.

As we celebrate the 50th Anniversary of the Freedom Charter, which enjoined us to provide shelter, security and comfort, let us therefore look forward to remaining challenges with fortitude and determination



Mr S Kwelita

Member of the Executive Council

DEPARTMENT OF HOUSING,

LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS



SECTION A - GENERAL INFORMATION

1.2 OVERVIEW BY THE HEAD OF DEPARTMENT



 Mrs Nombulelo Hackula 

The year 2004/05 marked the end of the 5 years since the introduction of the new system of Local Government. This then requires that we do introspection as to how effective we, as a department have been, in creating an environment for the local sphere of government to perform and deliver on its mandate effectively and efficiently. It is with this background that I will give a brief overview of the department's performance under the three broad categories:

- Governance and Administration
- Service Delivery
- Socio-Economic impact

1. GOVERNANCE AND ADMINISTRATION

1.1 Human Resource Management

An organisation is as good as its people. Over the past year the department took strides in trying to implement Performance Management and Development System (PMDS) with 90% performance plans signed. The biggest challenge around PMDS implementation is the assessment process; this could be an indication of lack of understanding of the objectives of this system by both management and employees and this will have to change. Arrangements are already in place to engage both the Public Service Commission and the Office of the Premier; Organisational Development and Governance branch to give focused support and training to all employees in the department.

During the year under review the department has trained a total of 448 on various disciplines. However coordination of this training has to improve and be responsible to the needs of the department and developmental needs of the individual employees as reflected in their assessment reports.

1.2 Financial Management

Although the department has a qualified audit opinion the financial report for the year ended March show marked improvement in both spending patterns and management letter as compared to the past financial year. This is a clear indication that with the limited human resources and skills base the department took a concerted effort to address issues raised by the Auditor General during the financial year 2003/04.

Although the Supply Chain Management unit was not fully populated by the year end 2004/05, the department closed the year with an average of 30 days payment cycle for its vendors/service providers. This is an indication of a committed team within the Supply Chain Management branch and the Financial Division.

2. SERVICE DELIVERY

2.1 Housing

In an attempt to address the quality problems in housing delivery the department has developed a user friendly norms and standards manual to assist developers, contractors and beneficiaries in understanding acceptable standards in housing delivery.

The department further employed clerks of works and contracted projects managers to assist in project management and quality assurance in all districts. The impact registered with this initiative has warranted that we reconsider our organogram to include project management and quality assurance in the service delivery arm.

The department has been rated number one in housing delivery during the year under review. The 4% deviation was due to the Provincial belt tightening exercise. A total of 8000 jobs were created as a result. Congratulation goes to both the housing branch and all municipalities who contributed towards this achievement. Achieving quantity targets is one thing and achieving quantity with the right quality is another. As indicated above our focus for the year 2005/06 will be on consolidation, unblocking the block projects, improving quality and project management so that the right quality houses are delivered on time according to schedule.

2.2 Developmental Local Government

The Eastern Cape Province lead the country in implementation of Municipal Infrastructure Grant (MIG) during this financial year. In an effort to give strategic guidance to municipality the department developed and launched municipal turnaround strategy which gave a comprehensive approach to addressing challenges facing municipalities. Our focus in the next financial year will be implementation of this strategy in targeted municipalities.

The biggest challenge in most municipalities is around effective and efficient financial management. During the year under review the department intervened in 3 municipalities in terms of section 139 & 154 of the constitution namely Quakeni, King Sabata Dalindyebo and Elundini and in all 3 cases financial management was an area of focus. The weakness in financial management impact negatively on risk management and promotes fraud and corruption. Our strategy is to establish a unit reporting to the CFO to expedite implementation of MFMA and assist municipalities in setting up problem systems and control mechanism.

We are proud to announce that there are pockets of excellence in our local sphere of government as reflected in the Vuna Awards of 2004, where Amathole District won the second position in category C award and Nelson Mandela Metro was the first runner up in the category A nationally. Eastern Cape is rated number one in the implementation of Disaster Management Act. This has been possible through our dedicated team, cooperation, and commitment from other key department and municipalities.

2.3 Traditional Leadership

Participation of Traditional leaders in government programs has improved. The success of the heritage day led by the House of Traditional Leaders with the assistance of Traditional Affairs is but one example which demonstrates the importance of Traditional Leadership in restoring cultural norms and values. The Local Economic Development (LED) projects under the leaders of Queens in Mnqgesha and Qamata are doing well.

3. SOCIO-ECONOMIC IMPACT

Both women and youth in construction were allocated 1500 and 500 units with a capital outlay of R12.5m and R25m respectively.

180 Jobs have been created through the employment of Community Development Workers totaling to R1,8m spent. A total of 24 LED projects amounting to R7,1m were funded this year.

Our special programs unit conducted various training and awareness workshops on HIV and AIDS as well as programs focused at designated groups and our focus for the next financial year will be implementation of the policies developed and review during this period.



4. CONCLUSION

Refocusing the department towards a common goal, that of serving the people of the Eastern Cape will be our focus the next financial year. This will be achieved through a team of empowered people who are patriotic and passionate.

I now take this opportunity to thank the Management team and staff for their contribution towards the achievements highlighted in this report.

Special thanks go to the Communication Team, Strategic Planning Manager - Mr. Vuyani Mbenga and my Personal Assistant - Marjorie Peters for their hard work in putting this report together. With this kind of commitment and dedication, we can only soar to even greater heights.



Mrs Nombulelo Hackula
HEAD OF DEPARTMENT



1.3 INFORMATION ON THE DEPARTMENT

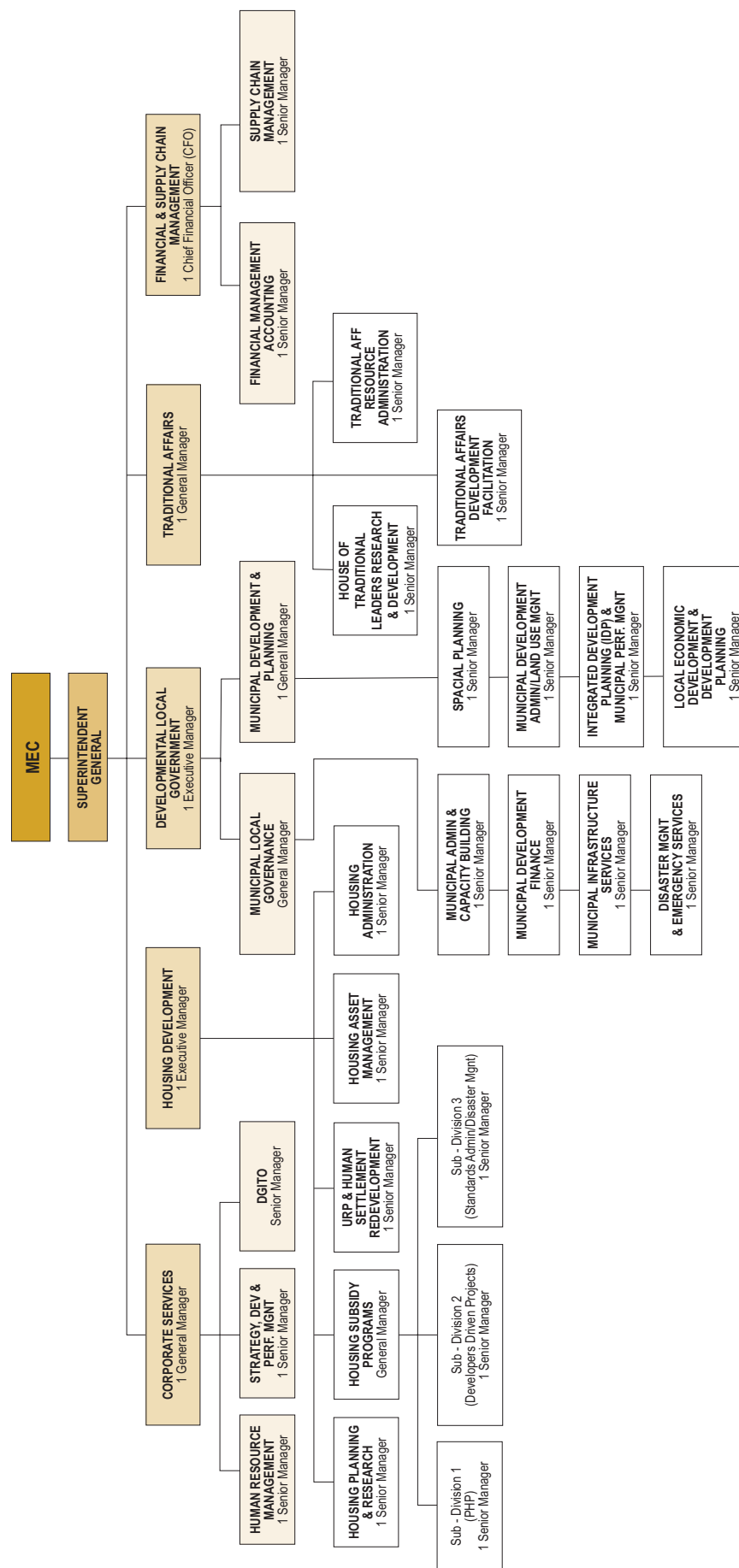
1.3.1 VISION

An efficiently and effectively managed department, in partnership with all stakeholders wherein all communities enjoy access to basic services.

1.3.2 MISSION

To facilitate and promote the stabilisation, consolidation and development of sustainable municipalities and traditional institutions, and delivery of housing through effective stakeholder participation, integrated planning and capacity building.

1.3.3 AUTHORISED / APPROVED ORGANISATION & ESTABLISHMENT (02/03/2004)



1.3.4 LEGISLATIVE AND OTHER MANDATES

LEGISLATION	DESCRIPTION
PROGRAMME 2 : HOUSING	
The Housing Act, 1997 (Act No 107 of 1997)	Makes provision for granting housing subsidies for low income earners
Prevention of Illegal Eviction from Unlawful Occupation of Land Act (1998)	Makes provision for a fair and equitable process to be followed when evicting people who have unlawfully invaded land, from their homes.
The Housing Consumer Protection Measures Act of 1998	Provides for the establishment of a statutory regulating body for homebuilders. The National Home Builders Registration Council will register every builder and regulate the home building industry by formulating and enforcing a code of conduct
The Rental Housing Act of 1999	Creates mechanisms to promote the provision of rental housing and the proper functioning of the rental housing market.
Home Loan and Mortgage Disclosure Act of 2000	Provides for the establishment of the Office of Disclosure and the monitoring of financial institutions serving the housing credit needs of communities
Constitution of 1996, (Act no. 108 /1996.) Section 26, Schedule 4	Everyone has the right to have access to adequate housing. The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right.
PROGRAMME 3 : DEVELOPMENTAL LOCAL GOVERNMENT	
Local Government Transition Act 1993	Provides for revised interim measures with a view to promoting the re-structuring of Local Government and for that purpose to provide for the establishment of Provincial Committees for Local Government as well as the establishment and appointment of Transitional Councils in the pre-interim phase
Municipal Structures Act 1998 as amended	Provides for the establishment of municipalities in accordance with the requirements relating to and types of municipalities; provides for an appropriate division of functions and powers between categories of municipality; regulates the internal systems, structures and office-bearers of municipalities
Municipal Systems Act 2000 as amended	Provides for the core principles, mechanisms, and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities and ensure universal access to essential services that are affordable to all
Municipal Demarcation Act 1998 as amended	Provides for criteria and procedures for the determination of municipal boundaries by an independent authority
Disaster Management Act 2002	To provide for an integrated and co-ordinated disaster management policy

LEGISLATION	DESCRIPTION
Constitution of 1996, (Act no. 108 /1996. Section 154, Section 155 (5,6 &7)	<p>The national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and perform their function.</p> <p>Provincial legislation must determine the different types of municipalities to be established in the province.</p> <p>Provincial Government must establish Municipalities and by legislative and other measures must:</p> <ul style="list-style-type: none"> • Provide for the monitoring and support of local government in the province; and • Promote the development of local government capacity to enable municipalities to perform their functions and manage their own affairs. <p>Provincial government have the legislative and executive authority to see to the effective performance by municipalities of their function in respect of matters listed in Schedule 4 and 5, by regulating the exercise by municipalities of their executive authority referred to in section 156 (1)"</p>

PROGRAMME 4 : TRADITIONAL AFFAIRS

House of Traditional Leaders Act 1995	To provide for the establishment of the House of Traditional Leaders
Traditional Leaders & Governance Framework Act	To provide for the functions and roles of traditional leaders
Constitution of 1996, (Act no. 108 /1996. Section 211 & 212)	To provide for the recognition and roles of traditional leaders

The following are other mandates, legislation and policy guidelines that provides for the transformation of the workplace according to the employment equity plan and targets set by the department:

- Public Service Act, 1994 as amended,
- PSCBC resolutions these regulate the administration of the public service, and conditions of service
- Employment Equity Act, 1999
- Division of Revenue Act
- Public Finance Management Act
- Municipal Finance Management Act
- Skills Development Act
- White Paper on Transforming the Civil Service
- Labour Relations Act
- White Paper on Batho Pele
- Access to Information Act
- Basic Conditions of Employment Act
- Preferential Procurement Policy Framework Act
- Control of Access to Public Premises Act
- Minimum Information on Security Act
- General Recognised Accounting Practice Act
- Treasury Regulation
- Public Service Regulation



1.3.5 VOTED FUNDS

Appropriation	Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount spent R'000	Over/Under Expenditure R'000
	1 039 212	1 039 212	997 567	41 645
Responsible Minister	Member of the Executive Council for Housing, Local Government and Traditional Affairs			
Administering Department	Department of Housing, Local Government and Traditional Affairs			
Accounting Officer	Head of Department : Housing, Local Government and Traditional Affairs			

1.3.6 SUMMARY OF PROGRAMMES

The activities of the Department of Housing, Local Government and Traditional Affairs are organised into the following four programmes :

Programme 1 : Administration/Corporate Governance

Programme 2 : Housing Development

Programme 3 : Developmental Local Government

Programme 4 : Traditional Affairs

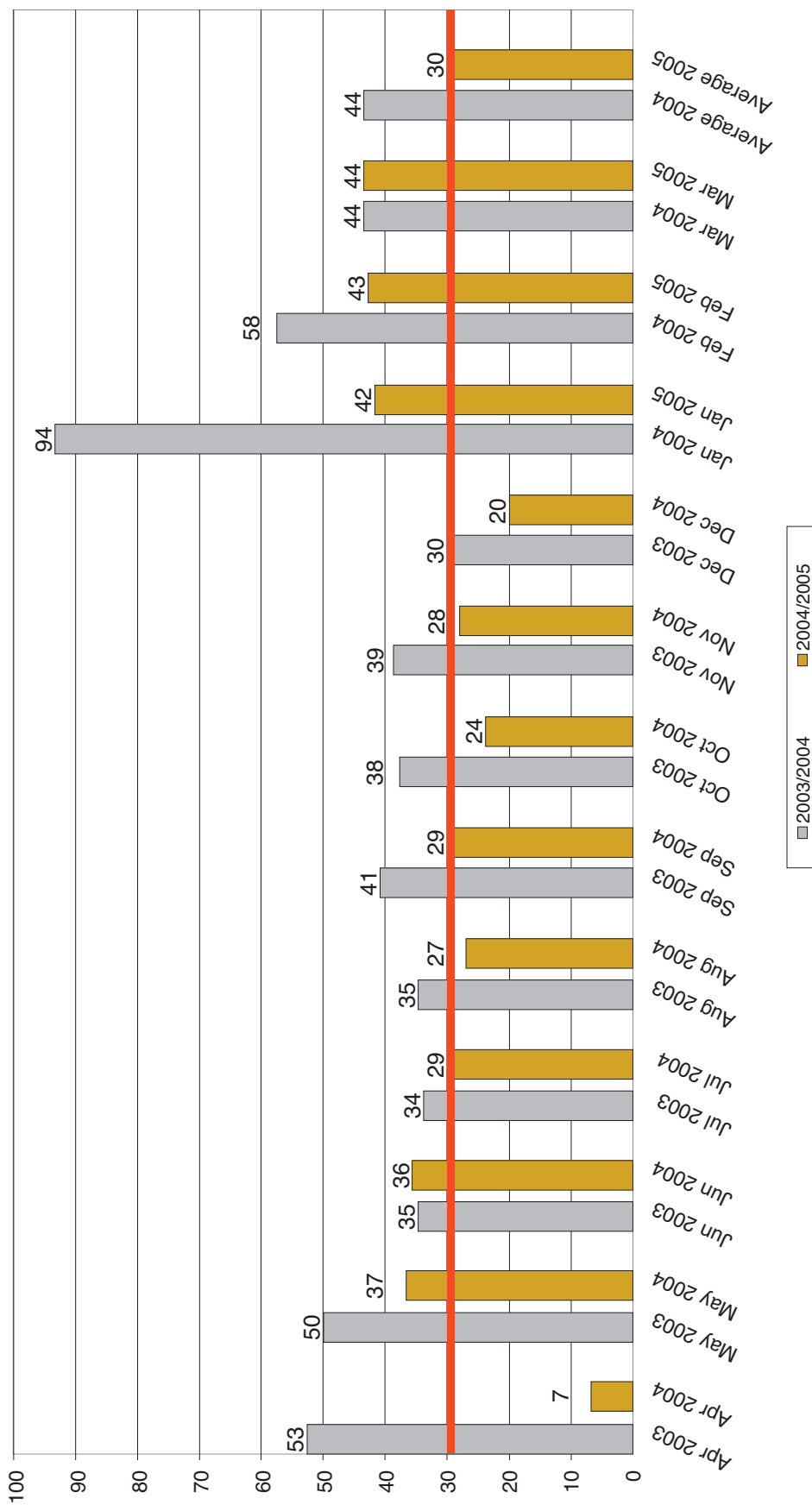
1.3.7 DEPARTMENTAL RECEIPTS

Source of Revenue	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	% Deviation from target
Interest on Trust a/c's	1 458	1 560	3 831	1 954	3 142	37.8
Sales of goods and Services	4 262	3 020	9 015	8 055	8 189	1.6
TOTAL	5 720	4 580	12 846	10 009	11 331	11.7

1.3.8 DEPARTMENTAL PAYMENTS

Programmes	Voted for 2004/05	Roll- overs and Adjustment	Virements	Total Voted	Actual Expenditure	Variance
1. Administration	82 462	-	-	82 462	82 368	94
2. Housing Development	696 946	-	-	696 946	660 648	36 298
3. Developmental Local Gov't	188 987	-	-	188 987	188 957	30
4. Traditional Affairs	70 817	-	-	70 817	65 594	5223
TOTAL	1 039 212	-	-	1 039 212	997 567	41 645

1.3.9 HOUSING, LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS MONTHLY PAYMENT CYCLE COMPARISON





PROGRAMME
PERFORMANCE

PROGRAMME ONE

ADMINISTRATION /
CORPORATE
GOVERNANCE







SECTION B - PROGRAMME PERFORMANCE

2.1 PROGRAMME ONE : ADMINISTRATION



 Mr ME Baza
General Manager
(Corporate Governance) 



 Mr MK Putu
Chief Financial Officer 

2.1.1 AIM OF THE PROGRAMME

The aim of this programme is to provide strategic leadership and overall administration and support services to the department.
The programme is structured as follows :

- Office of the MEC
- Office of the Head of Department
- Financial Management
- Financial Management and Accounting
- Supply Chain Management
- Internal Control / Risk Management
- Corporate Services
- Human Resource Management
- Strategy Development & Performance Management Services
- Information Technology Management (DGITO) Services

2.1.2 KEY PERFORMANCE AREAS

- An effective management information system
- Human resource management and development
- Effective financial and internal controls
- Timely, accurate and reliable management reports
- Ensure compliance with management framework and other prescripts
- Service delivery improvement

2.1.3 ACHIEVEMENTS

- Transfer of 69 excess personnel to other departments and 4 to municipalities
- 41 bursaries awarded
- Learnership and Internship programme implemented
- 7 misconduct cases dealt with
- Finalisation of Disciplinary/misconduct cases for SMS personnel
- EDMS implemented
- PMDS – 98% of staff with performance plans
- Development of HR filing system for Traditional Leaders (Non-Public servants)

2.1.4 CHALLENGES AND STRATEGIES TO ADDRESS THEM

CHALLENGES	STRATEGIES TO ADDRESS THEM
Skills shortage in accounting and financial management	<ul style="list-style-type: none"> • Training programmes are being implemented to address the problem. • Recruit the required skills
Non-availability of Managers to chair disciplinary hearings	<ul style="list-style-type: none"> • Training of managers on disciplinary matters is being done
Inadequate compliance with PFMA and its related Treasury regulations	<ul style="list-style-type: none"> • Filling of critical posts in the Budget Office, Supply Chain management and Internal Control /Risk Assessment Unit
Placement and redeployment of Excess personnel	<ul style="list-style-type: none"> • Negotiation with other government institutions • Negotiation for early retirement especially those turning 60years • Implementation of PSCBC resolutions
Shortage of office accommodation	<ul style="list-style-type: none"> • Implementation of an open space plan • Pay attention into office furniture size • Negotiation with Public Works for additional accommodation
Image management	<ul style="list-style-type: none"> • Service delivery norms and standards
Training and Development - Skills shortage	<ul style="list-style-type: none"> • Reviewal of Workplace skills plan • Implementation of reviewed Workplace Skills Plan • Learnership/internship programme
Paypoint management	<ul style="list-style-type: none"> • Liaise with Education - designing monitoring and evaluation tool for seconded personnel. • Improve/Normalise the management of additional personnel within the department
Legal costs - delay in invoicing the department	<ul style="list-style-type: none"> • Discussions with Shared Legal services
Long IT procurement process with SITA ITAC	<ul style="list-style-type: none"> • IT procurement process to be initiated and finalized with 1st quarter of the year
Management of Service Level agreements	<ul style="list-style-type: none"> • Capacitation and development of the DGITO managers • Appointment of a Senior Manager
HIV & AIDS	<ul style="list-style-type: none"> • Capacity building for Managers to handle HIV/AIDS in the workplace • Voluntary Counseling and testing of staff • Treatment, support and care for HIV sufferers • Ensure the mainstreaming of HIV/AIDS in all departmental programmes.

2.1.5 BUDGET

CORPORATE SERVICES				
SUB - PROGRAMME	BUDGET R'000	EXPENDITURE	% SPENT	DEVIATION AND REASONS
OFFICE OF HEAD : CORPORATE SERVICES	3,294,110	2,762,558	83,86%	The Head of Corporate service was an acting HOD for a period of six month resulting in goods and service not utilized (accommodation, air tickets, etc).
HUMAN RESOURCE MANAGEMENT	20,048,100	24,521,162	122,31%	Too much amount used to pay service suspense accounts.
STRATEGIC DEVELOPMENT & PERFORMANCE MANAGEMENT	3,753,500	3,150,848	83,94%	Employee passed away, but not replaced immediately. Payments for February 2005 not effected during 2004/05 year period due to late arrival of invoices
DGITO	10,261,000	8,337,372	81,25%	Long IT procurement process with SITA ITAC and Microsoft
TOTAL	37,356,710	38,771,940		

2.1.6 CHALLENGES AND PLANNED STRATEGIES TO ADDRESS THEM

CHALLENGES	PLANNED STRATEGIES TO OVERCOME
<ul style="list-style-type: none"> Budget Office is operating below the bare minimum threshold in terms of personnel. 	<ul style="list-style-type: none"> The department had made use of Interns and for budget consolidation. It is also critical to mention that immediately the organisational structure is approved most critical post will be filled.
<ul style="list-style-type: none"> Suspense Section has no staff and balances are accumulating every day 	<ul style="list-style-type: none"> Action Plan has been developed with few people from other sections within financial management for the start-up and clearance of all suspense accounts.
<ul style="list-style-type: none"> Revenue collection strategy does not exist and the section is 100 % vacant 	<ul style="list-style-type: none"> Procedure manuals and revenue collection strategy has been started and new incumbents will grasp quickly.
<ul style="list-style-type: none"> Capacity levels in terms of expertise within the sub-branch is still very low 	<ul style="list-style-type: none"> PFSA and other institutions of higher learning have been approached. Emphasis is put on everybody's PA to include areas for development and time frames.
<ul style="list-style-type: none"> Roll-out of MFMA to the Municipalities 	<ul style="list-style-type: none"> Provincial Treasury, National Treasury and the department had entered into a Memorandum of Understanding as partners in action for this project. Department had developed Budget and Expenditure Monitoring and Evaluation Tool for all Municipalities especially those under Project Consolidate. i
<ul style="list-style-type: none"> Process mapping and build up documentation for authorisation 	<ul style="list-style-type: none"> Procedure Manuals for all the financial management modules have started being developed. Proper procurement delegations and set procedures will be highly monitored and any deviations from the rule will be dealt with in terms of the Chapter 10 of PFMA.
<ul style="list-style-type: none"> Project management of the Housing Subsidy Programme with brought negative audit opinion for the past four years 	<ul style="list-style-type: none"> Vigorous interventions from the National Department of Housing and at a political level both provincially and nationally.
<ul style="list-style-type: none"> Management of Fleet Africa contract by all the branches especially on the ad-hoc rentals. Below standard service offered by the Fleet Africa as a company to our staff members including the Executive Management of the department. 	<ul style="list-style-type: none"> The branch has engaged the Department of Roads and Transport in a form of departmental inputs in the Fleet Africa Review Committee. The inputs have been directed to the Executive Authority of that department.

2.1.7 BUDGET

FINANCIAL MANAGEMENT				
SUB - PROGRAMME	BUDGET R'000	EXPENDITURE	% SPENT	DEVIATION AND REASON S
OFFICE OF THE CHIEF FINANCIAL OFFICER	761	280	37 %	63 % The Office of the CFO has always been operating below capacity. This refers to the appointment of staff and administrative expenses linked to that.
FINANCIAL MANAGEMENT	8 706	8 539	98 %	2 %
SUPPLY CHAIN MANAGEMENT	27 479	26 977	98 %	2 %
GRAND TOTALS	36 946	35 796	97 %	3 %

2.1.8 SERVICE DELIVERY ACHIEVEMENTS : CORPORATE GOVERNANCE

Key Measurable Objective	Performance Measures	Actual Output 2003/04	Target outputs 2004/05	Actual outputs 2004/05	% of deviation and reasons for deviations
1. SUB - PROGRAMME : HUMAN RESOURCE MANAGEMENT					
1.1 HUMAN RESOURCE ADMINISTRATION					
Fully populated organogram without excess personnel.	All posts filled and excess staff redeployed and retrenched	- Out of 1087 posts in the Organogram, 675 have been filled, leaving 412 vacant by 31/03/2004.	Development of guidelines, presentation to SMS and briefing of staff. Conducting of Person to post matching	Guidelines developed, approved by SMS and briefing sessions conducted 646 out of 1296 posts have been filled	No Deviation 49% Deviation- There are no personnel of equivalent ranks within the department
Transferring of excess personnel to other government institutions	Reduction or elimination of excess personnel	272 R293 employees transferred to: Education - 244 Health & - 5 Pub. Works - 23 - 451 employees still in excess Nil Expenditure	Transfer of 451 excess staff as identified by dept	69 excess staff transferred to other departments 4 transferred to municipality 4 Death cases	73% deviation. This process depends on cooperation by other departments
Maintenance of records (Accurate data base on Persal and Personal Files).	Information of all staff members in PERSAL and personal files of staff	Files for all serving employees are available and employees are sitting in their respective components in the Persal System	Accurate files of employed 968 members of staff	All files for all serving employees (968) are available and employees placed in their respective components on PERSAL	No deviation
Suitably qualified personnel appointed.	Critical vacant posts filled.	71 critical posts advertised in terms of Res. No. 7 of 2002 and 10 filled by Cubans Nationals.	+/- 50 critical posts to be advertised. Successful candidates appointed	39 critical Posts advertised 10 successful candidates appointed	Deviation caused by difficulties recruiting in some of the positions especially technical

Key Measurable Objective	Performance Measures	Actual Output 2003/04	Target outputs 2004/05	Actual outputs 2004/05	% of deviation and reasons for deviations
Service terminated immediately and benefits paid timeously.	Employees leaving the Public Service	27 Death cases. 65 Retirements 19 Resignations 2 Abscondments 5 Ill-health	All staff leaving the service Issuing of letters of retirement 3 months before the date of retirement and processing payments.	11 Death cases 51 Retirements 13 Resignations 11 Termination of contract 2 Abscondments 11 Ill-health In all retirement cases employees are notified 3 months in advance of the retirement date.	No deviation
1.2 HUMAN RESOURCE DEVELOPMENT					
Workplace skills plan in place	Skills improvement	All staff members /employees	614 Employees to be trained	448 Employees were trained	166 not trained Most of training courses were shelved by FHIG, whilst they were prioritising according to PGDP
Co-ordinate activities of SDE&T Committee (Training of staff)	Skills Development Committee established and operational Awarding of bursaries		Committee To be in place and operational 100 bursaries	Committee established and functional 41 Bursaries awarded	No deviation Most applicants not accommodated in terms of the policy
Skills Audit Conducted	Skills profile	Skills Audit was done with 412 officials	All employees i.t.o. the new structure	Nil	Deviation caused by post to person matching exercise not finalised in time and belt tightening process.
Impact analyses of training	Impact	Impact analyses were done with 334 officials that received training.	All employees attended training (448)	Analysis done on 326 employees	3 months waiting period results in other employees to be assessed in the following financial year
Develop a learnership programme	30 Unemployed youth participating in the learnerships	Dept were just preparing to start with the process of Leaderships and Interns during that period	20 Unemployed youth participating in the learnerships	20 learners participated	Interns did not turn up due to geographical set-up .
Develop internship programme	51 Unemployed graduates participating in the internships		51 Unemployed graduates participating in the internships	37 interns participated	

Key Measurable Objective	Performance Measures	Actual Output 2003/04	Target outputs 2004/05	Actual outputs 2004/05	% of deviation and reasons for deviations
1.3 PERSONNEL PRACTICE AND LABOUR RELATIONS					
Key Policies in place and operational	Departmental HR Policies in place mandated by Regulations operational	Developed the following draft HR Policies: - Financial Incentive - Internship - Human Resource Development - PMDS (in conjunction with PMS Section) - EAP - HIV/AIDS (in conjunction with SPU)	6 policies on: - SHE - HIV and AIDS - EE and AA - Sexual Harassment - Hours of work - Office telephone use	Developed the following policies: - SHE - HIV/AIDS - Employment Equity/Affirmative Action - Sexual Harassment - Hours of Work - Office Telephone Use	No deviation
Procedure Manuals and Guides developed and workshopped with all staff	Procedure Manuals and guide in place and workshops conducted with all relevant staff members	No workshops conducted so far due to Restructuring of the Organisational Structure	Develop HR procedure manuals	Manuals/guide have been developed on the following	No deviation
Re-orientation and Induction Programme for all employees launched	Continued empowerment of all staff members with a better understanding of the culture, value and regulations of the Public Service and the Department	No programmes conducted yet due to the finalisation of Resolution 07 of 2002	Re-orientation of all employees within the department	A re-orientation program has been conducted for some staff members within the department	Deviation due to delay in the finalisation of the person to post matching exercise
HR plans in place	Integrated HR Plan	Draft 2003/4-2005/6 Integrated HR Plan has been developed First Employment Equity Report submitted to DOL	Integrated HR Plan in place & submitted to OTP	Signed HR plan is in place	No deviation
All outstanding conciliation and arbitration cases dealt with	Cases finalised	4 conciliation case settled and 1 Arbitration case	Deal with reported CCMA cases	3 out of 6 cases have been finalised	Delay is due to times set for the sitting by the CCMA

Key Measurable Objective	Performance Measures	Actual Output 2003/04	Target outputs 2004/05	Actual outputs 2004/05	% of deviation and reasons for deviations
PERSONNEL PRACTICE AND LABOUR RELATIONS (CONT)					
All misconduct cases dealt with	Cases	<p>Out of 12 cases, 11 cases dealt with to finality:</p> <ul style="list-style-type: none"> • Sexual harassment – Dismissed – Appealed • Stolen GG vehicle – Dismissed – Appealed • Threaten to assault – Demotion + three months suspension – Appealed • Hijacked GG vehicle – Final Written warning + repayment of damages to the vehicle • Unauthorised absence – Written warning • 2 cases of Loss of government property (Laptops) – Repayments of the lost property. • 1 case – Final Written warning • 3 under investigation 	<p>All 11 reported cases dealt with</p>	<p>7 cases dealt with except 4 with new evidence that needed further investigation</p> <p>5 appealed against the decision</p>	<p>Assistance sought from Treasury took a long time due to further investigations that needed to be done.</p> <p>The appeals were finalised on February 2005.</p>
Render employee assistance programme	Departmental EAP policy in place		Development of EAP policy	EAP policy developed	No deviation
1.4 SPECIAL PROGRAMMES					
Facilitate and coordinate HIV and AIDS programmes and policies	Well informed personnel Increased numbers of disclosures and referrals	<p>Departmental policy developed and ratified.</p> <p>Peer educators and lay counsellors trained.</p> <p>Awareness sessions conducted</p>	<p>Awareness programmes campaign on HIV & AIDS</p> <p>20 x Peer Educators training</p> <p>2 x Lay Counsellors training</p>	<p>14 Awareness sessions conducted in Head Office and Tribal Authority</p> <p>12 x Peer Educators trained</p> <p>5 x Lay Counsellors trained</p>	None

Key Measurable Objective	Performance Measures	Actual Output 2003/04	Target outputs 2004/05	Actual outputs 2004/05	% of deviation and reasons for deviations
SPECIAL PROGRAMMES (CONT)					
Mainstreaming of disability programmes and policies	Increased awareness on issues of disability Sign language training and disability awareness workshop	Departmental workshop held Awareness campaign at Alfred Nzo DM as a lead department	Disability integrated into departmental programmes	Disability mainstreamed in Housing and Developmental local Govt Hosting of build-up activities for disability awareness with Cacadu DM Participation in provincial event	50% of the target met due shortage of staff in the SPU
Promotion of Gender Equity and Youth Development	Staff sensitised about Gender and Youth issues	Gender training for departmental officials Youth integrated into programmes (Local Govt.)	100 officials trained on Gender mainstreaming	NIL	Funds (R75 000) contributed to HIV&AIDS provincial events
Commemoration of special days	Special days commemorated	Department participated in commemorated special days: <ul style="list-style-type: none"> Youth day Women's day Disability day World Aids day 16 days of activism 	Special days as determined and declared	Department participated in commemorated special days : <ul style="list-style-type: none"> Youth day Women's day Disability day World Aids day 16 days of activism 	No deviation
2. SUB - PROGRAMME : STRATEGIC DEVELOPMENT AND PERFORMANCE MANAGEMENT					
2.1 PERFORMANCE MANAGEMENT SYSTEM					
Facilitate the process of capacitation of employees to develop performance plans	Employees capacitated to develop and utilize performance plans	200 officials trained	All staff members salary levels 1 - 12 (982)	782 officials trained	No deviation. The 200 already trained in 2003/04
Facilitate the process of developing individual plans	Fully discussed and signed performance plans	6 Performance Agreements 48 Workplan Agreements 47 Standard framework agreements	SMS -30 posts, 11 filled and 19 vacant LEVEL 9-12 : 89 LEVEL-2-8 : 978	SMS : 9 9-12 : 89 2-8 : 620	Deviation-suspensions and service terminations. No deviation Deviation caused by GA's seconded to Dept. of Education.
Facilitate the process of processing annual assessment for performance awards. 2003/2004	Employees awarded for good performance.	Facilitated the process of payment of 1st and 2nd notches for 2002/03	Qualifying Employees levels 1 - 12	303 qualifying Employees processed for 2003/04 performance bonus R1,485,984.00	No deviation

Key Measurable Objective	Performance Measures	Actual Output 2003/04	Target outputs 2004/05	Actual outputs 2004/05	% of deviation and reasons for deviations
PERFORMANCE MANAGEMENT SYSTEM (CONT)					
Facilitate the review and monitoring process	Performance Quarterly progress reviews conducted	All SMS members and officers Levels 1 - 12 Levels 1 - 4 None Levels 5 - 8 21 FQ 145 Q 6 TQ 6 FQ Levels 9 - 12 2 FQ 25 Q	SMS -30 posts, 11 filled and 19 vacant LEVEL 9-12 : 89 LEVEL-2-8-978	SMS 1st Q : 9 2nd Q : 9 3rd Q : 9, LEVEL-1-8- 1st Q : 620 2nd Q : 610 3rd Q : 550 4th Q : 510	Deviation is caused by suspensions and service termination (death, retirements, transfers)
2.2 COMMUNICATIONS					
Review and implement Departments Communication Strategy	Departmental Communication strategy in place	Draft Department Communication Strategy in place, awaiting reviewal	Departmental Communication strategy to be developed	Draft Department Communication Strategy in place.	No deviation
Information publications	Departmental news, quarterly newsletters and supplements produced and publicised	Departmental news publicised e.g. MEC, Policy Speech, MEC Budget Speech, Community dev. Workers Program (CDWs) etc. through local news publishers. Radio talks organised.	Departmental news to be publicised e.g. MEC Policy Speech, MEC Budget speech, Community Workers Programme (CDWs). Quarterly newsletters to be developed	Departmental news publicised e.g. MEC Policy Speech, MEC Budget speech, Community Workers Programme (CDWs) . One newsletter developed.	Deviation in the development of quarterly newsletter reason being the delay caused by establishment of editorial board
Advertising	Newspapers and radio adverts promoting campaigns of the department generated and produced	Departmental Promotional material produced, printed and distributed internally, to the relevant stakeholders, Office of the Premier and Municipalities documents such as: Departmental Strategic Plan, Operational Plan MEC policy speech, MEC Budget Speech, Departmental Banners, Posters and brochures.	Departmental Promotional material to be produced, printed and distributed internally, to the relevant stakeholders, Office of the Premier and Municipalities. Documents such as: Departmental Strategic Plan, Operational Plan, MEC policy speech, MEC Budget speech, Departmental Banners, Posters and brochures to be advertised.	Departmental Promotional material produced, printed and distributed internally, to the relevant stakeholders, Office of the Premier and Municipalities. Documents such as: Departmental Strategic Plan, Operational Plan, MEC policy speech, MEC Budget speech, Departmental Banners, Posters and brochures Advertised.	No deviation

Key Measurable Objective	Performance Measures	Actual Output 2003/04	Target outputs 2004/05	Actual outputs 2004/05	% of deviation and reasons
COMMUNICATIONS (CONT)					
Community Liaison	Information shared and communicated to municipalities and stakeholders.	Liaise with municipalities in the province for information sharing: from the department	To liaise with municipalities and stakeholders in the province for information sharing: from the Department and visa versa.	Liaise with municipalities and stakeholders in the province for information sharing: from the Department and visa versa.	No deviation
Media relations	Prompt responses to media queries, media briefings and media events in place.	Meeting held with document Development News Production programme to introduce the community news media in which the problems and challenges of community media and failures of media generally to communicate government development versus corruption news were discussed. Meeting held with the community news publishers at Umtata	To improve media relationships by providing prompt responses to queries, holding media events, media monitoring, maintaining and update media list and "manage" the media to maximise the coverage and achieve communications objectives	Improve media relationships by providing prompt responses to queries, holding media briefings, creating effective media events, media monitoring, maintaining and update media list and "manage" the media to maximise the coverage and achieve communications objectives	No deviation
Local Government Liaison	Working relations and partnership with local government communicators within municipalities in place by way of. Local Government Communicators Forum (LGCF) meetings.	Meetings are being held with the local government communicators to discuss communication challenges and the establishment of the District Communicators' Forum.	Meetings to be held with the Local Government Communicators to discuss communication challenges and establishment of the District Communicators Forum	Meetings are being held with the Local Government Communicators to discuss communication challenges and establishment of the District Communicators Forum	No deviation
Event Management	Department's public and stakeholder events co-ordinated and all necessary logistical arrangements in place	Involved in Departmental events and assisting in preparations, coordinating, and arrangements of Departmental promotional material base to the departmental programmes	Assist and co-ordinate workshops, meetings, conferences, awards functions, state visits organised by the programmes of the Department	Involved in department events & assisting in preparations, coordinating and arrangements of the department promotional material base to the department programmes	No deviation

Key Measurable Objective	Performance Measures	Actual Output 2003/04	Target outputs 2004/05	Actual outputs 2004/05	% of deviation and reasons
2.3 ORGANISATION AND WORKSTUDY					
Conduct Organisation and establishment investigation when required for: - Department - Traditional institutions - Municipalities	Organograms developed amended according to strategy	1. Amendment to departmental structure: - (Technical) - May 2003. - (Trad affairs) - June 2003 - (Translated Technical posts Cubans) - September 2003 2. Amendment to Municipal organogram: - Mquma Munic (June 2003) - Nkonkobe Munic (Feb 2004) 2. Departmental organogram developed and approved - March 04 3. Departmental Trad Leaders/ Non Public Servants organogram developed and approved	Organograms developed/ amended as required and demanded for : - Department - Trad institutions - Municipalities	Draft amendments in place in the following functions: - Customer care - Monitoring and Evaluation - Transfer of IGR to Monitoring an Evaluation function	The draft amendments were not finalised due to change in the departmental approach and strategy as contained in Strategic Plan document for 2005 - 2010. This strategy resulted in the complete restructuring by the department
Loading of organisational structure into PERSAL	Updated Personnel management system (Loaded organogram into PERSAL)	1. Organogram amendments loaded into PERSAL - June 2003 2. Codes verification and loading November 2003 3. This done Provincially with guidance of OTP	Capture Objective & responsibility codes on PERSAL (on demand depending on organogram amendments)	Codes for new organogram dated 02/03/2004 captured and loaded into PERSAL	No deviation

Key Measurable Objective	Performance Measures	Actual Output 2003/04	Target outputs 2004/05	Actual outputs 2004/05	% of deviation and reasons
ORGANISATION AND WORKSTUDY (CONT)					
Review departmental filing systems	Whole department has a proper filing system	1. MEC filing system developed 2. Staff Administration filing system developed	Develop HR Filing System for Traditional Leaders Reviewal of Main Filing System	HR Filing System for Traditional Leaders developed. Main Filing System reviewed	No deviation
Conduction of Job Evaluation	All vacant posts be evaluated before advertised	NIL	SMS, management & Critical posts evaluated	Information gathered and capture into Equate system. Posts of SG & 2 DDG's evaluated	30% deviation due to JE panel not sitting
Advise on office accommodation requirements	All staff be accommodated accordingly	1. Botha Sigcau offices re-allocation May 2003 2. Head office offices allocation - June 2003 (1st phase) - September 2003 (2nd phase)	(On demand) Allocation of Head office offices	Amendment on Head office offices allocated. Facilitation of an open space with works. Facilitation of additional space with Agriculture for HOTL	No Deviation
Advise on Labour saving device (Photocopiers, computers, etc)	Proper allocation of facilities and resources	1. Departmental cellphone policy in place (September 2003) 2. The following equipment recommended: - 95 PC's - 15 Laptops - 1 Server - 10 Printers	Evaluation of IT Requirement Applications on demand Develop Departmental policy on office telephones	Recommended the purchase of : 93 PC's 12 Laptops 8 Server 4 Printers 3 Data Projectors 1 Server Rack Develop departmental policy on office telephones in consultation with Office Services	No Deviation
3. SUB - PROGRAMME : INFORMATION TECHNOLOGY OFFICE (DGITO)					
Procurement of computer equipment and peripheral devices	Computer equipment procured and available	1, 709, 545 95 computers 15 Laptops 1 Server 10 Printers	100 Desktops 4 Server 10 Printers	93 PC's 12 Laptops 8 Server 4 Printers 3 Data Projectors 1 Server Rack	46% Due to unforeseen delays in the Microsoft active directory implementation by province budget could not be fully utilised. Although there has been under expenditure quite a number of equipment was acquired which was not part of the initial planning.

Key Measurable Objective	Performance Measures	Actual Output 2003/04	Target outputs 2004/05	Actual outputs 2004/05	% of deviation and reasons
SUB - PROGRAMME : INFORMATION TECHNOLOGY OFFICE (DGITO) (CONT)					
Effective and Efficient management of the LAN & WAN	LAN/WAN managed	All SLA were managed properly resulting in the 98% uptime achieved	95 % up time on WAN/WAN managing 600 desktop	98 % up time on LAN/WAN	No deviation
Procurement of Microsoft Software Enterprise Licence Agreement	Software licenses renewal	MS EA Signed for 600 Users	MS EA renewal for 700 workstations 6 servers and 2 SQL Licenses	MS EA renewed for 700 workstations 12 servers and 2 SQL Licenses	No deviation
Procurement of LAN & Desktop, WAN and ISS SLA's	SLA Signed for all relevant IT & IS	<ul style="list-style-type: none"> • LAN & Desktop SLA Signed – Nov 2003 • Decentralised Services SLA signed – March 04 • Wan SLA signed – March 2004 • ISS SLA Signed – March 2004 	19 LAN & WAN sites and ± 700 workstations	98 % up time on all system.	No deviation
IT Policies & Plans	Master System Plan Security Policy ICT Communication on Policy Disaster Recovery Plan Information Technology Plan	Interim backup and Disaster recovery plans completed and signed	Policies and Plans in developed and aligned with Information Plan (IP) of the department	DRP 98% completed. Backup plan in place.	This is due to SITA restructuring process.
Centralised information	Centralisation of all user directories	Plannery and information gathering phase completed	All user directories must be centrally stored and managed	Microsoft Boot cam training attended. Microsoft Provincial labs setup, testing completed, implementation targeted April and May 2005.	Due to discussions between the Province Microsoft and its Large account Resellers there were delays in the whole project as it had to be QA by Microsoft.

Key Measurable Objective	Performance Measures	Actual Output 2003/04	Target outputs 2004/05	Actual outputs 2004/05	% of deviation and reasons
SUB - PROGRAMME : INFORMATION TECHNOLOGY OFFICE (DGITO) (CONT)					
Effective and Efficient database management systems (dbms)	95% Uptime on all dbms	98% Uptime	95 % up time all dbms systems effectively managed	98% Uptime	No deviation
Effective development and management of web sites portal	Website technical development Phase 2 completed (Exclude implementation which will be done 2004/2005)	Technical Development Completed & Tested (Implementation will start in 2004/2005)	Web Modules: calendar, Discussions groups, online management, individual and hosting Modules	Web site live and updated on a regular basis.	No deviation
Training Centre	Operational training centre	95% Uptime	95% Uptime	100%	No deviation
Effectively Managed Transversal Systems	BAS, Persal, Logis, debtors and Aktex connectivity	All SLA were managed properly resulting in the 95% uptime achieved	95 % up time to all users	95 % up time to all users	Although there has been slow response time to some transversal system they were addressed with SITA and this was due to virus attacks on the WAN
Master systems Plan for LGICT (EC) Council	Council Master System Plan (MSP) developed	Completed. Approved by MEC (Sept. 2003)	Planning and Development of Scope and Vision document for council MSP	Negotiations with DBSA are still ongoing on the funding of DM's and LM's MSP	Due to lack of funding there were delays in the development of MSP's Five MSP have been developed and SITA still engaged in negotiations with the rest of the DMS
Information Plan developed	Departmental Information Plan	Technical development completed and tested implementation will start in 2004/2005	Integrated IP for all branches	System testing still in progress	There has been delays in the procurement of MSP by the Office of the Premier from SITA. The procurement committee has some concerns with the pricing structure by SITA

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Targets Outputs 2004/05	Actual Outputs 2004/05	% of deviation and reasons
4. SUB - PROGRAMME : FINANCIAL MANAGEMENT					
Strategic Plan for the finance component	Strategic Plan Document	Strategic Plan Document was produced and printed for public consumption	Four strategic review and development sessions	Strategic Plan for the Finance Section done	No deviation
Career development plan for each staff member	Career development plans	Staff were attended on-the-job training.	All plans completed by 31-05-2004	Staff were attended on-the-job training.	50
Documenting and approval of departmental finance policies and procedures	Existence of internal controls, policies and procedures documents	Internal controls and procedures still in draft	All systems documented	Draft internal control policies and procedures manual done (expected to be approved early in 2005/06)	30
Delegations	A set of documented delegations signed by HoD.		Delegations to be in place by 31 May 2004	Delegations signed by Head of Department in March 2005	No deviation
Risk assessment	Risk assessment report and risk management plan	Risk assessment done	Risk assessment to be done	Risk assessment done was done and a risk management plan developed and is in the process of being implemented	20%
Internal controls	Existence of internal controls, policies and procedures manuals	Internal controls and procedures still in draft		Draft internal control policies and procedures manual done (expected to be approved early in 2005/06)	30
Revised fraud prevention plan			To be in place by 30-06-2004	Not yet revised	100
Revenue management plan	Revenue management plan document		Plan in place by 31-05-2004	Revenue generating assets have been identified during the year under review.	60
Co-sourcing of reconciliations and data cleansing	Up to date records and reconciliations		All clearance and suspense accounts cleared by 30-06-2004	Rand amount of suspense accounts greatly reduced	40

Measurable objective	Performance Measure/Indicator	Target Output	Actual Output	Reasons for deviation	Percentage deviation	Intervention needed
5. SUB - PROGRAMME : SUPPLY CHAIN MANAGEMENT						
1. Develop and implement an effective and efficient supply Chain Management System for: (a) Acquisition of goods and services (b) The disposal and letting of state assets, including the disposal of goods no longer required	An effective and efficient supply chain management system	A fully operational system by 01 July 2004	Implementation of Supply Chain Management System can be measured at 1 %. Old procurement systems were still in use and highly vulnerable to risks. The structure had still not been in line with the Draft SCM Policy Framework. For instance the department did not have the Disposal Committees in place as well as other units that are very critical to best practices in SCM.	Non implementation of SCM is attributed to non-finalization of the SCM Policy Framework by Provincial Treasury. The whole situation has been influenced by lack of leadership in the Unit and lack of training in SCM among the staff.	99 %	During April 2005, the Senior Manager for SCMU has been appointed. The SCMU structure has been designed and will be approved soon. Critical posts will be filled as a matter of urgency. Whilst the SCM Policy Framework is not yet approved, the department is forging ahead developing policies and guiding manuals on SCM System. Provincial Treasury has been approached and we were advised that no or minor changes will be made to the final Draft of SCM Policy Framework, hence new policies are being developed to address inefficiencies in the current system.
2. To facilitate the training of SCM officials	Staff with appropriate training	Staff to be fully trained by 31 July 2004	Out of 40 officials 3 officials attended advanced SCM workshop and 4 an introduction workshop. 33 did not attend.	Lack of leadership to coordinate these training sessions can be blamed in the non achievement this objective.	82.5 % have not attended the SCM workshop	The new leadership will ensure that all officials involved in SCM are trained in 2005/06 financial year to better their skills and knowledge so that they are effective and efficient.
3. Develop and implement reporting of SCM information	Reporting system which complies with SCM Framework	System to be fully operational by 31 July 2004	Reporting system has only been done for acquisitions only not for the whole SCMU.	The old organogram did not meet SCM requirements and as such the reporting system has not been well designed for the whole SCMU.		Compliance Management in the proposed structure will be responsible for reporting of compliance with SCM Policy.
4. Ensure full compliance with the Framework for Supply Chain Management	Compliance with prescripts	Full compliance by July 2004	No policies have been introduced based on the Draft SCM Policy Framework	Some of the departments, based on the SCM Policy Framework did draft some compliance policies and procedures. For our department non of this has happened based on the lack of leadership in the Unit.	100 % deviation	Within 2005/06 SCM Manual, policies and procedures will be in place and the Unit will be fully functional. Compliance will be monitored by the Compliance Unit within SCM.



PROGRAMME
PERFORMANCE

PROGRAMME TWO

HOUSING
DEVELOPMENT





SECTION B - PROGRAMME PERFORMANCE

2.2 PROGRAMME TWO : HOUSING DEVELOPMENT



2.2.1 AIM OF THE PROGRAMME

The program is responsible for integrated housing development including access to land and social infrastructure.

The programme consists of the following functional areas:

- Housing, Planning & Research
- Housing Subsidy Programmes
- Urban Renewal Programme & Human Settlement Redevelopment
- Housing Asset Management

2.2.2 KEY OBJECTIVES

- Systematic elimination of the housing backlog in the province
- Monitoring and evaluation of delivery of quality housing products
- To capacitate all stakeholders in housing especially municipalities
- Coordination of housing asset management
- Job creation and skills development
- Strengthen the provincial economy (reduce poverty)

2.2.3 ACHIEVEMENTS

- Project Manager appointed on a consultancy basis to monitor all housing projects
- 8 899 jobs created
- Housing Consumer Awareness workshops conducted at various municipalities
- 1000 sites were allocated to women and 500 sites to Youth for housing construction.
- 29 663 housing units were completed
- 10 552 beneficiaries received their title deeds
- 198 properties were donated to municipalities for development purposes
- 11 housing officials trained in digital data & map-aware
- An amount of R2 011 641.76 was collected from tenants in the form of rent.

2.2.4 CHALLENGES AND MEASURES TO ADDRESS THEM

CHALLENGES	MEASURES TO ADDRESS CHALLENGES
1. Lack of professional human capacity within the department to undertake project management and quality control of housing projects.	<ul style="list-style-type: none"> • Appointment of project managers and works inspectors to undertake the function of project management and quality control • Filling of all vacant post in the organagoram
2. Due to belt tightening exercise in the province the housing conditional grant could not be spent in the financial year	<ul style="list-style-type: none"> • Political intervention required • Housing conditional grant must be ring fenced for housing purposed only.
3. Poor quality of houses	<ul style="list-style-type: none"> • Development of simplified norms and standards guidelines and workshop thereof with all developers and contractors • Appointment of Clerks of Works to undertake ongoing supervision on site. • Establishment of quality assurance team
4. 40m ² provincial norms vs. 30m ² national norms has impacted negatively in the quality of the unit and funding.	<ul style="list-style-type: none"> • Undertake research into this matter and revise the provincial policy accordingly
5. Lack of capacity within municipalities resulting the project implementation delays	<ul style="list-style-type: none"> • Capacitation of municipalities in project management to undertake housing development. • Accreditation of municipalities to undertake national and provincial housing programmes



2.2.5 BUDGET

HOUSING DEVELOPMENT				
SUB-PROGRAMME	BUDGET	EXPENDITURE	% OF EXP.	DEVIATION AND REASONS
OFFICE OF HEAD OF HOUSING	11,058,000	14,400,252	130,22%	Funds were expended by sub- branches due realignment of budget. (Belt tightening exercise).
HOUSING PERF/ SUB PROG	605,348,047	578,305,875	95,53%	Realignment of budget due to belt tightening exercise. Funds from Head of Housing were utilised for expenditure.
URBAN REN & HUM SET REDEV	67,303,400	59,500,828	88,41%	The vacancy rate in the new organogram for personnel was 90%
HOUSING ASSETS MANAGEMENT	10,186,953	5,156,409	50,62%	Realignment of budget due to belt tightening exercise. Funds for Head of Housing were utilised for expenditure.
HOUSING PLANNING & RESEARCH	3,050,600	3,243,946	106,34%	This is a newly established sub directorate. The personnel were absorbed from the sub-directorates in the housing branch. Funds from Head of Housing were utilised as there was no budget allocation.



2.2.6 SERVICE DELIVERY ACHIEVEMENTS : HOUSING DEVELOPMENT

Key Measurable Objective	Performance Measures	Actual output 2003/04	Target outputs 2004/05	Actual outputs 2004/05	% of deviation and reasons for deviations
1. SUB - PROGRAMME : OWNERSHIP & INFORMAL LAND RIGHT SUBSIDY PROGRAMMES					
Quantify housing needs of municipalities	R300 000 Developed data base identifying qualifying beneficiaries	No baseline info	Municipalities especially those within the ISRD and URP nodes assisted in developing a data base of qualifying beneficiaries	Project support Teams allocated per District Municipal area to support municipalities in the beneficiary identification process.	0%
Promote the implementation of projects utilising labour intensive methods	Building local economic base	Job Opportunities (Person-days) Women 89 295 Youth 128 481 Men 134 912 Total 352 688	No of people utilized in the construction of housing units	8899 jobs created	0%
Promotion of Public/Public and Public Private partnerships in housing development	Private Companies investing in housing development	No baseline info	Encourage established contractors/developers and financial institutions to forge partnerships with emerging contractors and to provide mentorships	Sessions held with Financial Institutions and Emerging Contractor Associations towards establishment of Emerging Contractor Empowerment Council. Base document developed and workshopped in all district Municipal areas.	Very few Established contractors in operation in housing development in the province. Emerging Contractor Associations currently acting as Developers/ Support Organizations (5 out of 6) namely ECBA, BBA, INXILL, YOUTH, WOMEN (DISABLED not involved yet)
2. SUB - PROGRAMME : POLICY PLANNING AND RESEARCH					
Quantify housing needs of municipalities	Revised Provincial Housing Development Plan	Provincial Housing Development Plan last developed in 2000	Current Provincial Housing Development Plan reviewed and updated	Awareness Workshop on development of Housing Sector Plans conducted and 3 municipalities identified as pilots i.e. Mquma, Elundini & Sakhisizwe	No identified budget for the exercise. Planning Process in place.
Promotion of intra-departmental services	Effective and efficient Housing Secretarial Service	Not provided for in 2003-04 report	Well coordinated & quality MEC Panel and /TET meetings	12 formal TET meetings held to approve projects. 6 Ad Hoc Approvals submitted to MEC to expedite project approvals	0%

Key Measurable Objective	Performance Measures	Actual output 2003/04	Target outputs 2004/05	Actual outputs 2004/05	% of deviation and reasons for deviations
Building institutional capacity at municipal / provincial level to deal with land and housing related matters	Functional housing units within municipalities with suitably trained housing personnel	Alfred Nzo – 55 trained practitioners O.R. Tambo – 35 Trained practitioners 10 Cuban Professional Trained in Conversational English	R1,360M (slice of the housing development fund and Land Admin Capacitation) 100 Trained personnel Typical model for functional model of housing unit accepted for implementation (see the annexed copy)	Training workshops conducted in Alfred Nzo, O.R. Tambo and Ukhahlamba in Rural Housing Policy, Housing Code, PHP, Housing Subsidy System Functional Model developed and presented to all municipalities and at National level.	R1,36m capital funding could not be sourced from roll over funds. 0%
3. SUB - PROGRAMME : HOUSING ASSET MANAGEMENT & LAND ADMINISTRATION					
Access to well - located public/private land to meet housing backlog.	Data of available land for housing.	No baseline info	Land for housing identified in all Regions.	30% completed	Municipalities awaiting completion of their Spatial Framework Plans
Housing delivery through comprehensive land rights	Security of tenure extended to beneficiaries	Deeds issued- 28854 (40%) NM Metro – 7847 Cacadu - 1749 Buffalo City -2904 Amatole – 6653 Chris Hani – 6295 Ukhahlamba – 2592 OR Tambo - 814	11574 (50%) of approved beneficiaries	10552 beneficiaries registered at Deeds offices.	Registration of transfers affected by delayed land released and opening of township registers as this process has no separate funding.
Proactive vesting of state land for housing purposes	Public land (ha) vested to Province.	Not provided for in 2003-04 report	Item 28(1) Certificate issued for identified land.	32 Parcels of land recommended for vesting into the province. 198 properties donated to municipalities	20% of the land parcels intended for vesting into the province have not been recommended as a result of outstanding information from applicants. The process of issuing item 28(1) certificates from DLA is long.
Upgrading of land tenure rights on existing townships	Leasehold rights to be upgraded	Not provided for in 2003-04 report	Act 4 of 1984 townships to be upgraded.	87 Township establishment applications received for housing. 58 approved and 19 in the process	Process of upgrading 17 townships of Act 4 of 1984 is at a slow pace because of appointing conveyancers for township registration

Key Measurable Objective	Performance Measures	Actual output 2003/04	Target outputs 2004/05	Actual outputs 2004/05	% of deviation and reasons for deviations
HOUSING ASSET MANAGEMENT & LAND ADMINISTRATION (CONT)					
To administer housing asset, rental income and land related issues.	To encourage social housing as a means to resuscitate declining urban areas.	Not provided for in 2003-04 report	Number of social & rental housing projects implemented.	6 Housing Associations in place of which 3 have been completed. No additional projects have been approved	Special focus on the rental & social housing programmes adopted
Development of skills of personnel	Trained staff.	Training need not provided for in 2003-04	Provide training on conveyancing, digital data & Map-Aware.	11 officials trained on Digital data & Map-Aware	Short term training on conveyancing not available. Training will be arranged in ensuing years through a bursary programme
Develop database of service providers for strengthening of housing delivery	Participation of SMME in housing delivery	No baseline info	Database of SMME with relation to conveyancing	Database of Conveyancers completed	Linked to the Law Society information as funding was saved through belt tightening
Progressive phasing out of old housing dispensation programmes	Percentage of housing dispensation programmes phased out.	R992 840 used for 3534 Transfers effected as follows: Central: 1909 units Western: 1372 units Northern: 253 units	35 000 Units Transferred	1073 Units transferred amounting to R495 323.31	Some properties are above affordability levels of tenants, subdivisions and relocations to be finalized. (33%)
Proactive transfer of MEC assets to Municipalities	Superfluous MEC's properties transferred to Municipalities	Not provided for in 2003-04 report	Percentage of superfluous fixed assets devolved to Municipalities	No transfer of properties conducted	Delayed due to audit process of Assets to identify those that require to be transferred.
Ensure effective debtors collection system.	Tenant pay for services rendered.	Not provided for in 2003-04 report	Efficient rent collection.	Total of R2 011 641.76 rental collected	Payment default due to unemployment. Rent collection plan to be developed.
Management and maintenance of MEC's assets.	Reliable asset register	Not provided for in 2003-04 report	All MEC's assets identified and evaluated	Consultant appointed to identify and audit revenue generating assets. Audit started but not finalized by 31/03/2005.	Process delayed due to combination of activities between Housing and Financial directorate to save costs
Management of Rental Housing Tribunal	Rental Tribunal operational	New Initiative- No baseline	Tribunal established & functional	Interviews of Tribunal conducted Recommendation in process to Exco through MEC	Determination of remuneration for tribunal members in process in conjunction with Treasury

Key Measurable Objective	Performance Measures	Actual output 2003/04	Target outputs 2004/05	Actual outputs 2004/05	% of deviation and reasons for deviations
HOUSING ASSET MANAGEMENT & LAND ADMINISTRATION (CONT)					
Implementation of projects specifying utilization of SMME's	No of jobs created and skills developed 25% of annual budget (R150m) utilized by SMME's	Budget Utilisation/ allocation R121 140 818 NMMM: 225 units Lukhanji :744 units Ilinge: 1245 units Tambo village: 220 units Sabata Dalindyebo: 50 units Mbashe: 500 units at Doli Nkonkobe: 720 units Maletswai:120 units Jamestown:171 units	10% of projects allocated to Women Contractors, 10% - Youth & 5% - People with Disabilities	1000 Units allocated to Women and 500 units allocated to Youth	Allocation done taking into consideration of construction capacity
4. SUB - PROGRAMME : URBAN RENEWAL & HUMAN SETTLEMENT REDEVELOPMENT					
Facilitate and monitor delivery of housing to the low income group	R598, 9m Construction of 23149 housing units completed in rural and urban areas	R771 000 000 37027 housing products delivered as follows: • 11571 = NMMM • 7280 = Cacadu DM • 2090 = BCM • 5672 = Amathole DM • 6434 = Chris Hani DM • 3502 = Ukhahlamba DM • 2208 = O. R. Tambo DM • 1168 = Alfred Nzo DM	23 149 housing units completed	29 663 Housing units completed	128.1% Target exceeded
Monitoring the delivery of quality housing products	23149 housing units conforming to norms and standards	27 714 units Inspected and all projects inspected by Cuban professionals, housing project managers and departmental staff	Inspection of 23149 housing units and enforcing compliance with national and provincial norms and standards	Inspection of 29663 housing units completed and 4862 units under construction.	128.1% Target Exceeded



Key Measurable Objective	Performance Measures	Actual output 2003/04	Target outputs 2004/05	Actual outputs 2004/05	% of deviation and reasons for deviations
URBAN RENEWAL & HUMAN SETTLEMENT REDEVELOPMENT (CONT)					
Provide support for effective and efficient delivery of state subsidized housing	Efficient implementation of housing projects	Not provided for in 2003-04 report	Efficient assessment of project proposals	Technical Assessment of 44 project proposals/ applications conducted comprising 21 977 subsidies	0%
			Project Support Office established and fully functioning	Project Support Office established from voluntary membership of strategic partners and providing support to the branch. 7 meetings held focusing on: <ul style="list-style-type: none">• Alternative building material• Housing development scorecard• Qualitative housing development• Analyzing expenditure trends• Occupation/Health and Safety standards	0%



PROGRAMME
PERFORMANCE

PROGRAMME THREE

DEVELOPMENTAL
LOCAL
GOVERNMENT





SECTION B - PROGRAMME PERFORMANCE

2.3 PROGRAMME THREE : DEVELOPMENTAL LOCAL GOVERNMENT



2.3.1 AIM OF THE PROGRAMME

To promote Developmental Local Government through fostering good governance and creation of viable and sustainable developmental municipalities.

2.3.2 KEY PERFORMANCE AREAS

- Giving strategic direction and co-ordination of functions of the developmental local government branch.
- Stabilization of municipalities.
- Strengthening the capacity of municipalities
- Promotion of effective disaster management and emergency services.
- Promotion of youth developmental programmes
- Promotion of local economic development programme
- Monitor, review and evaluate performance of municipalities
- Facilitate and monitor implementation of the Integrated Sustainable Rural Development Programme

2.3.3 SUMMARY OF PROGRAMMES

The Programme consists of the following two sub-programmes namely:

2.3.3.1 MUNICIPAL GOVERNANCE

- (a) Municipal Administration and Capacity Building
- (b) Municipal Developmental Finance
- (c) Municipal Infrastructure Services
- (d) Disaster Management and Emergency Services

2.3.3.2 DEVELOPMENT AND PLANNING

- (a) Spatial Planning
- (b) Municipal Developmental Administration / Land Use Management
- (c) Integrated Development Planning (IDP) and Municipal Performance Management
- (d) Local Economic Development / Development and Planning

2.3.4 ACHIEVEMENTS

- Restoration of political stability, the rule of law and administrative management through section 139 intervention at Qaukeni and KSD Municipality.
- Successful recruitment, training and deployment of 180 CDWs.
- A process was started to strengthen the relationship between the Traditional Leaders, Ward Councilors and Ward Committees, and there was commitment from all groups to work together to further enhance community participation.
- Training of municipal officials commenced at identified tertiary institutions
- Special investigations have been completed in 11 municipalities. While no action has yet been taken on the recommendations contained in the reports of these Special investigations, it is becoming clear that municipalities are now all too aware that the department is serious about preventing fraud and corruption in whatever form it may take.
- Some of the more significant cases of impact achieved relates to the compilation of Assets Registers in 21 municipalities, Annual Budgets in 11 municipalities, Annual Financial Statements in 28 municipalities, Data base cleansing in 16 municipalities and recommendations on IT systems in 26 municipalities.
- All municipalities have been provided with a CD that contains 89 separate Policies that cover Financial, Human Resources and Administrative matters. This project was in response to a continuous call for assistance that started with the establishment of the new municipalities in December 2000 and the accompanying need to consolidate policies.
- 9 Project Management Units established
- Nationally, Buffalo City come number two expending municipality according to National MIG ratings after the Ethekwini Metro
- Alfred Nzo Disaster management center complete
- Training sessions for municipalities on special planning, land survey and valuations presented at district level.
- Best performing municipalities awarded Vuna Awards in November 2004.
- LED forums established in all Municipalities
- 37 Projects in 24 municipalities were funded and +1000 jobs created
- 4 projects launched (Juice factory in Kouga, Mangqamzeni community garden at Ntabankulu, Siviwe independent farmers project and Kwa-Gcina community garden both in Engcobo
- Provincial status quo report on Free basic Services
- 4 ISRD Projects funded in the Nodes.

2.3.5 CHALLENGES

CHALLENGES	STRATEGIES TO ADDRESS CHALLENGES
• Inadequate capacity to spend in municipalities	• Budget should be informed by departmental and municipal needs • Proper population of municipal organograms.
• Most municipal economies not viable	• Improve municipal governance and environment to attract private sector investments.
• Limited community participation and empowerment in the processes of needs analysis, implementation, monitoring and evaluation of development programmes/interventions.	• Intensify consultative approach (using approaches like Participatory Development Approach (in consultation with Ruliv which has experience in this) • Maximum utilization of CDWs and Ward Committees
• Lack of private sector participation in municipalities and local economies	• Networking and creating linkages with private sector
• Limited scope to attract investors into local economic development because of the rural nature of the province.	• Integrated approach to municipalities within the department, sector departments and public entities. • Enter into agreement at various level of government for implementation, monitoring and evaluation of projects and development programmes.
• Lack of dedicated personnel and resources to drive development programmes in municipalities.	• Finalisation and population of the departmental organogram. • Alignment of municipal organograms with strategic plans (IDPs)
• Unclear roles and responsibilities between District Municipalities and Local Municipalities limit faster implementation of catalytic programmes.	• Intensified Capacitation on implementation of delegated powers and functions.
• No timeous submission of reports by municipalities.	• To speed-up Proposed Monitoring and Evaluation System for Development Local Government Programmes,
• Inadequate systems in municipalities to manage their affairs e.g. incompatible ICT Systems	• Linkage of ICT systems with other spheres of government that will even assist in the monitoring and evaluation of development programmes and expenditure trends, (i.e. virtual e-Government)

CHALLENGES	STRATEGIES TO ADDRESS CHALLENGES
<ul style="list-style-type: none"> Provision of Free Basic Services to and participation in development in informal settlements and rural areas still a problem 	<ul style="list-style-type: none"> Collaboration of Municipal Infrastructure and Free Basic Services with Municipal Administration (Human Resources) in matters like the development of municipal organograms. Prioritisation of municipal infrastructure development by all spheres of government.
<ul style="list-style-type: none"> Absence of credible information and database 	<ul style="list-style-type: none"> Consider a starting and funding a project on municipal filing and Knowledge Management Systems.
<ul style="list-style-type: none"> Lack of capacity within the department in order to be able to render the necessary support to municipalities 	<ul style="list-style-type: none"> Immediate filling of key positions

2.3.6 BUDGET

DEVELOPMENTAL LOCAL GOVERNMENT				
Sub - Programme	Budget	Expenditure	% Exp	Deviation and reason
Office Head	20 417 696	19 577 702	95.89%	4.11% Due to tight internal commitments.
Municipal Administration and Capacity Building	19 206 600	18 574 557	96.71%	3.29% Delay in filling of critical post of senior manager
Municipal Developmental Finance	45 037 084	44 783 731	99.44%	0.56% Budget estimate as against the actual
Municipal Infrastructure Services	28 609 704	36 698 837	128.27%	-28.27% Compensation of employees was budgeted under Housing branch
Disaster Management and Emergency Services	24 557 481	24 404 337	99.38%	0.62% An employee passed away and not replaced
Spatial Planning Municipal Developmental Administration	7 595 120	7 182 421	94.57%	5.43% Delay in filling of critical posts
Land Use Management	16 703 800	12 599 691	75.43%	24.57% Delay in filling of critical posts & Municipalities did not submit comments for Land use applications
Integrated Development Plan (IDP)	8 928	7 521	84.24%	15.76% Challenges with other IDP's
Local Economic Development (LED)	17 931	17 616	98.24%	1.76% Incomplete documentation and business plans

2.3.7 SERVICE DELIVERY ACHIEVEMENTS : DEVELOPMENTAL AND LOCAL GOVERNMENT

MUNICIPAL ADMINISTRATION AND CAPACITY BUILDING

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% of deviation and reasons
SUB - PROGRAMME : MUNICIPAL ADMINISTRATION AND CAPACITY BUILDING					
Assist municipalities in designing organograms based on powers and functions, IDP and budget	Proper placement of staff to ensure all functions are covered	Municipalities with approved organograms based on powers and function: Umzimkulu, Mbashe, PSJ, Ntabankulu, Mhlontlo, Sakhisizwe, Mbizana, Intsika Yethu, Nyandeni and Ngqushwa	Implementation of functional organogram in 10 municipalities	Qaukeni, KSD, Umquma, Mbashe, Kouga, Engcobo, Caamdeboo, Umzimvubu, Sundays River Valley Municipalities were assisted in developing their organograms.	Organograms in 9 municipalities 10 %
Facilitate coordinated training programme for ward committees	Better functioning of ward committees	Established and functional ward committees: Umzimkulu, Mbashe, PSJ, Ntabankulu, Mhlontlo, Sakhisizwe, Mbizana, Intsika Yethu, Nyandeni and Ngqushwa	Formal and informal training of ward committees in 10 municipalities (R1,050 000 M)	Transferred R1 560 000 to 7 municipalities viz: Elundini, NMMM, Nyandeni, KSD, Nkonkobe, Qaukeni and Sundays river Valley. Training of ward committees conducted in 3 municipalities viz: Qaukeni, KSD and Sundays River Valley - Expenditure was R650 000	Training could not be completed in the other 4 Municipalities due to lengthy procurement processes. 59 %
Effective and correct channels of communication	Communication strategy linked with a performance management system of 10 municipalities.	This KPA was not applicable in this financial year.	Development of generic communication strategy for 10 Municipalities.	Nil	This activity was re-routed to departmental communications to avoid overlapping and duplication of services.

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% of deviation and reasons
SUB - PROGRAMME : MUNICIPAL ADMINISTRATION AND CAPACITY BUILDING (CONT)					
Improved and more efficient management of staff.	Policies, Systems and procedures that are functional (policy, legislative framework, procedure manuals, systems)	HR records updated the 10 municipalities mentioned above.	10 Municipalities with HR policies customisation and implementation.	Generic HR policies were developed for all municipalities. (HR policies reviewed in terms of the new National Bargaining Council guidelines)	Customization not done due to finalisation of NBC guidelines. 40%
Participation of Traditional Leaders in municipal affairs	Traditional Leaders that effectively participate in municipal affairs	Strengthening of sound relations between traditional leaders and democratically elected structures.	3 pilot areas of Mquma, Mbashe and Mzimvubu – R225 000 each.	Transferred R150,000 Mquma, Mbashe R150,000 and Umzimvubu R215,000. Traditional leaders effectively participate in the three councils. Training conducted in Umzimvubu. Informal training conducted in all three municipalities	Training could not be completed at Mbashe and Mquma during the current financial year as the consultative process with the Traditional Leaders on training Modules took longer than anticipated. 67%
Facilitate training programme for CDWs	Improved knowledge and participation of communities in municipal matters	National consultation processes with provinces	Training of 180 CDW's R2 200 000 transferred to 6 DM's and NMMM	180 CDWs trained and deployed to 6 District Municipalities and NMMM. Expenditure R8 300 000	Nil
Powers and Functions S.78 Assessment Study	Better functioning municipalities and improved service delivery	This KPA was not applicable in this financial year: water function was devolved to Municipalities with effect from 01/07/03	6 DMs – R725 000	Funds re-routed for interventions at Elundini & KSD	Nil
Formal training of municipal officials	Trained Senior officials	Improved skill levels of officials in municipalities: LED: 17 officials Financial Management: 15 officials MPA: 17 officials Public Management: 15 officials	R925 000 skilled management to improve service delivery	16 Officials have completed their 1 st year of study at Fort Hare Institute of Government	Nil

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% of deviation and reasons
SUB - PROGRAMME : MUNICIPAL FINANCE					
Municipalities able to produce Financial Statements in compliance with the AG requirements	Financial statements compliant to AG requirements	Financial statement projects have been undertaken in 31 Municipalities. In some municipalities there are more than 1 project. 25 projects 100% complete, 12 – 90% complete, 5 more than 60% complete and 7 under 50% complete	8 Municipalities R3 341 000	Funds transferred to 19 municipalities 14 projects in 14 municipalities completed (R1 323 285 expended) – Elundini, Emalahleni, Engcobo, Gariiep, Great Kei, Ikhwezi, Inkwanca, Mbizana, Mhlonlo, Nkonkobe, Nyandeni, PSJ, Sakhisizwe & Umzimkhulu 24 projects from previous year completed (Gariiep & Nkuba 7 & 9 sets of AFS respectively) 8 projects for 2004/05 AFS not started – Engcobo, Inkwanca, Mhlonlo, Nkonkobe, Nyandeni, PSJ, Umzimkhulu & Umzimvubu	AFS for 2004/05 due in 08/2005. 60% in terms ex-penditure
Municipalities with improved Revenue Management systems and improved revenue collections	Improved billing practices and revenue collections	This KPA was not applicable in this financial year	8 Municipalities R2 228 000	Funds amounting to R2 200 000 transferred to 12 municipalities to undertake revenue management projects. 8 projects completed – PSJ, Mhlonlo, Nyandeni, Engcobo, Baviaans, Ikhwezi, Koukama & Lukhanji 4 projects in progress – Gariiep, Great Kei, Ikhwezi & Lukhanji 6 projects not started – Mhlonlo, PSJ, Maletswai, Nyandeni, Qaukeni and Engcobo R387 019 expenditure	10 Projects not completed 83% in terms of expenditure



Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% of deviation and reasons
SUB - PROGRAMME : MUNICIPAL FINANCE (CONT)					
Improved budgetary processes in Municipalities that are cash funded and include IDP requirements	Budgets in municipalities that are cash funded and are linked to IDP	14 projects completed. 4 projects more than 50% complete.	8 Municipalities R1 114 000	An amount of R1 000 000 transferred to 10 municipalities 10 municipalities 2004/05 budgets compiled and approved – Engcobo, Great Kei, Intsika Yethu, Kou kamma, Mbashe, Mbizana, Mhlontlo, Nyandeni, PSJ, & Qaukeni Expenditure R250 000 Balance to be used for 2005/06 - Engcobo, Great Kei, Intsika Yethu, Mbizana, Mhlontlo, Nyandeni, PSJ, & Qaukeni	Funds to be used to compile the 2005/6 budgets 75%
ICT systems that allow the municipality to operate in the current ICT environment	Well operating Software and Hardware systems	58 projects undertaken in 31 municipalities. In some more than 1 project 12 IT projects completed, 19 more projects than 90% complete, 11 projects more than 50% complete and 5 projects more than 30% complete and 11 just started.	8 Municipalities R5 567 000	Funds amounting to R5 600 000 transferred to 9 municipalities 6 projects completed and functioning properly – Amahlathi, Bavians, Mbizana, Nyandeni, Qaukeni & Umzimkhulu 7 projects in progress – Gariep, Inxuba Yethemba, Koukama, Lukhanji, Makana, Maletswai and Sakhisizwe 3 projects not started – Great Kei, Inkwanca, Tsohlwana Expenditure R1 832 627	All projects are in progress 68% i.t.o. expenditure

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% of deviation and reasons
SUB - PROGRAMME : MUNICIPAL FINANCE (CONT)					
Municipalities with accurate customer databases	A customer database that is accurate and with systems for regular updating	4 municipalities completed, 8 more than 90 % complete, 4 more than 50% complete, 1 municipality less than 30% complete.	8 Municipalities R2 280 000	Funds amounting to R2 200 000 transferred to 6 municipalities 3 projects completed – Gariap, Ikhwezi & Umzimvubu 6 in progress – Lukhanji, Makana, Mbhashe, Qaukeni, Senqu & Umzimkhulu 2 projects not started – Mhlontlo & PSJ Expenditure R438759.00	Process slow due to its nature 81% in terms of expenditure
Proper Financial Reporting by municipalities	Regular reporting in terms to R1 536 with proper accounting being taken out of budget and cash flow.	This is not a project	8 Municipalities R1 114 000	Project discontinued. Funding transferred to Municipal Performance Management for PMS. In terms of the MFMA Treasury is to develop a reporting tool to be used by all municipalities	100%
Mentoring managers in municipalities	Appropriate systems that are well and consistently used through mentorship programme	17 Mentors were appointed in 14 municipalities. 1 Mentor has completed the task.	4 Municipalities R4 455 000	Funds transferred to 11 municipalities. 9 mentors appointed by the end of March 2005. Projects completed in 5 municipalities – Baviaans, Ikhwezi, Ngqushwa, Nkonkobe and Qaukeni 4 projects in progress – Camdeboo, Great Kei, Kouga and Koukama. 5 municipalities not started their projects – Elundini, KSD, Engcobo, Nxuba and Tsolwana Expenditure R821 145	In some municipalities no in-cumbents to be mentored . 82% in terms of expenditure

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% of deviation and reasons
SUB - PROGRAMME : MUNICIPAL FINANCE (CONT)					
Assist municipalities in identifying, evaluating and recording of their assets	Proper Asset Management in Municipalities	10 – 100% complete, 5 – 90% complete, 7 – 50% and more complete, 4 less than 50 % complete	4 Municipalities R 2 228 000	Funds amounting to R2 284 000 transferred to 11 municipalities 8 projects completed – Gariap, Koukama, Mbizana, Mhlontlo, Ngquishwa, Nyandeni, PSJ & Qaukeni 5 projects half completed – Intsika Yethu, Makana, Miquama, Sakhisizwe & Sundays River Valley 2 projects not started – Amahlathi and Ntabankulu Expenditure R648 450	Process slow due to its nature 72% in terms of expenditure
Improved debt payment by National and Provincial Government Departments to Municipalities	Improved revenue collection by municipalities and Inter-Governmental Relations.	Reduced arrear and current debt by R212m	Municipalities	A total of R163 798 965.36 was collected by 40 municipalities	No deviation. This is an achievement.
Reduce debt owed by municipalities to Office of the Auditor – General	Municipalities pay Auditor – General timeously. All municipalities	Reduced debt owed to AG by municipalities from R4.5m by interacting with municipalities	All municipalities	Reduced debt from R1 932 739 by 82% representing R1 584 362 by interacting with municipalities. The department further assisted struggling municipalities through payment of R1m to the Office of the Auditor General to reduce the debt.	No deviation. This is an achievement.

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% of deviation and reasons
SUB - PROGRAMME : MUNICIPAL FINANCE (CONT)					
Conduct internal audits and special investigations	Well managed municipalities and reduction of irregularities	<p>Ten (10) investigations were completed viz. Tsoelwana (2 investigations), Amahlathi, Kouga, Ikhevezi (2 investigations), Mhlontlo, Sakhisizwe, Koukamma, Baviaans.</p> <p>Five (5) reports have been submitted to the respective municipalities for the implementation of the recommendations.</p> <p>Two (2) of the municipalities instituted disciplinary proceedings resulting in some officials being dismissed from duty.</p> <p>Six investigations instituted during 2003/04 financial year were half completed and in progress: Nyandeni, Qaukeni, Chris Hani, Nelson Mandela Metro, Ngqushwa, Maletswai, Elundini Municipalities.</p> <p>IMT report-based investigations were conducted at Kouga, Nkonkobe, Alfred Nzo, Mhlontlo, Nelson Mandela Metro, Emalahleni and Elundini.</p>	Implementation of recommendations already made and internal and Forensic audits conducted in at least 10 municipalities. R5 600 000	<p>Investigations that were at initial stages at the end of 2003/04 financial year completed viz Nyandeni, Qaukeni, Chris Hani, Nelson Mandela Metro, Ngqushwa, Maletswai, Elundini Municipalities.</p> <p>Reports submitted to the respective municipalities during October, November and December 2004. The municipalities are in the process of implementing its recommendations.</p> <p>Two investigations instituted during the year completed King Sabata Dalindyebo and Ngqushwa (2nd investigation on Housing project).</p> <p>Scoping exercise to prepare for 2005/06 internal audits in municipalities done at Port St Johns, Qaukeni, Mhlontlo, Ntshabankulu, Mbizana, Alfred Nzo, Umzimkhulu and at Umzimvubu.</p> <p>Investigation on awarding of tenders at Mbizana commenced in March 2005. An engagement letter signed to investigate two housing projects at Nelson Mandela Metro.</p>	No deviations



Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% of deviation and reasons
SUB - PROGRAMME : MUNICIPAL FINANCE (CONT)					
				<p>The Department on the basis of the approval of the Provincial EXCO entered into partnership agreement with the SIU to take to final conclusion all investigations where there is a possibility of fraud and other irregularities.</p> <p>Two requests for the issuing of the presidential proclamation made through the office of the Premier in order for the SIU to institute the power vested in the unit in taking to final conclusion the twelve (12) investigations identified to be having possible fraud and other irregularities.</p>	
Restore stability to specific municipalities. Interventions at municipalities that are experiencing problems that are Administrative, Financial and Political in nature	Sound administration in place and rule of law prevails	Levelled the ground for the MEC to intervene at Gaukeni Municipality in terms of Section 139 of the Constitution. Consequently, Gaukeni council and the Municipal Manager were suspended on 30 th December.	Identified municipalities as per prevailing circumstances.	<p>Rule of law and sound administration restored at Gaukeni and King Sabata Dalindyebo and interventions terminated.</p> <p>Institution of the Elundini intervention showing positive progress and will come to an end in August 2005.</p>	N/A
SUB - PROGRAMME : MUNICIPAL INFRASTRUCTURE SERVICES					
Technical Capacity Building, Planning assistance, Operation and maintenance of infrastructure	Capacitated Municipal Technical Officials in the 44 municipalities	All 44 Municipalities (with the exception of the NMMM) received Training in Planning, O&M of infrastructure	44 Municipalities (with the exception of NMMM) to continue receiving training in Planning, O&M of infrastructure Budget: R13m	<p>All 44 Municipalities received Training in Planning, O&M of infrastructure</p> <p>Expenditure: R13m</p>	<p>None</p> <p>0%</p>

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% of deviation and reasons
SUB - PROGRAMME : MUNICIPAL INFRASTRUCTURE SERVICES (CONT)					
Strengthening the capacity in management areas to implement the Municipal Infrastructure Grant (MIG)	Functional Project Management Units (PMUs) Established	MIG had not yet started	9 functional PMUs established Budget: R20 462 000	9 functional PMUs established Expenditure: R20 462 00	None 0%
MIG projects implemented according to municipalities Development Plans	All 9 management areas should have 3- Year Infrastructure development Plans (3YIDP) in place	MIG had not yet started	9 3YIDPs in place (Please note that the Operational plans mentions 36 municipalities. These excluded 9 management areas)	All 9 management areas submitted their 3YIDPs	None 0%
Effective Provincial coordination of MIG	Established Provincial Municipal Infrastructure Task Team (PMITT)	MIG had not yet started	1 functional PMITT structure established	No PMITT established. The MIG unit established a Provincial PMU Coordination Committee (PCC)	PCC instead of PMITT 0%
Use of SMMEs emerging contractors, local labour, ABEs in project implementation	Reported number of persons employed, measured in person-days	Employment: Person-days Women: 89/295 Youth: 12/481 Men: 134/912 Total: 352 688	Employment: Person-days Women: 333/334 Youth: 333/333 Men: 333/333 Total: 1 000 000	Employment: Person-days Women: 206/911 Youth: 359/700 Men: 464/545 Total: 1 031 156	None 0%
Provision of Infrastructure at voting stations	Functional Voting stations	MIG had not yet started	Voting station needs Water stations: 325 Sanitation: 620 Roads: 82	Water stations: 325 Sanitation: 620 Roads: 82	None 0%
Facilitation of the successful implementation of MIG	Functional Provincial Programme Management Unit (PPMU) established	1 Functional PPMU established Expenditure: R6 039 502.86	Establishment of PPMU Budget: R9 169 000	1 Functional PPMU established Expenditure: R6 124 929.03	None Note: no under-expenditure. DPLG allocated more than required funding. 0%
Facilitation of the successful implementation of MIG	Fully expended budget	CMP expenditure R594 370 000	Total MIG expenditure of R839 522 000	Expenditure R808 845 447	Budget not fully expended: Municipalities are still implementing projects due to late approvals of their Business plans by national. 4.6%

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% of deviation and reasons
SUB - PROGRAMME : DISASTER MANAGEMENT AND EMERGENCY SERVICES					
Strengthening of Disaster Management Centres.	Functional Disaster Management Centres	<p>Ukhahlamba: 4 satellite</p> <p>Amathole: 4 satellites</p> <p>Metro: 6 satellites</p> <p>Chris Hani: 6 satellites</p> <p>Alfred Nzo: 3 satellites</p> <p>O.R. Tambo: 7 satellites</p> <p>(R6 000 000)</p>	<p>6 District Municipalities 1 Metro and 2 Local Municipalities.</p> <p>(R 4 500 000)</p>	<p>Alfred Nzo : One District Disaster Management Centre Completed ; Three Satellite centres completed</p> <p>O.R.Tambo : In a process of installing radio network ; KSD satellite centre is functional, Tendering for the construction of Ntabankulu satellite was done.</p> <p>Amathole: Five functional satellite centres</p> <p>Cacadu : Four satellite centres are functional .</p> <p>Ukhahlamba : Four satellite centres are functional</p> <p>Chris Hani : Six satellite centres are functional.</p> <p>Nelson Mandela Metro : Four satellite centres are functional.</p> <p>Buffalo City : One satellite centre completed</p> <p>(R 4 500 000)</p>	<p>Target not achieved due to delays caused by tendering processes</p> <p>1%</p>



Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% of deviation and reasons
SUB - PROGRAMME : DISASTER MANAGEMENT AND EMERGENCY SERVICES (CONT)					
Formation of Local Disaster Management Advisory Forums.	Effective consultation with Local Disaster Management Stakeholders	This KPA was not applicable during the financial year.	38 Local Municipalities R 1 050 000	38 Local Disaster Management Advisory Forums established R 1 050 000	Nil 0%
Facilitate community awareness programmes	Readiness to deal with disaster through prevention and reducing property destruction and injuries	Provincial Stakeholders workshop on the Disaster Management Act in August 2003 Workshops on disaster management conducted by six District Municipalities and one Metro. Awareness further conducted through Metropolitan, District and Local Disaster Management Advisory Forums. Chris Hani conducted Road talk shows on Disaster Management. R 1M	6 District Municipalities areas and 1 Metropolitan Municipality R250 000	Provincial Stakeholder informal training on Disaster Management held. Public education awareness done in 6 District Municipality areas and Nelson Mandela Metro R250 000	Nil 0%
Facilitate the training of disaster management and Community volunteers	Trained Disaster Management functionaries in 6 District Municipality areas and 1 Metro	Alfred Nzo: 40 Volunteers trained (Umkhulu and Umzimkhulu local municipalities) on basic first Aid, introduction to Disaster Management, Traffic and Crowd control, incident and disaster site management, Basic, Fire fighting and fire safety, 6 councilors, 30 municipal officials trained in first aid 1 official on fire fighting.	200 trainees in 6 District Municipalities and 1 Metro R 2 700 000	200 people trained within six District Municipality areas and Nelson Mandela Metropolitan area. R 2 700 000	Nil 0%

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% of deviation and reasons
SUB - PROGRAMME : DISASTER MANAGEMENT AND EMERGENCY SERVICES (CONT)					
Facilitate the training of disaster management and Community volunteers	Trained Disaster Management functionaries in 6 District Municipality areas and 1 Metro	<p>King Sabata Dalindyebo : 34 Volunteers trained on the following courses: elementary disaster management; disaster counselling disaster site management, first aid level one, Fire fighting and fire management, cholera and HIV & AIDS, leadership.</p> <p>Anathole: 22 volunteers trained on first aid from Nxuba, Mnquma, Mbashe and Nkonkobe. 40 volunteers are currently undergoing training on veld fire fighting at Fort Cox College.</p> <p>Cacadu: 101 volunteers trained on first aid; 138 volunteers trained on fire fighting, 124 volunteers trained on radio communication, 9 volunteers trained on crowd control.</p> <p>O.R Tambo: 121 volunteers and 22 municipal officials trained on disaster management.</p> <p>Chris Hani: 331 volunteers trained on first aid. Metro: 121 volunteers trained on disaster management. Ukhahlamba: 76 volunteers trained for fire fighting. 80 trained on first aid level one. 17 volunteers trained on level two (R2 000 000)</p>	<p>200 trainees in 6 District Municipalities and 1 Metro</p> <p>R 2 700 000</p>	<p>200 people trained within six District Municipality areas and Nelson Mandela Metropolitan area.</p> <p>R 2 700 000</p>	<p>Nil</p> <p>0%</p>



Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% of deviation and reasons
SUB - PROGRAMME : DISASTER MANAGEMENT AND EMERGENCY SERVICES (CONT)					
Repairs to affected houses through integrated Post Disaster Recovery and Rehabilitation Programmes	Restoration of normal life to communities	<p>O.R. Tambo: king Sabata Dalindyebo: 13 houses complete and 30 under construction. 1. house was handed over to the tornado victim on the Executive Mayor Councilor Mgudlwa in the presence of OR Tambo DM representative Umhlonito: 18 houses under reconstruction.</p> <p>Chris Hani: 5 houses complete at Tsolwana.</p> <p>Engcobo: Vouchers issued for the purchase of the material.</p> <p>Intsika Yethu: 2 houses completed as pilot project.</p> <p>Sakhisizwe: 446 beneficiaries issued with vouchers) R496 992.22</p> <p>Engcobo: material purchased for the victims (R71 000)</p> <p>Inkwanca: 3 houses constructed and other 3 repaired. Social infrastructure repaired: Creche (R25 00) and the Clinic (R13 00)</p>	<p>Post Disaster Recovery and Rehabilitation Programmes in affected District Municipalities and Metropolitan Areas.</p> <p>(R 4 500 000)</p>	<p>Ukhahlamba : 24 houses completed and 32 repaired. Chris Hani : 16 houses completed at Sakhisizwe. 516 houses repaired at llinge. 5 houses completed at Engcobo municipality</p> <p>5 houses completed at Lukanji</p> <p>Alfred Nzo : Building material delivered to 199 families at Maluti and George Moshesh area.</p> <p>O.R. Tambo : 35 houses completed at Nyandeni , 40 houses completed at KSD , 10 houses completed at Ntabankulu , 32 houses completed at mhlontlo. Anathole : 8 houses completed at Nkonkobe.</p> <p>Cacadu : 27 houses repaired at Camdeboo.</p> <p>(R 4 500 000)</p>	<p>NIL</p> <p>0%</p>

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% of deviation and reasons
SUB - PROGRAMME : DISASTER MANAGEMENT AND EMERGENCY SERVICES (CONT)					
Repairs to affected houses through integrated Post Disaster Recovery and Rehabilitation Programmes	Restoration of normal life to communities	<p>Emalahleni: 4 Houses under reconstruction and material purchased and distributed to 34 beneficiaries for repairs.</p> <p>Ukhahlamba: Senqu: 24 houses complete and 11 under reconstruction. Elundini: 14 houses are complete and 2 other being repaired.</p> <p>Anathole: Nkonkobe: 10 houses completed. Buffalo City 300 temporal structures built for flood victims. Cacadu: Ikwezi: 4 complete and 7 repaired</p> <p>R13M</p>	<p>Post Disaster Recovery and Rehabilitation Programmes in affected District Municipalities and Metropolitan Areas.</p> <p>(R 4 500 000)</p>		NIL 0%
Facilitate the development of Municipal Disaster Management Plans.	Developed Disaster Management Plans by Local Municipalities	This KPA was not applicable during this financial year.	<p>38 Local Municipalities.</p> <p>(R 2 000 000)</p>	<p>Guidelines for generic disaster management plans developed</p> <p>(R 2 000 000)</p>	NIL 0%
Intervention on the establishment of Fire and Emergency Services in Municipalities	Provision of effective fire brigade services by municipalities: Cacadu: 2 Fire Engines Chris Hani: 2 fire Engines	<p>Fire engines tendered for by Anathole, Chris Hani and Ukhahlamba District Municipalities.</p> <p>Fire coordinating officers employed by the following District Municipalities: Anathole: 1 and Ukhahlamba (R5 000 000)</p>	<p>Purchase of 4 Fire engines fire fighting equipment and repair existing ones: Cacadu: 2 Fire Engines Chris Hani : 2 Fire – engines</p> <p>(R4 914 000)</p>	<p>Cacadu and Chris Hani District Municipalities purchased Fire Engines (R 4 914 000)</p>	NIL 0%



Measurable Objective	Performance Measure	Actual Outputs 2003 / 2004	Target Outputs 2004 / 2005	Actual Outputs 2004 / 2005	% of deviation and reasons
SUB-PROGRAMME : DEVELOPMENT AND PLANNING / SPATIAL PLANNING					
Facilitate settlement planning in municipalities	Approved layout plans	16 000 sites	11 000 sites R 4 000 000	8 900 sites R 3 279 100 Cemetery investigations (R 260 900) - Camdeboo - Kou-Kamma - Gariep Spatial Development Framework (R 550 000) - Inkwanca - Ikwezi - Nxuba Yethemba - Gariep - Ndlambe	- 2100 -10% Funds had to be redirected for the Spatial Development Framework and Cemetery investigations
Facilitate land use management in municipalities	Adopted zoning schemes	10 municipalities	7 municipalities *R 500 000	4 municipalities * R 410 000 - Ndlambe - Lukhanji - Elundini - Inkwanca	-3 municipalities. (R 90 000) - 18%

* The difference of R 90 000 was reallocated to assist in settlement planning.

Measurable Objective	Performance Measure	Actual Outputs 2003 / 2004	Target Outputs 2004 / 2005	Actual Outputs 2004 / 2005	% of deviation and reasons
SUB-PROGRAMME : DEVELOPMENT AND PLANNING / SPATIAL PLANNING (CONT)					
Surveying of land for orderly development and upgrading of land tenure rights.	Number of sites surveyed	16 000 sites	11 000 sites R 4 400 000	11 000 sites	None 0%
Facilitate base and commonage mapping in municipalities	Base maps for planning and engineering services	1000 hectares R500 000	1000 Hectares R 500 000	1000 Hectares R 500 000 - Sundays River Valley - Kouga - Nkonkobe - Ngqushwa - Mhlontlo	None 0%
Valuation of properties to enable municipalities to levy rates	Adopted municipal valuation rolls	12 municipalities	12 municipalities * R 5 400 000	9 municipalities * R 1 900 000 - Camdeboo - Ndlambe - Great Kei - Emalahleni - Ntsika Yethu - Gariep - Mbashe - Qaukeni - Umzimvubu	3 municipalities - 25 %

* Of the amount of R 5 400 000 identified under target outputs, R 3 500 000 was to be obtained from funds initially identified for the payment of awards to best performing municipalities. However, this could not materialize as it was redirected to support the IDP process.



Measurable Objective	Performance Measure	Actual Outputs 2003 / 2004	Target Outputs 2004 / 2005	Actual Outputs 2004 / 2005	% of deviation and reasons
SUB - PROGRAMME : INTEGRATED DEVELOPMENT AND PLANNING (IDP)					
Render and facilitate support in developing municipal performance management system	Municipal PMS in place	15 Business plans received	15 Municipalities	R1 100 000 transferred – Municipal PMS not in place as yet at targeted municipalities	15 100%
Facilitate rewarding of best performing municipalities	R5 411 000 15 municipalities	8 Municipalities awarded for best performance on service delivery	15 Best performing municipalities	Municipalities (15) shortlisted for awards. 3 awarded viz. Amathole D/M, Cacadu D/M and Makana L/M	DPLG took responsibility of paying for awards. 100%
Support and facilitate review of IDPs	R5 300 000 6 district municipalities	Not applicable to this financial year	R5 300 000 to be transferred to 6 district municipalities	Transferred R5 300 000.	None 0%
SUB - PROGRAMME : LED / DEVELOPMENT AND PLANNING					
Establishment and maintenance of district economic development fora	Assessed business plans	6 District economic development fora were established. The business plan for Alfred Nzo came late – transfers made late	Establishment of district economic fora	Alfred Nzo District LED forum established	None 0%
Establish any disabled people's projects in 3 municipalities	Assessed business plans and gazetting and transfer of funds	Established two projects : Alfred Nzo R200 000 Nkonkobe R100 000 - additional funding to previous year's fund R100 000 transferred to Senqu	Target output should be a number of disabled peoples projects	- Alfred Nzo R100 000 - Amathole - Nkonkobe R100 000 - Ukhahlamba - Senqu R100 000	1 Not established 20% due to municipal procurement processes delays

Measurable Objective	Performance Measure	Actual Outputs 2003 / 2004	Target Outputs 2004 / 2005	Actual Outputs 2004 / 2005	% of deviation and reasons
SUB - PROGRAMME : LED / DEVELOPMENT AND PLANNING (CONT)					
Additional fund to existing ISRDP projects	Assessed business plans and gazetting and transfer of funds	R4 500 000 additional funding 4 National ISRDP(R1 000 000 each) 1 Provincial Node Mbashe (Elliotdale R500 000)	Assessment of Business Plans and transfer of R 4,050,000	Funds transferred to ISRDP nodes: - Alfred Nzo - R 900,000 - Chris Hani - R 900,000 - O.R. Tambo - R 900,000 - Ukhahlamba - R 900,000 Provincial Node: Mbashe - R450,000 Ntonyane Banana and Vegetable project)	None 0%



Measurable Objective	Performance Measure	Actual Outputs 2003 / 2004	Target Outputs 2004 / 2005	Actual Outputs 2004 / 2005	% of deviation and reasons
SUB - PROGRAMME : LED / DEVELOPMENT AND PLANNING (CONT)					
Additional fund LED and REDZ projects to ensure sustainability	Assessed business plans and gazetting and transfer of funds	<p>7 Projects were established in the following:</p> <p>(a) 2 in Buffalo City (b) 1 at Great Kei (c) 1 at Ndlambe (d) 1 at Engcobo (e) 1 in Nelson Mandela Metropolitan Municipality, and (f) 1 at Maluti (Note that the balance of transfers has been done by end March 2004).</p>	Assessment of Business Plans and transfer of R8 901 000 for 7 projects	<p>Funds gazetting and transferred to 24 municipalities for 32 projects: R8 901 000</p> <p><u>Amathole DM</u> - Buffalo City (Mbombo Agricultural project) R 100 000</p> <p>- Buffalo City (Eluxolweni Sewing & Upholstery project) R 100 000</p> <p><u>Great Kei</u> (Ikhwezi Lokusa Cultural project) R 300 000</p> <p><u>Mbashe</u> - Qora Mouth (Gcalekaland Cultural Village) R1 000 000</p> <p>- Nkonkobe (Ngcabasa Craft Centre) R 500 000</p> <p>- Ngqushwa (Dube Community Vegetable Garden) R 400 000</p> <p><u>Cacadu DM</u> - Kouga (Patensie Juice Factory) R 200 000</p> <p>- Koukamma (Honey Bush Tea) R150 000</p> <p>- Baviaans (Steytlerville Vuyani Toilet Paper Factory) R 100 000</p>	<p>None</p> <p>0%</p> <p>This project has been changed due to problems of viability into leather works as recommended by the feasibility study</p> <p>100%</p>

Measurable Objective	Performance Measure	Actual Outputs 2003 / 2004	Target Outputs 2004 / 2005	Actual Outputs 2004 / 2005	% of deviation and reasons
SUB - PROGRAMME : LED / DEVELOPMENT AND PLANNING (CONT)					
Additional fund LED and REDZ projects to ensure sustainability	Assessed business plans and gazetting and transfer of funds	No funds allocated - R2.8M was allocated under MEC's budget 6 Projects funded: 4 New - R2M 2 Additional funded R800 000	Assessment of Business Plans and transfer of R8 901 000 for 7 projects	<ul style="list-style-type: none"> - Ndlambe (Nomzamo Small Business) R 100 000 - Sundays River (Paterson Micro Enterprise) R 200 000 - Camdeboo (Camdeboo Brick Making) R 263 000 	<p>This project has been changed due to problems of viability into leather works as recommended by the feasibility study</p> <p>100%</p>
Additional fund LED and REDZ projects to ensure sustainability	Assessed business plans and gazetting and transfer of funds	No funds allocated - R2.8M was allocated under MEC's budget 6 Projects funded: 4 New - R2M 2 Additional funded R800 000	Assessment of Business Plans and transfer of R8 901 000 for 7 projects	<ul style="list-style-type: none"> Chris Hani DM - Lukhanji Khayelitsha Brick Makers R 100 000 - Tsohwana Tsohwana Brick Making R 100 000 - Inkwanca (Molteno Community Garden) R 300 000 - Inxuba Yethemba Independent Farmers R 100 000 - Lukhanji Lukhanji Brick Makers R 100 000 - Lukhanji Tylden Irrigation Scheme R 200 000 - Lukhanji Mbekweni Village Internal roads R1 000 000 	<p>Progress vary from project to project</p> <p>60%</p> <p>Delays due to institutional set-up and project management capacity constraints</p>

Measurable Objective	Performance Measure	Actual Outputs 2003 / 2004	Target Outputs 2004 / 2005	Actual Outputs 2004 / 2005	% of deviation and reasons
SUB - PROGRAMME : LED / DEVELOPMENT AND PLANNING (CONT)					
Additional fund LED and REDZ projects to ensure sustainability	Assessed business plans and gazetting and transfer of funds	<p>No funds allocated - R2.8M was allocated under MEC's budget</p> <p>6 Projects funded: 4 New - R2M 2 Additional funded R800 000</p>	Assessment of Business Plans and transfer of R8 901 000 for 7 projects	<p>- Emalahleni Livestock & Marketing R100 000</p> <p>- Sakhiwe Cala Community Garden R150 000</p> <p>- Engcobo Gcina Community Garden R150 000</p> <p>- Emalahleni Council Chambers R1 000 000</p> <p><u>OR Tambo DM</u></p> <p>- King Sabata Dalindyebo Mqanduli Milling R 300 000</p> <p>- Mhlontlo Gqunu Lots R 200 000</p> <p>- Mhlontlo Tsolo Brick Making R 300 000</p> <p>- Port St. Johns Fruit & Vegetable project R 170 000</p> <p><u>Ukhahlamba DM</u></p> <p>- Maletswai Jamestown Community Garden R 150 000</p> <p>- Elundini Open Market R 200 000</p>	<p>Progress vary from project to project 60%</p> <p>Delays due to institutional set-up and project management capacity constraints</p>



Measurable Objective	Performance Measure	Actual Outputs 2003 / 2004	Target Outputs 2004 / 2005	Actual Outputs 2004 / 2005	% of deviation and reasons
SUB - PROGRAMME : LED / DEVELOPMENT AND PLANNING (CONT)					
Additional fund LED and REDZ projects to ensure sustainability	Assessed business plans and gazetting and transfer of funds	<p>No funds allocated - R2.8M was allocated under MEC's budget</p> <p>6 Projects funded: 4 New - R2M 2 Additional funded R800 000</p>	Assessment of Business Plans and transfer of R8 901 000 for 7 projects	<p>- Maletswai Aliwal North Community Garden R 100 000</p> <p>- Elundini (Sithathi Village Bridge) R 358 000</p>	<p>Progress vary from project to project 60%</p> <p>Delays due to institutional set-up and project management capacity constraints</p>

TRANSFER PAYMENTS : MUNICIPAL ADMINISTRATION AND CAPACITY BUILDING

District Municipalities	Local Municipalities	Transfer Description	Amount
Alfred Nzo		Community Development Worker Programme	R168,832
Amathole		Community Development Worker Programme	R221,592
Cacadu		Community Development Worker Programme	R424,196
Chris Hani		Community Development Worker Programme	R550,056
Ukhahlamba		Community Development Worker Programme	R243,164
O.R.Tambo		Community Development Worker Programme	R518,296
Nelson Mandela Metro		Community Development Worker Programme	R 73,864
TOTAL			R2,200,000
	Umtzimbubu	Capacity Building for Traditional Leaders	R215,000
	Mbhashe	Capacity Building for Traditional Leaders	R150,000
	Mnquma	Capacity Building for Traditional Leaders	R150,000
	Elundini	Capacity Building for Ward Committees	R250,000
Nelson Mandela Metro		Capacity Building for Ward Committees	R200,000
	Nyandeni	Capacity Building for Ward Committees	R250,000
	KSD	Capacity Building for Ward Committees	R250,000
	Nkonkobe	Capacity Building for Ward Committees	R210,000
	Gaukeni	Capacity Building for Ward Committees	R250,000
	Sundays River Valley	Capacity building for Ward Committees	R150,000
TOTAL			R2,075,000
Amathole		Capacity Building for Municipal Officials and Councillors	R925,000
TOTAL			R925,000
	Gaukeni	Provincial MSP Funding : Interventions	R815,854
	Nyandeni	Provincial MSP Funding : Interventions	R1,700,000
	KSD	Provincial MSP Funding: Interventions	R854,146
	Elundini	Provincial MSP Funding : Interventions	R1,430,000
Amathole		Provincial MSP Funding: Interventions	R1,000,000
TOTAL			R5,800,000

SCHEDULE OF TRANSFER PAYMENTS : 2004 / 2005

DISASTER MANAGEMENT AND EMERGENCY SERVICES

Name of the Institution	Amount Transferred
Amathole District Municipality	R 2 000 000
Alfred Nzo District Municipality	R 1 500 000
Cacadu District Municipality	R 4 914 000
Chris Hani District Municipality	R 4 000 000
O.R.Tambo District Municipality	R 2 000 000
Ukhahlamba District Municipality	R 1 500 000
Buffalo City Local Municipality	R 1 000 000
King Sabata Dalindyebo Local Municipality	R 1 000 000
Nelson Mandela Metropolitan Municipality	R 2 000 000
GRAND TOTAL	R 19 914 000

DEVELOPMENT FINANCE

NAME OF MUNICIPALITY	1 st Tranche 09/04	2 nd Tranche 12/04	3 rd Tranche 03/05	Total Tranches
Amahlathi	R350 000	R350 000	R350 000	1,050,000
Camdeboo	R 83 333	R 83 333	R 83 333	249,999
Elundini	R270 000	R270 000	R270 000	810,000
Emalahleni	R 86 666	R 86 666	R 86 666	259,998
Engcobo	R300 000	R300 000	R300 000	900,000
Gariep	R153 333	R153 333	R153 333	459,999
Great Kei	R483 333	R483 333	R483 333	1,449,999
Ikwezi	R170 000	R170 000	R170 000	510,000
Inkwanca	R 86 666	R 86 666	R 86 666	259,998
Intsika Yethu	R186 666	R186 666	R186 666	559,998
Inxuba Yethemba	R366 666	R366 666	R366 666	1,099,998
K.S.D.	R450 000	R450 000	R450 000	1,350,000
Kouga	R100 000	R100 000	R100 000	300,000
Koukama	R183 333	R183 333	R183 333	549,999
Lukhanji	R683 333	R683 333	R683 333	2,049,999
Makana	R533 333	R533 333	R533 333	1,599,999
Maletswai	R303 333	R303 333	R303 333	909,999
Mbashe	R186 666	R186 666	R186 666	559,998
Mbizana	R203 333	R203 333	R203 333	609,999
Mhlontlo	R270 000	R270 000	R270 000	810,000
Mnquma	R 83 333	R 83 333	R 83 333	249,999
Ngqushwa	R175 000	R175 000	R175 000	525,000
Nkonkobe	R233 333	R233 333	R233 333	699,999
Ntabankulu	R 66 666	R 66 666	R 66 666	199,998
Nxuba	R 61 666	R 61 666	R 61 666	184,998
Nyandeni	R220 000	R220 000	R220 000	660,000
Port St Johns	R286 666	R286 666	R286 666	859,998
Qaukeni	R183 333	R183 333	R183 333	549,999
Sakhisizwe	R66 666	R66 666	R66 666	199,998

Senqu	R170 000	R170 000	R170 000	510,000
Sundays River Valley	R 61 333	R 61 333	R 61 333	183,999
Tsolwana	R236 666	R236 666	R236 666	709,998
Umkhahlamba	R 50 000	R 50 000	R 50 000	150,000
Umkhahlamba	R 50 000	R 50 000	R 50 000	150,000
TOTALS	R7 394 656	R7 394 656	R7 394 656	22 183 968

TRANSFER PAYMENTS : SPATIAL PLANNING

District Municipality	Municipality	Transfer Description	Amount
CACADU DM	Sundays River Valley	PLANNING:	
		Paterson Rectification of Encroachments	40 000
	Ndlambe	Kirkwood (Moses Mabida) Rectification of Encroachments	10 700
		Freshwater Development Plan (Port Alfred)	50 000
		Revision of Port Alfred Zoning Scheme	120 000
		Zoning Maps for Riet River, Boknes and Kasouga	40 000
	Camdeboo	Aberdeen cemetery investigation	50 000
		Kareedouw cemetery investigation	74 100
		Thornham formalization of existing settlement	75 000
	Kou-Kamma	Storms River cemetery investigation	74 100
		Freshwater, Stanhope & Jerseyvale settlement planning	133 950
AMATHOLE	Nkonkobe	Upper Zeleni in-situ upgrade	133 950
	Buffalo City	Nkonkobe – Buxton Planning	120 555
		Orange Grange settlement planning survey	93 765
Chris Hani DM	Nqushwa	Ndaba Settlement Planning	43 668
		Mlalandle Settlement Planning	61 885
		Ntoleni settlement Planning	88 675
		Alice (Lloyd) Ph. 2	80 370
		Majwareni	133 950
		Cathcartvale, Blackwoods, Readsdales & Maasdorp	66 975
	Mbashe	Needs Camp Eastern Section settlement planning	133 950
Chris Hani DM	Intsika Yethu	Cisira in situ upgrade	133 950
		Runlets	120 555
	Inkwanca	Upper Mgwala	133 950
	Lukhanji	Elliotdale Ext 6.	32 063
	Lukhanji	Ekuphumeleni Formalization of existing settlement	133 950
		Sterkstroom Zoning Map	50 000
	Lukhanji	Completion of zoning scheme	100 000
		Laurie Dashwood settlement planning	148 380



District Municipality	Municipality	Transfer Description	Amount
Ukhahlamba	Elundini	Zoning Scheme	100 000
	Gariep	Burgersdorp cemetery investigation	62 700
	Senqu	Sterkspruit re-layout of existing settlement	220 000
		Vuyzane in-situ upgrade	133 950
OR Tambo	KSD	Qunu in-situ upgrade Phase 2	200 295
	Mbizana	Emhlanga settlement planning	160 740
	Nyandeni	Libode (Mhlanganisweni)	133 950
	Mhlontlo	Tsolo (Lotana) in-situ upgrade	133 950
	Qaukeni	Flagstaff (Sigubudwini) in-situ upgrade	80 370
	Ntabankulu	Chibini in-situ upgrade	133 950
Alfred Nzo	Umzimvubu	Rural Village in-situ upgrade	161 024



TRANSFER PAYMENTS : DEVELOPMENT ADMINISTRATION / LAND USE MANAGEMENT

District Municipality	Municipality	Transfer Description	Amount
Cacadu DM	Sundays River Valley	Survey:	
		Moses Madiba	15 732
		Addo (Nomathamsanqa) Kouga	15 732
		Topo survey of portion of Farm Stuurmanskop	28 500
Amathole DM	Amahlati	Amahlati – Freshwater, Stanhope & Jerseyvale)	196 650
		Upper Zeleni Ph. 1	196 650
	Nkonkobe	Nkonkobe – Buxton Planning	176 985
		Orange Grange survey	137 655
		Ndaba Rural Village	58 900
		Mlalandle Rural Village	79 300
		Ntoleni rural village	109 300
		Alice (Llyod) Ph. 2	109 440
		Majwareni	196 650
		Catcartvale, Blackwoods, Readsdales & Maardorp	98 325
	Buffalo City	Buffalo City – Needs Camp Eastern Section	140 000
	Ngqushwa	Ngqushwa – Survey of Commonage	206 761
		In-situ upgrade of Cicira	196 650
		Runlets in – situ upgrade survey	176 985
		Upper Mgwelana	196 650
	Mbashe	Mbashe – Elliotdale Ext 6.	45 470
Chris Hani DM	Intsika Yethu	Ekuphumeleni Fomalization	196 650
	Lukhanji	Lauriedashwoodpark	189 696
Ukhahlamba	Senqu	Vuyizane rural village Ph.1	196 650
OR Tambo	Nyandeni	Libode (Mhlanganisweni)	196 650
	KSD	Qunu Ph.2 (750 sites)	294 975
	Ntabankulu	Survey of Chibini rural villages	196 650
		Isilindini: Upgrade and fomalization	357 674
		Flagstaff (Sigubudwini)	109 440
	Qaukeni	Bizana (Emhlanga)	235 980
	Mbizana	Tsolo (lotana)	196 650
	Mhlontlo	Mapping - Framework Plan	150 000

District Municipality	Municipality	Transfer Description	Amount
Alfred Nzo	Umzimvubu	Rural Village Survey	196 650
Cacadu	Camdeboo	Valuation: Camdeboo Municipality	84 000
		Ndlambe Municipality (Kenton-on –sea)	57 872
Amathole	Great Kei	Great Kei Municipality	400 000
Chris Hani	Emalahleni	Emalahleni Municipality	179 522
	Intsika Yethu	Intsika Yethu Municipality	349 013
Ukhahlamba	Gariep	Gariep Municipality	77 600
OR Tambo	Mbashe	Mbashe Municipality	215 813
	Quakeni	Quakeni Municipality	323 000
Alfree Nzo	Mzimvubu	Mzimvubu Municipality	213 180

PAYMENT SCHEDULE

Programme	Amount
LOCAL ECONOMIC DEVELOPMENT (LED):	R8 901 000
VIABLE INCOME GENERATING PROJECTS FOR DISABLED PEOPLE:	R 300 000
Alfred Nzo District Municipality	R 100 000
Amatole District Municipality: Nkonkobe Municipality	R 100 000
Ukhahlamba District Municipality: Senqu Municipality	R 100 000
Viable And Economically Sustainable Development Projects	
CACADU D M	R4 233 000
Baviaans: Vuyani Toilet Paper Factory	
Kouga: Kouga Juice Factory	R1 013 000
Koukamma: Honey Bush Tea	R 100 000
Ndlambe Nomzamo Small Business	R 200 000
Sundays River : Paterson Micro Enterprise	R 150 000
Camdeboo Brick Making	R 100 000
	R 200 000
AMATOLE D M	R 263 000
Buffalo City: Mbombo/ Dikidikana)	
Eluxolweni Sewing & Upholstery Project	R 500 000
Great Kei Ikhwezi Lokusa Cultural Project	R 100 000
	R 100 000
	R 300 000
CHRIS HANI D M	
Engcobo Gcina Community Garden	
Emalahleni Livestock and Marketing	R1 300 000
Inxuba Yethemba Independent Farmers	R 150 000
Inkwanca Molteno Community Garden	R 100 000
Lukhanji Khayelitsha Brick Makers	R 100 000
Lukhanji Brick Makers	R 300 000
Tylden Irrigation Scheme	R 100 000
Sakhisizwe Cala Community Garden	R 100 000
Tsolwana Tsolwana Brick Making	R 200 000
KHAHLAMBA D M	R 150 000
Elundini Open Market	R 100 000
Maletswai Aliwal North Community Garden	R 450 000
Jamestown Community Garden	R 200 000

Programme	Amount
O R TAMBO D M	R 100 000
King Sabata Dalindyebo Mqanduli Milling	R 150 000
Mhlontlo Tsolo Brick Making	R 970 000
Port St Johns Fruit & Vegetable Project	R 300 000
OR Tambo Gqunu Lots	R 300 000
	R 170 000
Rural Economic Development Zone Projects (REDZ)	R 200 000
AMATOLE D M :	R4 368 000
Mbhashe Qora Mouth: Gcalekaland Cultural Village	R1 000 000
Ngqushwa Dube Communal Vegetable Garden	R 400 000
Nkonkobe Ngcabasa Craft Centre	R 500 000
Njwaxa Community Agricultural Project	R 110 000
CHRIS HANI D M	
Emalahleni Council Chamber	R1 000 000
Lukhanji Mbekweni Village)	R1 000 000
UKHAHLAMBA D M	
Elundini Sithathi Village - construction of bridge	R 358 000
ISRDP PROJECTS	R4 050 000
Alfred Nzo	R 900 000
Chris Hani	R 900 000
O.R. Tambo	R 900 000
Ukhahlamba	R 900 000
Mbhashe (Eliotdale)	R 450 000
LED	R4 533 000
Establishment and maintenance of viable income generating project	R 300 000
Viable , sustainable economically sustainable development Projects	R4 233 000
REDZ	R4 368 000
ISRDP	R4 050 000
TOTAL	R12 951 000





PROGRAMME
PERFORMANCE

PROGRAMME FOUR

TRADITIONAL
AFFAIRS





SECTION B - PROGRAMME PERFORMANCE

2.4 PROGRAMME FOUR : TRADITIONAL AFFAIRS



2.4.1 AIM OF THE PROGRAMME

To promote and facilitate viable and sustainable traditional institutions through the legislature framework on traditional leadership and governance.

2.4.2 KEY PERFORMANCE AREAS

- Formulation of Provincial Legislation on Traditional Leadership and Governance
- Provision of physical infrastructure for traditional institutions
- Provision of capacity building programme for Traditional Leadership
- Promotion of partnerships between Municipalities and Traditional Councils
- Facilitate dispute resolution
- Facilitate promotion of culture, moral regeneration and heritage programmes

2.4.3 ACHIEVEMENTS

- Workshops (10) on National Framework on Traditional Leadership and Governance (Act No, 41 of 2003)
- Funding of events relating to cultural activities, moral regeneration and heritage programmes
- The resolutions on disputes and claims for positions of headman ships and chieftainships

2.4.4 CHALLENGES AND STRATEGIES TO ADDRESS THEM

CHALLENGES	STRATEGIES TO ADDRESS CHALLENGES
Construction of Provincial House of Traditional Leaders and Traditional Council offices	<ul style="list-style-type: none"> • Building plans together with the quantity surveyor estimates (± R 51 , 298, 581.40) for the project of construction of the PHOTL submitted to House for further comments. • Traditional Council building plans (six offices), preparation of tender documents, tender process and awarding of tender completed by Dept of Public Works. Total estimated cost for construction is R3 846,654.86.
Promulgation of Provincial Legislation on Traditional Leadership and Governance (Eastern Cape)	Draft Bill introduced to Speaker of Provincial Legislature for reference to Portfolio Committee on Housing, Local Government & Traditional Affairs.
Amendment to House of Traditional Leaders Act, 1995 for permanent employment of Chairperson and Deputy Chairperson of the House of Traditional Leaders	PHOTL Amendment Bill (EC) introduced to the Speaker of Provincial legislature for reference to Port folio Committee on Housing, Local Government & Traditional Affairs.
Permanent employment of Traditional Councils secretaries	Profile of each Secretary appearing on the master list submitted to HRM of the Dept for consideration and implementation.
Development of policies on management and provisioning of Traditional Leadership and Institutions.	Policies to be in place by end of December 2005.



2.4.5 BUDGET

SUB - PROGRAMME	BUDGET R'000	EXPENDITURE R'000	% SPENT	DEVIATION AND REASONS
INSTITUTIONAL ARRANGEMENT	11 459	43 694	26.2%	Misallocation within the programme
RESOURCE ADMIN	58 075	19 044	32.8%	Misallocation within the programme
INT/DEV/ FACILITATION	1 283	0	0.0%	
OFFICE OF THE HEAD	0	2 856	-	Misallocation within the programme
GRAND TOTAL	70 817	65 594	92.6%	



2.4.6 SERVICE DELIVERY ACHIEVEMENTS : TRADITIONAL AFFAIRS

Key Measurable Objectives	Performance Measures	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% of deviation and reasons
Formulation of Provincial Legislation on Traditional Leadership and Governance	Promulgation of Provincial Legislation	10 Workshops and compilation of a report on the workshops.	Provincial Legislation on Traditional Leadership and Governance to be in place by 30 th September 2004	Draft bill in place and introduced to the Honourable Speaker of the Provincial Legislature.	20% deviation Delay caused by Legal processes in drafting
Construction of the House of Traditional Leaders	1 st Phase of House of Traditional Leaders constructed by end of financial year.	Consultation between the Department of Public Works and Buffalo City for acquisition of Land.	Acquisition of land from Buffalo City and structural design from Public Works	Presentation of structural design to the House of Traditional Leaders.	80% deviation. The R2 500 000 budgeted for the financial year could be expended only for consultancy fees designing and supervising the project.
Construction of Traditional Council Offices.	10 Traditional Council Offices constructed.	Original prototype of R259 000.00 for each office from Dept. of Public Works was not accepted by the HOTL.	New design plans from the HOTL could only cater six (6) offices	Building designs, preparation of tender documents and tender process and awarding of tender completed by Public Works.	80% deviation The building process has been delayed by submission of new design plans by Public Works and HOTL. According to Public Works construction will commence in the 1 st Quarter 2005
Provision of capacity building for Traditional Leaders	Appropriately trained Traditional Leaders in understanding of government policy and programmes	5 members of HOTL trained on team building and Leadership	Members of HOTL and Traditional Council Secretaries trained	Traditional Leaders and secretaries are presently undergoing a Traditional Leaders Development Course	0% deviation.
Building partnership for Integrated Rural Development between Traditional Leaders and Municipalities and facilitating participation of Traditional Leaders in municipal IDP programmes	Forging of good partnership between Traditional Leaders and Municipalities	Summits: Mnquma Mbashe Umzimvubu	None	Summits: Umzimvubu Local Municipality Traditional Leaders Summit.	0% deviation



ANNUAL FINANCIAL STATEMENTS





SECTION C - ANNUAL FINANCIAL STATEMENTS

(for Department of Housing, Local Government & Traditional Affairs
for the year ended 31 March 2005)

3.1	Report of the Audit Committee	086
3.2	Management Report	089
3.3	Report of the Auditor General	094
3.4	Statement of Accounting Policies	098
3.5	Appropriation Statement	103
3.6	Notes to the Appropriation Statement	109
3.7	Statement of Financial Performance	110
3.8	Statement of Financial Position	111
3.9	Cash Flow Statement	112
3.10	Disclosure Notes to the Annual Financial Statements	113
3.11	Annexures	121
3.12	Human Resources Management	130



SECTION C - ANNUAL FINANCIAL STATEMENTS

3.1 REPORT OF AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2005 as contained therein.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE:

Name of Member	Number of meetings attended
Mr M Dondashe (Chairperson)	6
Mr G le Roux	5
Mr J Smith	1

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee herewith reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13 and 27(1)(10). We also reports that we have adopted appropriate formal terms of reference of the Audit Committee Charter, regulated our affairs in compliance with the charter and discharged all our responsibilities as contained therein.

1. THE EFFECTIVENESS OF INTERNAL CONTROL

1.1 Internal controls on various operational activities were evaluated for adequacy and effectiveness during the period under review. The system of internal control is expected to ensure amongst others, that the following conditions exist:

- Financial and operational information is reliable and possess integrity;
- Operational activities are performed efficiently and economically to achieve desired results;
- Assets are safeguarded; and
- Actions and decisions of the department are in compliance with applicable laws, regulations and contracts.

1.2 We noted several instances of non-compliance reported by internal and external auditors that resulted from the partial adequacy and ineffectiveness of the system of internal controls. Significant control weaknesses were highlighted through internal audit reports, the Auditor General under matters of emphasis and the management letter. Most of these weaknesses are repeat findings as they were not satisfactorily addressed or not attended to at all by the Accounting Officer during the year under review.

Control areas for concern include:

- Asset management
- Fleet Management
- Procurement Process
- Supply Chain Management
- Leave management
- Personnel and payroll management
- Management of Traditional Leaders personnel files
- Document /Records Management.
- Monitoring and management of Transfer payments

1.3 We take cognizance of the Department's risk assessment which was conducted during the financial year under review and utilized to develop Internal Audit Operational plan and the rolling three year strategic plan in terms of Treasury Regulations. It is very crucial that the Department utilize the results of the risk assessment report and start to manage the risks identified as well as enhancing the effectiveness of the system of internal controls. We recommend that the Department establish the Risk Management unit to drive the risk management processes within the Department.

- 1.4 The filling of SMS positions may comprehend a positive impact on the improvement of internal controls. We noted efforts by the Senior Managers for Financial Management and Supply Chain Management who are in the process of drafting policies and procedures for all systems on financial management and supply chain management under rigorous monitoring of the CFO.
- 1.5 The internal audit unit has, during the previous financial year as an effort to strengthen the entire control environment assisted in drafting a good practice guide in terms of all requirements by the PFMA and Treasury Regulations and another document on the follow up on AG's management letter for 2004/5 financial year, but the department has not yet adopted them for implementation.
- 1.6 The document on the follow up on AG's management letter with the intention to assist the department in putting systems and procedures in place was resubmitted to the new CFO and the document has been noted by the CFO for adoption and he has drawn the action plan with time frames to address reported control weaknesses.

2. THE QUALITY OF IN YEAR MANAGEMENT AND MONTHLY REPORTS SUBMITTED IN TERMS OF THE DIVISION OF REVENUE ACT (DORA)

- 2.1 The department has complied with section 40(4) of the PFMA and the Division of Revenue Act in that the monthly projections of budgeted expenditure and revenue have been submitted to Provincial Treasury. However, there is a cause for concern over inadequate control measures and quality of monthly and quarterly reports prepared and issued by the Accounting Officer.
- 2.2 The quality of these reports was affected, amongst others by:
 - Poor co-ordination of budgetary issues resulting to inconsistent and sometimes incomplete submission of budget inputs to budget office for consolidation, and subsequently poor quality information submitted to Provincial Treasury;
 - Monthly projections submitted are in most instances not informed by planned operational activities as in the operational plans and explanation of variances to that effect is inadequate and/or not provided.
 - Failure to clear the suspense accounts on a monthly basis. We however, note significant movement on the ageing of debtors which improved from R62,855 during 2003/04 to R26,941 in financial year ending 2004/05 and as at the time when the Internal audit review was conducted.

3. TRANSFER PAYMENTS

Non compliance with regard to monitoring and reporting requirements on transfer payments in terms of section 16 of the Division of Revenue Act (DoRA), section 38 of the PFMA and Chapter 5 part 2.41 of the PFMA, due to the absence of clear processes, inconsistencies on reports to be submitted by municipalities who are the recipients of transfer and capacity to monitor projects.

- 3.1 Non compliance with Treasury Regulations 8.4.1 and 8.4.2, which requires the Accounting Officer to ensure that transfer payments, are utilized for their intended purposes was also eminent. Inadequacies on control procedures may include, inter alia:
 - regular monitoring procedures
 - scheduled and unscheduled inspection visits or reviews of performance
- 3.2 Lack of sufficient implemented controls in terms of independent monitoring of projects.
- 3.3 The department is not obtaining confirmation from the municipalities on the actual expenditure on transferred funds and that unused current year transfer payments are being held intact.
- 3.4 The department is aware of these internal control deficiencies, and the challenge is the implementation of controls and risk management measures contained in the framework documents submitted to them by internal audit for adoption and implementation.

3.5 Some instances where municipalities received funds for unknown purposes from the Department were highlighted through the Auditor General's report. Municipalities never confirmed receipt of such funds which are also not kept in separate bank accounts as required.

4. THE EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The Audit Committee has:

- Perused the Auditor General's management letter and management's responses accordingly.
- Noted the findings and responses by the management and made its own recommendations as required in terms of Treasury Regulation 3.1.12, through its annual report to the Accounting Officer.

4.1 The department is in compliant with the Guide for the preparation of Annual reports and with the applicable laws and regulation on the preparation of Annual Financial Statements.

4.2 Except where weaknesses have been identified, we are satisfied that the Department's AFS display fair and reliable information related to the nature of the department' activities and comply with applicable regulations.

4.3 The Department received a Disclaimer opinion from the Auditor General, which is attributed to Housing Subsidy payments. The results of this audit reflect an improvement at the Department if compared to the previous financial years' reports as some of the previous disclaimer items reported was resolved.

Mr M. Dondashe CA (SA)
Provincial Audit Committee
CHAIRPERSON



SECTION C - ANNUAL FINANCIAL STATEMENTS

3.2 MANAGEMENT REPORT

Report by the Accounting Officer to the Executive Authority and Provincial Legislature of the Eastern Cape

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

- **Important policy decisions and strategic issues facing the department**

The department has and continues to face the following policy decisions:

In Housing Development there is a paradigm shift to not only building houses but to develop sustainable human settlements.

In Developmental Local Government the strategic issue facing the department is strengthening the capacity of local government to deliver.

At provincial and local government level human resource development has been and continues to be a huge challenge and is being prioritised.

The Local Government Elections which will be conducted later in the 2005/06 financial year are one of the strategic issues facing all provincial local government departments including ours in the Eastern Cape.

Project-consolidate which, aims to assist municipalities battling capacity problems was initiated throughout the country during the current financial year. In the Eastern Cape nineteen municipalities have been targeted for assistance.

Owing to the very limited technical capacity and in certain instances the absence of such units on municipal organograms funded projects in some cases are not completed within specified time frames.

- **Comment on significant events that have taken place during the year**

In housing the department had set itself a target of completing 23 149 houses. By the end of the year 26 684 housing products had been completed.

Strategic partnerships were forged with banks mainly for the capacitation of emerging contractors.

During the year the Municipal Finance Management Act was promulgated.

- **Comment on major projects undertaken or completed during the year**

Project consolidation was initiated during the financial year. This project targeted to increase capacity of municipalities to ensure the improvement in service delivery.

- **Spending trends**

- Reasons for under/over spending.

The adjusted budget of the department was R1 039 212 000. From this budget the various programmes of the department spent a combined total of R997 567. This was 95.99% of the budget.

This left R41 645 000 of the budget unspent. This amounts to 4.00% of the total budget.

The breakdown per programme of the spending trend is as follows:

PROGRAMME	BUDGET '000	EXPENDITURE '000	BALANCE '000	% UNDERSPENT
Programme One	82 462	82 368	94	0.11
Programme Two	696 946	660 648	36 299	5.21
Programme Three	188 987	188 957	30	0.01
Programme Four	70 817	65 594	5 223	7.37
TOTAL	1 039 212	997 567	41 645	4.00

The under-spending is mostly a result of the cash-flow problems which were experienced by the province during the year under review. These cash-flow problems culminated in the Provincial Treasury imposing restrictions on payments especially during the last month of the financial year.

However, the two main delivery programmes i.e. Programmes One and Two managed to spend more than 90% of their budgets. This means that in spite of the problems the effects on service delivery were ameliorated.

An amount of R24 333 394 has been used to write off balances in the Consolidated Municipal Infrastructure Project suspense accounts.

In Programme Four (Traditional Affairs) capacity problems resulted in the capital budget being unspent.

A conscious decision has been taken to ensure that the projects of the department are completed during the first nine months of the financial year, leaving the last quarter for reviewing performance, taking corrective actions and planning for the next financial year.

During the 2005/06 financial year, steps are being taken to ensure that the Traditional Affairs programme has the necessary capacity to perform all its responsibilities.

2. SERVICE RENDERED BY THE DEPARTMENT

1.1 List of services rendered,

- The development of low cost housing throughout the province through Housing Subsidies in terms of the Housing Act
- Support to municipalities throughout the province in terms of sections 139 and 154 of the Constitution.
- Local Government: Municipal Structures Act 117 of 1998.
- Local Government: Municipal Systems Act 32 of 2000.
- Assist and monitor the adherence to the Municipal Finance Management Act (Act 56 of 2003).

1.2 Tariff policy

During the year under review the department had no revenue tariff policy. However, the properties previously owned by the disbanded Provincial Housing Board devolved to the department. Quite a number of these properties are occupied by low income tenants including a large number of pensioners. Rentals paid currently are below market rates and the challenge is to develop a policy which provide for market rates while accommodating these existing tenants.

1.3 Free Services

The department provides free basic services through the transfer payments to municipalities. In this regard, communities are the direct beneficiaries.



3. INVENTORIES

Inventory on hand as at 31 March 2005 was as follows:

INVENTORY	2004/05 R'000	2003/04 R'000
Stationery	981	212
Cleaning Material	698	48
TOTAL	1679	260

4. CAPACITY CONSTRAINTS

During the year under review the structure of the department was characterised by a high vacancy rate, especially at the management levels. This has impacted negatively on both spending in some sections and also general performance

During the 2004/05 the organisational structure is being overhauled and a management recruitment drive is in progress.

5. UTILISATION OF DONOR FUNDS

No donor funding was received or utilised during the year.

6. TRADING ENTITIES AND PUBLIC ENTITIES

The department does not have any activities which are performed by trading or public entities.

7. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

Transfer payments are listed in Annexure 1 /Note to the Annual Financial Statements.

8. PUBLIC PRIVATE PARTNERSHIPS (PPP)

The department did not engage in public private partnerships either during previous financial years or during the year under review.

9. CORPORATE GOVERNANCE ARRANGEMENTS

The department conducts a risk assessment every financial year. The risk management plan is currently being reviewed. A new risk management is expected to be in place by the end of the first quarter of the 2005/06 financial year.

The department together with other departments in the provinces utilises the Shared Internal Audit Unit which is located in the Office of the Premier. However, the department plans to have its own unit in order to eliminate problems which results from a centralised internal audit unit.

Implementation of the Code of Conduct

Copies of the Code of Conduct have been distributed to all employees in the department.

In 2002 the department initiated re-orientation programme. The Code of Conduct forms part of the presentations made at the re-orientation workshops.

Safety, Health and Environmental Issues

A Safety, Health and Environment (SHE) Committee was appointed in 2001.

Ten employees were trained in First Aid in 2002.

A risk assessment was conducted and an action plan formulated and finalised in 2004. The action plan has not yet been implemented. A wellness task team has been established and will follow through with the implementation of the action plan in 2005.

10. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

The department has not discontinued any and does not plan to discontinue any activities.

11. NEW/PROPOSED ACTIVITIES

There are no new or proposed activities.

12. EVENTS AFTER THE REPORTING DATE

There are no significant events with financial implications which have occurred since the reporting date.

13. PERFORMANCE INFORMATION

In line with resolutions taken at National Treasury the department will with effect from the 2005/06 financial year produce quarterly performance reports which will also be submitted to Treasury.

The Office of the Premier also regularly requests departments to supply performance reports.

An oversight report is produced and interrogated by the Standing Committee on Housing and Local Government every year, covering the first half of the financial year.

14. SCOPA RESOLUTIONS

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
Report of Standing Committee on Public Accounts, dated 20 November 2003: Consideration of the Report of the Auditor-General on the financial statements of Vote 7.	Internal control	<p>Despite the internal control environment, that should prevail within the provincial departments, being largely prescribed by law or some derivative thereof, the Committee found that proper internal controls and, therefore, compliance with laws, rules and regulations pertaining to financial matters, were appallingly lacking in every single provincial department. Even more disconcerting is the fact that the large number of incidents of poor controls and non-compliance reported by the Auditor-General are only those that came to light during the course of the audit and which relates to the audit samples of vouchers, records, etc., selected. The Committee is consequently convinced that the magnitude of the problem is far greater than the one depicted in the reports of the Auditor-General. The areas of poor control in general relate to:</p> <ul style="list-style-type: none">• Poor record• Failure to follow up and dispose of outstanding matters in suspense accounts,• Poor management and control over the salary system and the maintenance of salary and personnel files• Poor expenditure control resulting in late payment of creditors and, in a number of cases, overpayment of accounts'• Poor asset management and• Poor loss control

APPROVAL

The Annual Financial Statements set out on pages 1 to 45 have been approved by the Accounting Officer.



Nombulelo Hackula
HEAD OF DEPARTMENT





SECTION C - ANNUAL FINANCIAL STATEMENTS

3.3 REPORT OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE ON THE ANNUAL FINANCIAL STATEMENTS OF VOTE 7- THE DEPARTMENT OF HOUSING, LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS FOR THE YEAR ENDED 31 MARCH 2005

1. AUDIT ASSIGNMENT

The annual financial statements as set out on pages 85 to 126, for the year ended 31 March 2005, have been audited in terms of section 188(1)(a) of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 40(2) of the Public Finance Management Act, 1999 (Act No.1 of 1999). These annual 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 annual 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 annual financial statements are free of material misstatement.

An audit includes:

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

The audit was completed in accordance with Auditor-General Directive No. 1 of 2005.

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

3. QUALIFICATION

3.1 Limitation on scope

3.1.1 Housing subsidy payments

Included in the Statement of Financial Performance amount for Transfers and subsidies of R706,1 million, is an amount of R572,8 million in respect of transfers to households, as disclosed in note 8 and Annexure 1I. Of this amount, R484.3 million (49% of total departmental expenditure) relates specifically to the construction of houses (top structure payments).

As disclosed in note 8, the department has a legal responsibility to avoid the delivery of sub-standard houses to beneficiaries by monitoring and evaluating housing developments.

The department has implemented monitoring and control mechanisms over housing transfer payments. However, the following inadequacies in the systems and controls were noted during the period under review:

- Site inspection reports not submitted to the department on a timeous basis by project managers
- Site inspections not conducted on a regular monthly basis for all projects in the province
- Insufficient staff resources within the department to monitor all projects effectively
- Lack of evidence of coordinated evaluation of site inspection reports and actions taken when problems have been identified, including, when appropriate, withholding of further payments to the project
- Subsequent top structure payments to projects where site inspections have revealed non-compliance with minimum standards



The problem is exacerbated by the lack of capacity at local government level to monitor housing projects. As a result of inadequacies in the monitoring and control mechanisms, transfer payments have been made to projects where deficiencies with top structures exist.

It is not possible to determine the extent of the financial loss that has been incurred by the department as a result of sub-standard houses being constructed, nor the amount that should be regarded as fruitless or wasteful expenditure.

4. DISCLAIMER OF AUDIT OPINION

Because of the significance of the matter referred to in paragraph 3, I do not express an opinion on the annual financial statements.

5. EMPHASIS OF MATTER

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

5.1 Principal Responsibility ledger accounts

Included in the receivables on the balance sheet is an amount of R24,6 million (2003-04: R29,6 million) in respect of the Treasury Balance. The amount, in essence, represents the net balance of the vote's portion of the consolidated paymaster-general's and associated accounts maintained on the Financial Management System (FMS) in the structure named the Principal Responsibility.

As indicated in note 11 to the annual financial statements, the recoverability of this amount is doubtful.

5.2 Receivables for services delivered (off balance sheet)

Note 22 of the disclosure notes reflects an amount due from Housing Rental Debtors of R18 million. This information is obtained from a system maintained by the National Department of Housing. As indicated in the note, the recoverability of this amount is doubtful as it contains significant arrear amounts.

The responsibility for the management of state-subsidised rental housing in the province has effectively been transferred to the department from the Provincial Housing Board. Significant control deficiencies, including the lack of a proper tariff structure and inadequate debt collection, were identified in respect of the management of rental housing.

5.3 Statutory reporting responsibilities

5.3.1 Unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure

During the year, interest payments amounting to R35 000 were made by the department in respect of late payments to Fleet Africa. These payments, which are not material in amount, have not been reflected as fruitless and wasteful expenditure.

5.3.2 Other irregularities and losses

As indicated in note 6 to the annual financial statements, an amount of R24,3 million has been written off as "thefts and losses- CMIP". This amount originated during the period when the province operated under a consolidated paymaster-general and associated accounts, maintained on the Financial Management System (FMS) in the structure named the Principal Responsibility. As a result of insufficient supporting documentation available for audit purposes, we were unable to satisfy ourselves that the accounting officer had taken all necessary steps in terms of Section 38(1)(c) of the PFMA to prevent or recover the loss.

5.3.3 Weaknesses in internal controls

- (a) Monitoring and control of transfer payments to municipalities was ineffective. We identified a number of instances where business plans, letters of assurance and progress reports had not been obtained from the municipality.
- (b) Personnel files, including those for Traditional Leaders, were incomplete.
- (c) Paypoint managers did not certify payrolls for departmental personnel and Traditional Leaders.
- (d) Capturing and removal of Traditional Leaders on the Personnel and Salary System was not done timeously.

It should be noted that similar control weaknesses were reported in paragraph 5.1.2 of the 2003-04 audit report.

5.4 Head of Department / Staff capacity

The department functioned with an acting Head of Department for the first ten months of the year under review following the suspension of the previous Head of Department on 2 October 2003. A new Head of Department was appointed on 1 February 2005. The Chief Financial Officer resigned in December 2004 and an acting CFO was appointed for the remainder of the year under review.

The department had a vacancy rate of approximately 50% against the approved staff establishment at 31 March 2005.

5.5 Non compliance with laws and regulations

Instances of non-compliance with various aspects of income tax legislation were identified for both departmental staff and Traditional Leaders.

5.6 Internal audit

In compliance with section 38(1)(a)(ii) of the PFMA, the Eastern Cape Provincial Administration has a shared Internal Audit unit and Audit Committee that are administered by the Office of the Premier. An Executive Committee decision was taken in April 2003 to outsource the internal audit and audit committee functions of the Departments of Education, Public Works, Social Development and Health. The shared Internal Audit unit continues to provide internal audit services to the remaining departments. The following issues relating to the shared service are highlighted:

- (a) A rolling three-year strategic internal audit plan for the various departments serviced by the shared service was approved by the Audit Committee, as required by Treasury Regulation 3.2.7, during February 2004. An annual plan for the 2004/2005 year, cascading from the three year rolling strategic plan, as further required by Treasury Regulation 3.2.7, was however only compiled and approved during November 2004. As a result internal audit functioned for 7 months of the year without an operational plan approved by the Audit Committee. This not only constitutes non-compliance with Treasury Regulation 3.2.7 and in effect with section 38(1)(a)(ii) of the PFMA, but also constitutes non-compliance with the South African Internal Auditing Standards.
- (b) Evidence was found that Internal Audit reports covering the period November to March 2005, only, were submitted to the Audit Committee for consideration. Although the Quarterly Report was submitted to the Audit Committee, no evidence could be found or provided that the Audit Committee reported and made recommendations, based on the reports, to the relevant accounting officers as prescribed by Treasury Regulation 3.1.9.
- (c) Cognisance is taken of the restructuring process within the Shared Service and the subsequent approval of the 2005/2006 risk assessments and operational audit plans as required by the Treasury Regulation. Cognisance is also taken of the submission of various Internal Audit reports, following from the said audit plans, pertaining to the 2005/2006 financial year.

5.7 Annual financial statements

In terms of section 40(1)(c) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), the department is required to submit the annual financial statements for audit purposes two months after the financial year end. Changes and additional material disclosures were made to the annual financial statements submitted on 31 May 2005, which were subsequently re-signed and dated on 26 July 2005.

5.8 Special investigations

During the year, my office conducted a number of special investigations of municipalities at the request of the department and issued the following management reports:

Kou Kama Municipality	30 April 2004
Nyandeni Municipality	10 November 2004
Chris Hani District Municipality	22 September 2004
Maletswai Municipality	10 November 2004
Nelson Mandela Metropolitan Municipality	19 November 2004
Ngqushwa Municipality	10 November 2004

6. APPRECIATION

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



S.M. Ngqwala for Auditor-General
East London - 31 July 2005





SECTION C - ANNUAL FINANCIAL STATEMENTS

3.4 STATEMENT OF ACCOUNTING POLICIES

The Annual 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 Annual 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 5 of 2004. The following issued, but not yet effective Standards of Generally Recognised Accounting Practice have not been fully complied with in the Annual Financial Statements: GRAP 1, 2 and 3.

1. BASIS OF PREPARATION

The Annual 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. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

2. REVENUE

Appropriated funds

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of National/Provincial Expenditure. Unexpended voted funds are surrendered to the National/Provincial Revenue Fund, unless otherwise stated.

Departmental revenue

Tax revenue

A tax receipt is defined as compulsory, irrecoverable revenue collected by entities. Tax receipts are recognised as revenue in the statement of financial performance on receipt of the funds.

Sale of goods and services other than capital assets

This comprises the proceeds from the sale of goods and/or services produced by the entity. Revenue is recognised in the statement of financial performance on receipt of the funds.

Fines, penalties and forfeits

Fines, penalties and forfeits are compulsory receipts imposed by court or quasi-judicial body. Revenue is recognised in the statement of financial performance on receipt of the funds.

Interest, dividends and rent on land

Interest and dividends received are recognised upon receipt of the funds, and no provision 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 Statement of Financial Performance of the department and then transferred to the National/Provincial Revenue Fund.

Revenue received from the rent of land is recognised in the statement of financial performance on receipt of the funds.

Sale of capital assets

The proceeds from the sale of capital assets is recognised as revenue in the statement of financial performance on receipt of the funds.



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.

Local and foreign aid assistance

Local and foreign aid assistance is recognised in the statement of financial performance on receipt of funds. Where amounts are expensed before funds are received, a receivable is raised. Where amounts have been inappropriately expensed using Local and Foreign aid assistance, a payable is raised. In the situation where the department is allowed to retain surplus funds, these funds are shown as a reserve.

3. EXPENDITURE

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 final authorisation for payment is effected on the system. The expenditure is classified as capital where the employees were involved, on a full time basis, on capital projects during the financial year. All other payments are classified as current expense.

Social contributions include the entities' 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 final authorisation for payment is effected on the system.

Short-term employee benefits

The cost of short-term employee benefits is expensed in the Statement of Financial Performance in the reporting period when the final authorisation for payment is effected on the system. Short-term employee benefits, that give rise to a present legal or constructive obligation are disclosed as a disclosure note to the Annual Financial Statements and are not recognised in the Statement of Financial Performance.

Long-term employee benefits and other post employment benefits

Termination benefits

Termination benefits are recognised and expensed only when the final authorisation for payment is effected on the system.

Medical benefits

The department provides medical benefits for its employees through defined benefit plans. Employer contributions to the fund are incurred when the final authorisation for payment is effected on the system. No provision is made for medical benefits in the Annual Financial Statements of the department.

Post employment retirement benefits

The department provides retirement 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 final authorisation for payment to the fund is effected on the system. No provision is made for retirement benefits in the Annual Financial Statements of the department. Any potential liabilities are disclosed in the Annual Financial Statements of the National/Provincial Revenue Fund and not in the Annual Financial Statements of the employer department.

Other employee benefits

Obligations arising from leave entitlement, thirteenth cheque and performance bonus that are reflected in the disclosure notes have not been paid for at year-end.

Goods and services

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. The expense is classified as capital if the goods and services was used on a capital project.

Interest and rent on land

Interest and rental payments resulting from the use of land, are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. This item excludes rental on the use of buildings or other fixed structures.

Financial transactions in assets and liabilities

Financial transactions in assets and liabilities include bad debts written off. Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending available to the department. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts.

Unauthorised expenditure

Unauthorised expenditure, is defined as:

- 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.

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is approved by the relevant authority, recovered or written off as irrecoverable.

Irregular expenditure

Irregular expenditure, is defined as :

expenditure, other than unauthorised expenditure, incurred in contravention 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.

It is treated as expenditure in the Statement of Financial Performance. If such expenditure is not condoned and it is possibly recoverable it is disclosed as receivable in the Statement of Financial Position at year-end.

Fruitless and wasteful expenditure

Fruitless and wasteful expenditure, is defined as:

expenditure that was made in vain and would have been avoided had reasonable care been exercised, therefore

- it must be recovered from a responsible official (a debtor account should be raised), or
- the vote. (If responsibility cannot be determined.)

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is recovered from the responsible official or written off as irrecoverable.



4. TRANSFERS AND SUBSIDIES

Transfers and subsidies include all irrecoverable payments made by the entity. Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system.

5. EXPENDITURE FOR CAPITAL ASSETS

Capital assets are assets that can be used repeatedly and continuously in production for more than one year. Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

6. INVESTMENTS

Investments include; Investments in Associates; Joint ventures; Investments in controlled entities and Other investments.

Investments are shown at cost. On disposal of an investment, the surplus/(deficit) is recognised as revenue in the Statement of Financial Performance.

7. RECEIVABLES

Receivables are not normally recognised under the modified cash basis of accounting. However, receivables included in the Statement of Financial Position arise from cash payments that are recoverable from another party, when the payments are made.

Receivables for services delivered are not recognised in the Statement of Financial Position as a current asset or as income in the Statement of Financial Performance, as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the Annual Financial Statements.

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on hand and balances with banks, short term investments in money market instruments and demand deposits. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. PAYABLES

Payables are not normally recognised under the modified cash basis of accounting. However, payables included in the Statement of Financial Position arise from advances received that are due to the Provincial/National Revenue Fund or another party.

10. LEASE COMMITMENTS

Lease commitments for the period remaining from the reporting date until the end of the lease contract are disclosed as part of the disclosure notes to the Annual Financial Statements. These commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on the cash basis of accounting.

Operating lease expenditure is expensed when the payment is made.

Finance lease expenditure is expensed when the payment is made, but results in the acquisition of the asset under the lease agreement. A finance lease is not allowed in terms of the Public Finance Management Act.

11. ACCRUALS

This amount represents goods/services that have been received, but no invoice has been received from the supplier at the reporting date, OR an invoice has been received but final authorisation for payment has not been effected on the system. These amounts are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

12. CONTINGENT LIABILITY

This 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

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 not recognised in the Statement of Financial position, but the information is disclosed as part of the disclosure notes.

13. COMMITMENTS

This amount represents goods/services that have been approved and/or contracted, but no delivery has taken place at the reporting date. These amounts are not recognised in the Statement of financial position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

14. CAPITALISATION RESERVE

The capitalisation reserve represents an amount equal to the value of the investment and/or loans capitalised. On disposal, repayment or recovery, such amounts are transferred to the Revenue Fund.

15. RECOVERABLE REVENUE

Recoverable revenue represents payments made and recognised in the Statement of Financial Performance 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.

16. COMPARATIVE FIGURES

Where necessary, comparative figures have been restated to conform to the changes in the presentation in the current year. The comparative figures shown in these Annual Financial Statements are limited to the figures shown in the previous year's audited Annual Financial Statements and such other comparative figures that the department may reasonably have available for reporting. Reclassification of expenditure has occurred due to the implementation of the Standard Chart of Accounts. It is not practical to present comparative amounts in the Cash Flow Statements as this would involve reclassification of amounts dating back to the 2002/03 year-end.



3.5 APPROPRIATION STATEMENT

Appropriation per programme								
	2004/05						2003/04	
	Adjusted Appropriation	Shifting of Funds	Final Appropriation	Actual Expenditure	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration								
Current payment	73,672	—	73,672	79,231	(5,559)	107.5%	28,957	23,391
Transfers and subsidies	355	—	355	210	145	59.2%	—	4,140
Payment for capital assets	7,648	—	7,648	2,012	5,636	26.3%	—	—
2. Housing								
Current payment	53,142	—	53,142	43,057	10,085	81.0%	91,759	90,807
Transfers and subsidies	643,804	—	643,804	617,591	26,213	95.9%	980,786	804,001
Payment for capital assets	—	—	—	—	—	—	220	157
3. Local Government								
Current payment	95,108	—	95,108	100,783	(5,675)	106.0%	227,996	208,998
Transfers and subsidies	93,879	—	93,879	88174	5,705	93.9%	—	—
Payment for capital assets	—	—	—	—	—	—	—	—
4. Traditional Affairs								
Current payment	63,924	—	63,924	65,392	(1,468)	102.3%	108,193	105,424
Transfers and subsidies	50	—	50	202	(152)	404.0%	—	—
Payment for capital assets	6,843	—	6,843	0	6,843	0.0%	1,957	3,643
Subtotal	1,038,425	—	1,038,425	996,652	41,645	96.0%	1,439,868	1,240,561
Statutory Appropriation								
Current payment	785	—	785	913	(128)	116.6%	677	312
Transfers and subsidies	2	—	2	2	—	100.0%	—	—
Payment for capital assets	—	—	—	—	—	0.0%	—	—
TOTAL	1,039,212	—	1,039,212	997,567	41,645	96.0%	1,440,545	1,240,873
Reconciliation with Statement of Financial Performance								
Departmental receipts			11,330				12,846	
Actual amounts per Statements of Financial Performance			1,050,542		41,645	96.6%	1,453,391	
Prior year unauthorised expenditure approved								8,403
Actual amounts per Statements of Financial Performance				997,567				1,249,276

Appropriation per economic classification								
	2004/05						2003/04	
	Adjusted Appropriation	Shifting of Funds	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment								
Compensation of employees	182,954	(410)	182,544	171,302	11,242	94.0%	185,368	181,975
Goods and services	102,892	(24,333)	78,559	92,828	(14,229)	118.2%	92,061	86,352
Financial transactions in assets and liabilities	—	24,333	24,333	24,333	0	100.0%	—	—
Transfers and subsidies to:								
Provinces and municipalities	139,188	410	139,598	133,334	6,264	95.5%	145,699	133,273
Households	598,900	—	598,900	572,843	26,057	95.6%	1,006,601	831,591
Payment for capital assets								
Machinery and equipment	14,491	—	14,491	2,012	12,479	13.9%	10,139	7,370
TOTAL	1,038,425	—	1,038,425	996,652	41,773	96.0%	1,440,545	1,240,561

Statutory Appropriation								
Details of direct changes against the National/ Provincial Revenue Fund	2004/05						2003/04	
	Adjusted Appropriation	Shifting of Funds	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Member of executive committee / parliamentary officers	787		787	915	(128)	116.3%	677	312
TOTAL	787		787	915	(128)	116.3%	677	312

DETAIL PER PROGRAMME 1 – ADMINISTRATION For the year ended 31 March 2005								
Programme per sub programme	2004/05						2003/04	
	Adjusted Appropriation	Shifting of Funds	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.2 Corporate Services								
Current payment	73,672		77,007	79,231	(5,559)	107.5%	28,957	
Transfers and subsidies	355		355	210	145	59.2%		4,140
Expenditure for capital assets	7,648		7,648	2,012	5,636	26.3%		
TOTAL	81,675	-	81,675	81,453	222	99.7%	28,957	27,531

Economic Classification	2004/05						2003/04	
	Adjusted Appropriation	Shifting of Funds	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment								
Compensation of employees	31,915	(295)	31,620	31,556	427	98.4%	14,535	14,079
Goods and services	41,757	(10,098)	31,659	37,577	(6,281)	119.8%	10,282	9,312
Financial transactions in assets and liabilities	-		10,098	10,098	-	100.0%		
Transfers and subsidies to:								
Provinces and municipalities	355	295	650	210	440	32.3%	4,140	4,140
Payment for capital assets								
Machinery and equipment	7,648		7,648	2,012	5,636	26.3%		
TOTAL	81,675	-	81,675	81,453	222	97.7%	29,634	27,843

DETAIL PER PROGRAMME 2 - HOUSING
For the year ended 31 March 2005

Programme per sub-programme	2004/05						2003/04	
	Adjusted Appropriation	Shifting of Funds	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 HEAD OF HOUSING								
Current payment	11,026	6,422	17,448	14,369	3,079	82.4%	1,335	898
Transfers and subsidies	32		32	32		100.0%	980,786	804,001
Payment for capital assets							126	117
2.2 PLANNING AND RESEARCH								
Current payment	3,042	3,051	6,093	3,235	2,858	53.1%	34,025	29,263
Transfers and subsidies	9		9	9		100.0%		
Payment for capital assets							94	40
3.3 HUMAN PERFORMANCE SUBSIDY MANNAGEMENT								
Current payment	6,448	(6,422)	26	5,488	(5,462)	21,107.7%	31,000	37,085
Transfers and subsidies	598,900		598,900	572,859	26,041	95.7%		
2.4 URBAN RENEWAL AND HUMAN SETTLEMENT REDEVELOPMENT								
Current payment	22,453	(3,051)	19,402	14,823	4,579	76.4%	25,399	23,561
Transfers and subsidies	44,850		44,850	44,678	172	99.6%		
2.5 HOUSING ASSET MANAGEMENT								
Current payment	10,173		10,173	5,142	5,031	50.5%		
Transfers and subsidies	13		13	13		100.00%		
TOTAL	696,946	-	696,946	660,648	36,298	94.8%	1,072,765	894,965

Economic Classification	2004/05						2003/04	
	Adjusted Appropriation	Shifting of Funds	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment								
Compensation of employees	35,911	(54)	35,857	23,866	11,991	66.6%	31,955	28,095
Goods and services	17,231	(3,335)	13,896	15,856	(1,960)	114.1%	33,989	35,122
Financial transactions in assets and liabilities		3,335	3,335	3,335		100.0%		
Transfers and subsidies to:								
Provinces and municipalities	44,904	54	44,958	44,748	210	99.5%		
Households	598,900		598,900	572,843	26,057	95.6%	1,006,601	831,591
Payment for capital assets								
Machinery and equipment							220	157
TOTAL	696,946	-	696,946	660,648	36,298	94.8%	1,072,765	894,965

DETAIL PER PROGRAMME 3 – LOCAL GOVERNMENT
For the year ended 31 March 2005

Programme per sub-programme	2004/05						2003/04	
	Adjusted Appropriation	Shifting of Funds	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 HEAD OF LOCAL GOVERNMENT								
Current payment	20,358	(6,652)	13,706	19,519	(5,813)	142.4%	1,529	1,251
Transfers and subsidies	60		60	59	1	98.3%		
Payment for capital assets								
3.2 Municipal Administration								
Current payment	8,007	100	8,107	7,785	1,122	87.4%	63,376	64,020
Transfers and subsidies	11,200		11,200	10,790	410	96.3%		
Payment for capital assets								
3.3 Municipal Finance								
Current payment	17,027	(1,800)	15,227	16,796	(1,569)	110.3%	82,474	70,503
Transfers and subsidies	28,010		28,010	27,989	21	99.9%		
Payment for capital assets								
3.4 Municipal Infrastructure								
Current payment	28,592	6,441	35,033	36,678	(1,645)	104.7%	30,130	27,735
Transfers and subsidies	18		18	20	(2)	111.1%		
Payment for capital assets								
3.5 Disaster Management								
Current payment	4,632	111	4,743	4,479	264	94.4%	-	2,100
Transfers and subsidies	19,925		19,925	19,925	-	100.0%		
Payment for capital assets								
3.6 Spatial Planning								
Current payment	3,095	(926)	2,169	2,675	(506)	123.3%	50,487	43,389
Transfers and subsidies	4,500		4,500	4,507	(7)	100.2%		
Payment for capital assets								
3.7 Development Administration								
Current payment	5,793	600	6,393	5,783	610	90.5%		
Transfers and subsidies	10,911		10,911	6,815	4,096	62.5%		
Payment for capital assets								
3.8 Integrated Development Planning (IDP)								
Current payment	2,623		2,623	2,216	407	84.5%		
Transfers and subsidies	6,305		6,305	5,305	1,000	84.1%		
Payment for capital assets								
3.9 Local Economic Development (LED)								
Current payment	4,981	2,126	7,107	4,852	2,255	68.3%		
Transfers and subsidies	12,950		12,950	12,764	186	98.6%		
Payment for capital assets								
TOTAL	188,987	-	188,987	188,957	30	100%	227,996	208,998

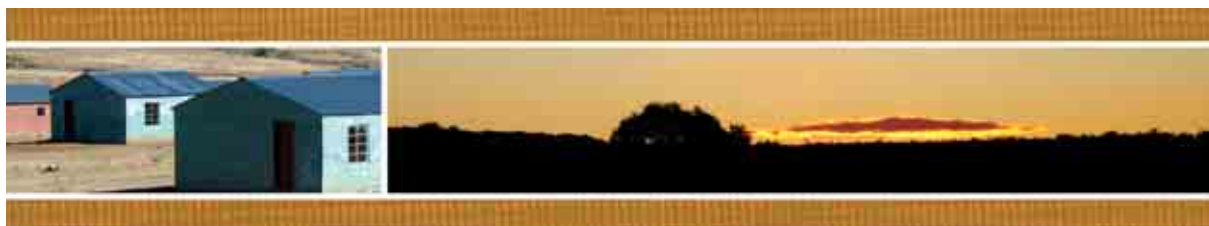
Economic Classification	2004/05						2003/04	
	Adjusted Appropriation	Shifting of Funds	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment								
Compensation of employees	58,600	(61)	58,539	56,918	1,621	97.2%	70,532	62,741
Goods and services	36,508	(10,900)	25,608	32,965	(7,357)	128.7%	18,147	17,081
Financial transactions in assets and liabilities		10,900	10,900	10,900		100.0%		
Transfers and subsidies to:								
Provinces and municipalities	93,879	61	93,940	88,174	5,766	93.9%	139,215	129,133
Payment for capital assets								
Machinery and equipment							102	43
TOTAL	188,987	-	188,987	188,957	30	99.6%	227,996	208,998

DETAIL PER PROGRAMME 4 – TRADITIONAL AFFAIRS

For the year ended 31 March 2005

Programme per sub-programme	2004/05						2003/04	
	Adjusted Appropriation	Shifting of Funds	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Traditional Institutional Arrangement								
Current payment	8,959		8,959	43,546	(34,587)	486.1%	12,361	15,966
Transfers and subsidies	-			147	(147)	-		
Payment for capital assets	2,500		2500	-	2500			
4.2 Traditional Resource Administration								
Current payment	53,682		53,682	18,988	34,694	35.4%	27,181	25,778
Transfers and subsidies	50		50	57	(7)	114.0%		
Payment for capital assets	4,343		4,343		4,343			1,686
4.3 Traditional Affairs Development Facilitation								
Current payment						0.0%	68,085	63,118
Transfers and subsidies								
Payment for capital assets							1957	1957
4.4 Head of Traditional Affairs								
Current payment								
Transfers and subsidies				(2)				
Payment for capital assets	1,283		1,283	2,858	(1,575)	222.8%	566	562
TOTAL	70,817	-	70,817	65,594	5,223	92.6%	110,150	109,067

Economic Classification	2004/05						2003/04	
	Adjusted Appropriation	Shifting of Funds	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment								
Compensation of employees	56,528		56,528	59,325	(2,797)	104.9%	68,346	77,060
Goods and services	7,396		6,261	6,067	194	96.9%	29,643	24,837
Transfers and subsidies to:								
Provinces and municipalities	50		50	202	(152)	404.0%	2,344	
Payment for capital assets								
Machinery and equipment	6,843		6,843	6,843			9,817	7,170
TOTAL	70,817		70,817	65,594	5,223	92.6%	110,150	109,067



3.6 NOTES TO THE APPROPRIATION STATEMENT

(For the year ended 31 March 2005)

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

Detail of these transactions can be viewed in note 11 (Transfers and subsidies) and Annexure 1 (A-K) 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 on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 8 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per Programme	Voted Funds after virement	Actual Expenditure	R'000	%
ADMINISTRATION	81,675	82,368	94	0.11%
HOUSING	696,946	660,648	36,299	5.21%
LOCAL	188,987	188,957	30	0.01%
TRADITIONAL AFFAIRS	70,817	65,594	5,223	7.37%

Please refer to the management report for explanations of variances.

4.2 Per Economic classification

Current payment:

Compensation of employees	171,302
Goods and services	92,828
Financial transactions in assets and liabilities	24,333

Transfers and subsidies:

Provinces and municipalities	133,334
Households	572,843

Payments for capital assets:

Machinery and equipment	2,012
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SUB-TOTAL	996,652
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Statutory Appropriation	915
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TOTAL	997,567
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3.7 STATEMENT OF FINANCIAL PERFORMANCE

(for the year ended 31 March 2005)

	Note	2004/05 R'000	2003/04 R'000
REVENUE			
Annual appropriation	1	1,038,425	1,439,868
Statutory appropriation	2	787	677
Departmental revenue	3	11,330	12,846
TOTAL REVENUE		1,050,542	1,453,391
EXPENDITURE			
Current expenditure			
Compensation of employees	4	172,217	182,287
Goods and services	5	92,828	86,352
Financial transactions in assets and liabilities	6	24,333	-
Unauthorised expenditure approved	7	-	8,403
Total current expenditure		289,378	277,042
Transfers and subsidies	8	706,177	964,864
Expenditure for capital assets			
Machinery and Equipment	9	2,012	7,370
TOTAL EXPENDITURE		997,567	1,249,276
NET SURPLUS / (DEFICIT)		52,975	204,115
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds to be surrendered to the Revenue Fund/unutilised	16	41,645	191,269
Departmental receipts to be surrendered to the Revenue Fund	3	11,330	12,846
NET SURPLUS FOR THE YEAR		52,975	204,115



3.8 STATEMENT OF FINANCIAL POSITION

(As at 31 March 2005)

	<i>Note</i>	2004/05 R'000	2003/04 R'000
ASSETS			
Current assets		34,816	95,073
Cash and cash equivalents	10	7,871	32,218
Receivables	11	26,945	62,855
TOTAL ASSETS		34,816	95,073
LIABILITIES			
Current liabilities		34,816	95,073
Voted funds to be surrendered to the Revenue Fund	12	33,725	78,823
Departmental revenue to be surrendered to the Revenue Fund	13	(3,304)	3,182
Payables	14	4,395	13,068
TOTAL LIABILITIES		34,816	95,073

3.9 CASH FLOW STATEMENT

(For the year ended 31 March 2005)

	<i>Note</i>	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		1,076,433
Annual appropriated funds received	1.1	1,030,509
Statutory appropriated funds received	2	787
Departmental revenue received		9,227
Net (increase)/decrease in working capital		35,910
Surrendered to Revenue Fund		(96,643)
Current payments		(298,051)
Transfers and subsidies paid		(706,177)
Net cash flow available from operating activities	15	<u>(24,438)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets		(2,012)
Proceeds from sale of capital assets	3	2,103
Net cash flows from investing activities		<u>91</u>
Net increase/(decrease) in cash and cash equivalents		(24,347)
Cash and cash equivalents at the beginning of the period	10	32,218
Cash and cash equivalents at end of period	10	<u>7,871</u>



3.10 DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

(For the year ended 31 March 2005)

1. Annual Appropriation

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

	Final Appropriation R'000	Actual Funds Received R'000	Variance over/(under) R'000	Total Appropriation 2003/04 R'000
Administration	81,675	81,675	-	28,957
Housing	696,946	689,030	7,916	1,072,765
Local Government	188,987	188,987	-	227,996
Traditional Affairs	70,817	70,817	-	110,150
TOTAL	1,038,425	1,030,509	7,916	1,439,868

1.2 Conditional Grants (See Annexure 1)

2. Statutory Appropriation

	2004/05 R'000	2003/04 R'000
Member of executive committee/parliamentary officers	787	677
	787	677

3. Departmental revenue to be surrendered to revenue fund

Sales of goods and services other than capital assets	211	71
Fines, penalties and forfeits	2	-
Interest, dividends and rent on land	8,193	9,015
Sales of capital assets	2,103	2,519
Financial transactions in assets and liabilities	821	1,241
	11,330	12,846

3.1 Financial transactions in assets and liabilities

Other	821	1,241
	821	1,241

4. Compensation of employees

4.1 Salaries and Wages

Basic salary	1,470	3,676
Performance award	1,591	917
Service Based	2,711	2,554
Compensative/circumstantial	735	-
Periodic payments	1,459	0,261
Other non-pensionable allowances	3,597	8,987
	151,563	156,395

	2004/05	2003/04
	R'000	R'000
4.2 Social contributions		
4.2.1 Short-term employee benefits		
Pension	13,357	13,850
Medical	7,261	7,877
Bargaining council	30	26
Insurance	6	4,139
	<u>20,654</u>	<u>25,892</u>
Total compensation of employees	172,217	182,287
Average number of employees	<u>1,355</u>	<u>1126</u>

* The average number of employees exclude traditional leaders of 968. The traditional leaders remuneration is however included in total compensation of employees.

5. Goods and services

Advertising		848	173
Attendance fees (including registration fees)		69	834
Bank charges and card fees		55	51
Bursaries (employees)		187	214
Communication		8,013	665
Computer services		5,136	4,489
Commission		568	-
Consultants, contractors and special services		38,605	37,980
Courier and delivery services		7	16
Entertainment		1,071	2,320
External audit fees	5.1	4,446	5,169
Equipment less than R5000		754	-
Government motor transport		-	9,696
Inventory	5.2	2,060	2,887
Learnerships		1,070	-
Legal fees		2,442	1,900
Licence agency fees		-	41
Maintenance, repairs and running cost		608	1,571
Operating leases		2,678	-
Photographic services		11	7
Plant flowers and other decorations		-	101
Printing and publications		360	70
Professional bodies and membership fees		71	18
Resettlement cost		1,480	1,719
Taking over of contractual obligations		-	528
Owned leasehold property expenditure		176	-
Transport provided as part of the departmental activities		9,045	-
Travel and subsistence	5.3	11,400	14,025
Venues and facilities		568	-
Protective, special clothing & uniforms		-	5
Training & staff development		1,100	1,873
		<u>92,828</u>	<u>86,352</u>

		2004/05 R'000	2003/04 R'000
5.1	External audit fees		
	Regularity audits	4,446	2,269
	Other audits	-	
	Total external audit fees	4,446	3,000
5.2	Inventory (purchased during the year)		
	Other inventory	-	957
	Domestic consumables	470	188
	Other consumables	-	185
	Parts and other maintenance material	-	395
	Stationery and printing	1,590	1,162
		<u>2,060</u>	<u>2,887</u>
5.3	Travel and subsistence		
	Local	11,379	14,025
	Foreign	21	-
	Total travel and subsistence	11,400	14,025
6. Financial transactions in assets and liabilities			
	Material Losses written off	6.1	
		24,333	-
		<u>24,333</u>	<u>-</u>
	6.1 Other material losses written off		
	Thefts and Losses - CMIP	24,333	-
		<u>24,333</u>	<u>-</u>
7. Reconciliation of unauthorised expenditure			
	Opening balance	-	8,403
	Unauthorised expenditure approved by Parliament/Legislature – current expenditure	-	(8,403)
	Unauthorised expenditure awaiting authorisation	<u>-</u>	<u>-</u>
8. Transfers and subsidies			
	Provinces and municipalities	<i>Annex 1C</i>	
		133,334	133,273
	Households	<i>Annex 1I</i>	
		572,843	831,591
		<u>706,177</u>	<u>964,864</u>

Included in the transfers to households is an amount of R484m that was transferred to build the top structure of the houses. These transfers carry an inherent risk that the developer and contractors will fail to meet the required standards in terms of the Housing Act. In terms of the PFMA, the department has a legal responsibility to avoid the delivery of sub standard houses to beneficiaries by monitoring and evaluating the housing developments that the department funds with the housing subsidies. Failure by the department to monitor could result in fruitless and wasteful expenditure in terms of the PFMA. The department has successfully mitigated the inherent risk in development projects receiving R304m, which included an amount of R102m that is in the developer trust accounts at year end and must still be transferred to contractors. The department has detected minor deficiencies, which represents one to ten percent of the top structure transfer made, in projects receiving transfers to the amount of R132m. The developers and contractors are in the process of correcting these minor deficiencies. There is therefore an inherent risk that five percent of the value transferred i.e. R7m may be fruitless expenditure if the deficiencies are not corrected at the cost of the developers or contractors. The department was unable to mitigate the inherent risk regarding projects that received R48m of the

transfers' however corrective action has been instituted by the department. In most cases further payments have been delayed until these deficiencies are rectified by the developers and contractors.

9. Expenditure for capital assets

Machinery and equipment	<i>Annex 4</i>	2,012	7,370
		<u>2,012</u>	<u>7,370</u>

10. Cash and cash equivalents

Consolidated Paymaster General Account	7676	32,618
Cash receipts	1	-
Disbursements	558	(52)
Cash in transit	(364)	(348)
	<u>7,871</u>	<u>32,218</u>

11. Receivables

		Less than one year	One to three years	Older than three years	TOTAL	TOTAL
Staff debtors	16.1	-	2,352		2,352	2,395
Clearing accounts	16.2	4	-		4	-
Other debtors	16.3	-	24,589		24,589	60,460
		<u>4</u>	<u>26,941</u>		<u>26,945</u>	<u>62,855</u>

Included above is the amount of R 24,589. The collection of this amount is doubtful as it is outstanding since 2002. The collection is dependable on legislative and administrative processes driven by Provincial Treasury.

	2004/05 R'000	2003/04 R'000
11.1 Staff debtors		
Sal: Disallowance	6	176
Sal: Reversal Control	-	317
Sal: Pension Debt	-	5
Sal: Tax Debt	179	10
Private Telephone	2	2
Debt Account	1523	1423
FMS Income Tax debt CAT A2	-	171
Sal: Medical Aid	52	43
FMS deductions CAT B	-	170
Insurance Deductions	5	6
FMS Deductions Disallowance		4
PSCBC	-	19
Travel & Subsistence	-	49
Sal: Official Unions	1	-
Sal: Motor Finance Deductions	195	-
Sal: ACB Recalls	2	-



	2004/05	2003/04
	R'000	R'000
Sal: Insurance Deductions	301	-
Sal: Disallowance Dishonoured cheque	4	-
Sal: Deductions Disallowance	51	-
Sal: Adv Foreign	31	-
	2,352	2,395

11.2 Clearing accounts

Housing debtors / SC Support CA

4	-
4	-

11.3 Other debtors

Treasury Balance	-	29,620
Claims Recoverable (Buffalo City)	-	1,035
Claims Recoverable	24,589	29,401
Disallowance Suppliers	-	181
Tax RSA	-	75
Dishonoured Cheques	-	13
Deposit Discrepancy		7
Persal ACB Recalls	-	3
FMS: Salary Advances	-	105
Advances: S&T FMS	-	20
	24,589	60,460

12. Voted funds to be surrendered to the Revenue Fund

Opening balance	78,823	85,082
Transfer from Statement of Financial Performance	41,645	191,269
Voted funds not requested/not received	(7,916)	(112,446)
Paid during the year	(78,827)	(85,082)
Closing balance	33,725	78,823

13. Departmental receipts to be surrendered to the Revenue Fund

Opening balance	3,182	671
Transfer from Statement of Financial Performance	11,330	12,846
Paid during the year	(17,816)	(10,335)
Closing balance	(3,304)	3,182

14. Payables – current

	Notes	30 Days	30+ Days	TOTAL	TOTAL
Amounts owing to other departments	Annex 7	-	2,338	2,338	1,385
Advances received		1,590	-	1,590	-
Other payables		-	467	467	11,683
		1,590	2,805	4,395	13,068

14.1 Advances received

LGWSETA for community	1,590	-
Development Workers		
Training		
	1,590	-

	2004/05	2003/04
	R'000	R'000
14.2 Other payables		
Cancel Cheque Re-issue Persal	-	4
EBT Rejection Account	-	5,643
Claims Payable / Recoverable	-	4,816
Debt Suspense Account	-	3
Disallowance Miscellaneous	-	3
Debt Receivable interest	-	2
Sal: Housing	-	683
Sal: Official Unions	-	18
Salary Advances	-	45
Travel & Subsistence (Persal)	-	18
FMS: Deduction CAT A1	-	4
Debt Receivable Income	2	2
Pension Recoverable Account	347	442
Sal: Advances: Domestic	23	-
H/Debt: Prop/SC Install Receive CA	4	-
Sal: Pension Fund	91	-
	467	11,683

15. Reconciliation of net cash flow from operating activities to surplus/(deficit)

Net surplus/(deficit) as per Statement of Financial Performance	52,975
(Increase)/decrease in receivables – current	35,910
Increase/(decrease) in payables – current	(8,673)
Increase/(decrease) in current liabilities	-
Increase/(decrease) in non-current liabilities	(2,103)
Surrendered to Revenue Fund	(96,643)
Capital expenditure	2,012
Voted funds not requested/not received	(7,916)
Net cash flow generated by operating activities	(24,438)

16. Appropriated funds and departmental revenue surrendered

Appropriated funds surrendered	41,645	85,082
Departmental revenue surrendered	14,634	10,335
	56,279	95,417



These amounts are not recognised in the financial statements and are disclosed to enhance the usefulness of the financial statements:

		<i>Note</i>	2004/05	2003/04
			R'000	R'000
17. Contingent liabilities				
Liable to	Nature			
Housing loan guarantees	Employees	<i>Annex 3</i>	3,678	3,635
Legal claims	Legal fees		165	
Other departments (interdepartmental unconfirmed balances)		<i>Annex 7</i>	44	
			3,887	3,635

18. Commitments

Current expenditure		
Approved and contracted	2,758	-
Total Commitments	2,758	-

19. Accruals

Listed by economic classification

	30 Days	30+ Days	Total	Total
Compensation of employees	403	-	403	1,760
Goods and services	203	243	446	881
Transfers and subsidies			-	200
Machinery and equipment			-	201
	606	243	849	3,042

Listed by programme level

Executive / Administration	316	374
Housing	40	467
Developmental Local Government	440	1,254
Corporate Services / Traditional Affairs	53	947
	849	3,042

Confirmations with other departments

Annex 7 **632**

20. Employee benefits

Leave entitlement	42,222	5,322
Thirteenth cheque	3,924	4,025
	46,146	9,347

21. Leases

21.1 Operating leases

	Buildings and fixed structures	Machinery and equipment	TOTAL	TOTAL
	R'000	R'000		
Not later than 1 year		959	959	2,316
Later than 1 year and not later than 3 years		1245	1245	
Later than three years		84	84	
		2288	2288	2,316

22. Receivables for services delivered (off balance sheet)

	2004/05 R'000	2003/04 R'000
Housing Rental Debtors	18,048	-
	18,048	-

These debtors are for housing rentals previously administrated by the Provincial Housing Board. Due to high incidents of arrears the recoverability of this amount is doubtful

23. Senior management personnel

• Deputy Director Generals	-	555
• Superintendent Generals (1 month)	75	-
• Chief Directors 3 (3)	1,548	1,335
• Directors 12 (10)	2,878	3,528
	4,501	5,418



3.11 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

(For the year ended 31 March 2005)

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION				SPENT			2003/04	
	Division of Revenue Act	Roll Overs	DORA Adjustments	Total Available	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Human Settlement Grant	11,660			11,660	11,660	11,486	98.5%	11,000	11,135
Housing Subsidy Grant	598,900			598,900	598,900	572,843	95.6%	966,757	789,735
Prov & Local Government	-			-	-	-	0%		
Local Government Capacity	35,184			35,184	35,184	35,184	100.00%	46,338	43,970
Consolidated Municipal Infrastructure	9,169			9,169	9,169	9,169	100.00%	8,643	8,650
TOTAL	654,913	-	-	654,913	654,913	628,682	96%	1,032,738	853 490

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT			2003/04
	Division of Revenue Act	Roll Overs	DORA Adjustments	Total Available	Actual Transfer	% of available funds transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%
DISASTER MANAGEMENT*TRN CUR									
ALFRED NZO	1,500				1,500	100,0%	1,500		
AMATOLE	2,000				2,000	100,0%	2,000		
BUFFALO CITY	1,000				1,000	100,0%	1,000		
CACADU	4,914				4,914	100,0%	4,914		
CHRIS HANI	4,000				4,000	100,0%	4,000		
KING SABATA	1,00				1,000	100,0%	1,000		
NELSON MANDELA	2,000				2,000	100,0%	2,000		
O.R. TAMBO	2,000				2,000	100,0%	2,000		
UKHAHLAMBA	1,500				1,500	100,0%	1,500		
MUNICIPAL ADMIN*TRN CUR									
NO PROJECTS-CUR	1,845				1,829	98,1%	1,829		
ALFRED NZO	250				184	73,6%	184		
AMATOLE	2,866				2,866	100,0%	2,866		
CACADU	712				712	100,0%	712		
CHRIS HANI	510				510	100,0%	510		
ELUNDINI	250				250	100,0%	250		
KING SABATA	250				250	100,0%	250		
MBHASHE	250				150	60,0%	150		
MQUMA	250				150	60,0%	150		
NELSON MANDELA	343				343	100,0%	343		
NKONKOBÉ	250				210	84,0%	210		
O.R. TAMBO	1,475				1,475	100,0%	1,475		
QAUKENI	250				250	100,0%	250		
SUNDAY RIVER	250				150	60,0%	150		
UKHAHLAMBA	1,209				1,209	100,0%	1,209		
UMZIVUBU	240				215	89,6%	215		
DEV ADM/LAND USE									

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2003/04
	Division of Revenue Act	Roll Overs	DORA Adjustments	Total Available	Actual Transfer	% of available funds transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
DEV ADMIN/LAND USE MANG	10,911				6,800	62,3%	6,800			
INTEGRAT DEV & PLAN *TRN CUR										
ALFRED NZO	735				318	43,3%	318			
AMATOLE	1,113				1,113	100,0%	1,113			
CACADU	1,113				1,113	100,0%	1,113			
CHRIS HANI	1,113				1,113	100,0%	1,113			
O.R. TAMBO	1,113				1,113	100,0%	1,113			
UKHAHLAMBA	1,113				530	47,6%	530			
LOC ECO DEV/ DEV & PLAN										
NO PROJECTS CURRENT										
ALFRED NZO	2,650				2,450	92,5%	2,450			
AMATOLE	100				100	100,0%	100			
BAVIAANS	400				400	100,0%	400			
BUFFALO CITY	100				100	100,0%	100			
CAMDEBOO	200				200	100,0%	200			
CHRIS HANI	263				263	100,0%	263			
ELUNDINI	900				900	100,0%	900			
ENGCOBO	558				558	100,0%	558			
IKWEZI	150				150	100,0%	150			
IKWANCA	300				300	100,0%	300			
INXUBA	300				300	100,0%	300			
KOU-KAMMA	100				100	100,0%	100			
LUKHANJI	150				150	100,0%	150			
MALETSWAI	1,400				1,400	100,0%	1,400			
MBHASHE	250				250	100,0%	250			
MHLONTLO	1,000				1,000	100,0%	1,000			
MNQUMA	300				300	100,0%	300			
NDLAMBE	300				300	100,0%	300			
NKONKOBÉ	100				100	100,0%	100			
O.R. TAMBO	710				710	100,0%	710			
PORT ST JOHNS	1,100				1,100	100,0%	1,100			
SAKHISIZWE	170				170	100,0%	170			
SENQU	150				150	100,0%	150			
SUNDAY 'S RIVER	100				100	100,0%	100			
TSOLWANA	200				200	100,0%	200			
UKHAHLAMBA	100				100	100,0%	100			
NO PROJECTS-CURRENT	900				900	100,0%	900			
KING SABATA	201				201	100,0%	201			
	(201)				(201)	100,0%	(201)			

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2003/04
	Division of Revenue Act	Roll Overs	DORA Adjustments	Total Available	Actual Transfer	% of available funds transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
RSC Levies:										
RSCL: ALFRED NZO					192		192			
RSCL:AMATOLE					460	-	460			
RSCL:CHRIS HANI					3	-	3			
Municipal Dev Finance	5,800				5,651	97.4%	5,651			
Municipal Support Program	22,184				22,334	100.7%	22,334			
Human Settlement	11,660				11,486	98.5%	11,486			
TOTAL	138,610				133,334	96.2%	133,334			





ANNEXURE 1I

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2003/04
	Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	
							Final Appropriation Act R'000
Transfers							
Subsidies							
Housing Subsidies	598,900	0	0	598,900	572,843	95.6%	1,006,601
	598,900	0	0	598,900	572,843	95.6%	1,006,601
TOTAL							
	598,900	0	0	598,900	572,843	95.6%	1,006,601

ANNEXURE 3

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2005 - LOCAL

Guarantor institution	Guarantee in respect of Housing	Original guaranteed capital amount	Opening balance 1 April 2004	Guarantees issued during the year	Guarantees released during the year	Guaranteed interest for year ended 31 March 2005	Closing balance 31 March 2005	Realised losses i.r.o. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank			975	19	86	-	908	-
Ned Bank Limited			305	-	-	-	305	-
First Rand Bank			289	38	-	-	327	-
Nedbank LTD Incorporated			11	-	-	-	11	-
Meeg Bank			27	-	-	-	27	-
ABSA Bank			1,251	106	22	-	1,335	-
Company Unique Finance			28	-	-	-	28	-
Peoples Bank Limited			266	-	-	-	266	-
Peoples Bank INC			147	-	-	-	147	-
First Rand Bank			80	-	-	-	80	-
Old Mutual Bank			256	-	-	-	244	-
TOTAL			3,635	163	108	-	3,926	-

PHYSICAL ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers In R'000	Transfers Out R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	7,370	2,012				9,382
Computer equipment	1,728	1,647				3,375
Furniture and office equipment	-	367				367
Other machinery and equipment	2,490	4				2,494
Transport assets	3,152					3,152
TOTAL	7,370	2,012				9,382

PHYSICAL ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2004

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers In R'000	Transfers Out R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	7,370					7,370
Computer equipment	1,728					1,728
Furniture and office equipment	-	-				-
Other machinery and equipment	2,490					2,490
Transport assets	3,152					3,152
TOTAL	7,370					7,370

ANNEXURE 6

INTER-GOVERNMENT RECEIVABLES

GOVERNMENT ENTITY	Confirmed Balance Outstanding		Unconfirmed Balance Outstanding	
	31/03/2005 R'000	31/03/2004 R'000	31/03/2005 R'000	31/03/2004 R'000
Departments				
Provincial Treasury	24,920			
	24,920	-	-	-
TOTAL	24,920	-	-	-

ANNEXURE 7

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed Balance Outstanding		Unconfirmed Balance Outstanding	
	31/03/2005 R'000	31/03/2004 R'000	31/03/2005 R'000	31/03/2004 R'000
Department				
Amounts not included in Statement of financial position				
Current				
Dept of Roads & Public Works (GAUTENG)		44		
Dept of Justice	632			
TOTAL	632	44		
Amounts included in Statement of financial position				
Current				
Provincial Treasury	2111	879		
South African Police Service (Claim IRO services rendered on our behalf eg: Protection and security services)	1	1		
Department of Justice	-	505		
Department of National Housing	124	-		
Eastern Cape Legislature	102	-		
TOTAL	2,338	1,385		

3.12 HUMAN RESOURCES MANAGEMENT INFORMATION

TABLE 1.1 - Personnel costs by programme 2004/05

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
Prog 1	70.14	31.635	0	0	45.2	32
Prog 2	656.981	23.698	0	0	3.6	24
Prog 3	177.972	56.832	0	0	31.9	58
Prog 4	65.361	59 181	0	0	90.5	61
TOTAL	970.329	171.346	0	0		176

TABLE 1.2 - Personnel costs by salary bands, 2004/05

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	56.558	32.7	207172
Skilled (Levels 3-5)	14.964	8.6	90145
Highly skilled production (Levels 6-8)	66.184	38.8	159582
Highly skilled supervision (Levels 9-12)	27006	15.6	275571
Senior management (Levels 13-16)	7.393	4.3	434882
TOTAL	173105	100	177544

The following tables provide a summary per programme (Table 2.3) and salary bands (Table 2.4), of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

TABLE 1.3 - Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme 2004/05

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Programme 1	20412	66.7	0	0	390	0.2	1741	5.8
Programme 2	17245	69.1	0	0	372	0.3	3060	5.1
Programme 3	40053	66.9	0	0	572	0.1	1741	5.8
Programme 4	12505	2.4	0	0	110	0.2	1033	1.8
TOTAL	90215	52.1	0	0	1444	0.8	7209	18.5

TABLE 1.4 - Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2004/05

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	11690	20.7	0	0	41	0.1	1314	2.3
Skilled (Levels 3-5)	10244	68.5	0	0	118	0.8	1095	7.3
Highly skilled production (Levels 6-8)	45241	66.3	0	0	1004	1.5	3653	5.4
Highly skilled supervision (Levels 9-12)	18764	69.5	0	0	282	1	919	3.4
Senior management (Levels 13-16)	4277	57.9	0	0	-1	0	228	3.1
TOTAL	90216	52.1	0	0	1444	3.4	7209	21.5

Employment and vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: - programme (Table 2.1), salary band (Table 2.2) and critical occupations (Table 2.3). Departments have identified critical occupations that need to be monitored. Table 2.3 provides establishment and vacancy information for the key critical occupations of the department.

The vacancy rate reflects the percentage of posts that are not filled.

TABLE 2.1 - Employment and vacancies by programme, 31 March 2005

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Prog 1	241	180	13.88	32
Prog 2	186	118	9.10	32
Prog 3	432	201	15.50	243
Prog 4	437	152	11.72	10
TOTAL	1296	651	50.23	317

TABLE 2.2 - Employment and vacancies by salary bands, 31 March 2005

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	86	52	97.16	216
Skilled (Levels 3-5)	368	110	31.03	51
Highly skilled production (Levels 6-8)	461	380	85.58	46
Highly skilled supervision (Levels 9-12)	349	93	26.59	3
Senior management (Levels 13-16)	32	16	58.06	1
TOTAL	1296	651	49.84	317

TABLE 2.3 - Employment and vacancies by critical occupation, 31 March 2005

Executive Managers	Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
General Managers	Superintendent General	1	1	0	0
Senior Managers		23	13	10	1
Chief Engineer & Equivalent		9	3	6	0
Deputy Chief & Equivalency		35	15	10	0
Principal Town & Reg. Planner & Equivalency		48	3	45	0
Control Industrial Tech		16	1	0	0
Valuer & Equivalency		30	2	28	0
Chief Industrial Technicians & Equivalency		24	18	6	0
Snr. Industrial Technician & Equivalency		7	4	3	0
TOTAL	185	62	113	1	

The information in each case reflects the situation as at 31 March 2005. For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this report.



JOB EVALUATION

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

The following table (Table 3.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

TABLE 3.1 - Job Evaluation, 1 April 2004 to 31 March 2005

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	86	0	0	0	0	0	0
Skilled (Levels 3-5)	368	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	461	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	349	0	0	0	0	0	0
Senior Management Service (Levels 13-16)	32	0	0	0	0	2	0
TOTAL	1625	3	0	0	0	2	0

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

TABLE 3.2 - Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2004 to 31 March 2005

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

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

TABLE 3.3 - Employees whose salary level exceed the grade determined by job evaluation, 1 April 2004 to 31 March 2005 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
	0	0	0	0
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2003/04				
Percentage of total employment				

Table 3.4 summarises the beneficiaries of the above in terms of race, gender, and disability.

TABLE 3.4 - Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2004 to 31 March 2005 (in terms of PSR 1.V.C.3)

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

EMPLOYEES WITH A DISABILITY

[If there were no cases where the remuneration bands exceeded the grade determined by job evaluation, use the following table as TABLE 3.3]

TOTAL NUMBER OF EMPLOYEES WHOSE SALARIES EXCEEDED THE GRADES DETERMINED BY JOB EVALUATION IN 2003/ 04	NONE
---	------



EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 4.1) and by critical occupations (Table 4.2). (These "critical occupations" should be the same as those listed in Table 2.3).

TABLE 4.1 - Annual turnover rates by salary band for the period 1 April 2004 to 31 March 2005

Salary Band	Number of employees per band as on 1 April 2004	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	450	0	67	14.89
Skilled (Levels 3-5)	149	1	30	20.13
Highly skilled production(Levels 6-8)	407	0	33	8.11
Highly skilled supervision(Levels 9-12)	98	6	6	6.12
Senior Management Service Band A	13	4	3	23.08
Senior Management Service Band B	6	1	1	16.67
Senior Management Service Band C	2	0	1	50
Senior Management Service Band D	1	1	0	0
TOTAL	1126	13	141	12.52

TABLE 4.2 - Annual turnover rates by critical occupation for the period 1 April 2004 to 31 March 2005

Occupation:	Number of employees per occupation as on 1 April 2004	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Superintendent General	0	1	0	0
Executive Manager	2	0	0	0
General Managers	6	3	0	0
Senior Managers	23	13	3	13.04
Chief Engineer & Equivalent	9	3	0	0
Deputy Chief & Equivalency	35	15	0	0
Principal Town & Regional Planner & Equivalency	48	4	1	2.8
Control Industrial Tech	16	0	1	6.25
Valuer & Equivalency	30	2	0	0
Chief Industrial Tech & Equiv.	24	18	0	0
Senior Industrial Tech	7	4	0	0

Table 4.3 identifies the major reasons why staff left the department.

Table 4.3 - Reasons why staff are leaving the department

Termination Type	Number	% of total
Death	13	1.34
Resignation	15	1.54
Expiry of contract	1	0.10
Dismissal – operational changes	0	0
Dismissal – misconduct	1	0.10
Dismissal – inefficiency	0	0
Discharged due to ill-health	7	0.61
Retirement	57	5.88
Transfers to other Public Service Departments	42	7.12
Other	5	0.41
TOTAL	141	17.14
TOTAL NUMBER OF EMPLOYEES WHO LEFT AS A % OF THE TOTAL EMPLOYMENT		

Table 4.4 - Promotions by critical occupation

Occupation	Employees as at 1 April 2004	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
NIL	NIL	NIL	NIL	NIL	NIL
TOTAL					

TABLE 4.5 - Promotions by salary band

Salary Band	Employees 1 April 2004	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	353	0	0	169	47.9
Skilled (Levels 3-5)	199	0	0	154	77.5
Highly skilled production (Levels 6-8)	457	0	0	364	79.6
Highly skilled supervision (Levels 9-12)	98	1	1	73	74.5
Senior management (Levels 13-16)	15	5	33.3	0	0
TOTAL	1122	6	34.3	760	67.7



EMPLOYMENT EQUITY

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

TABLE 5.1 - Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2005

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	41	2	0	6	14	0	1	0	64
Professionals	13	0	1	9	6	0	0	1	33
Technicians and associate professionals	10	1	0	20	2	0	0	0	33
Clerks	185	3	0	12	223	2	1	19	445
Service and sales workers									
Skilled agriculture and fishery workers									
Craft and related trades workers									
Plant and machine operators and assemblers									
Elementary occupations	31	0	0	0	38	0	0	0	69
TOTAL									
Employees with disabilities	2	0	0	2	0	0	0	0	4

TABLE 5.2 - Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management									
Professionally qualified and experienced specialists and mid-management									
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents									
Semi-skilled and discretionary decision making									
Unskilled and defined decision making									
TOTAL									

TABLE 5.3 - Recruitment for the period 1 April 2004 to 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	1	0	0	0	2
Senior Management	1	0	0	0	3	0	1	0	5
Professionally qualified and experienced specialists and mid-management	2	0	1	1	0	0	0	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
TOTAL	4	0	1	1	4	0	1	0	11

TABLE 5.4 - Promotions for the period 1 April 2004 to 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0



TABLE 5.5 - Terminations for the period 1 April 2004 to 31 March 2005

Employees with disabilities Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	0	0	0	0	2
Senior Management	1	0	0	1	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	2	1	0	1	1	0	0	0	5
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	1	0	0	0	0	2
Semi-skilled and discretionary decision making	14	0	0	0	153	2	0	1	
Unskilled and defined decision making	42	1	0	0	107	2	1	14	165
TOTAL	62	2	0	3	261	4	1	15	177
Employees with disabilities	0	0	0	0	0	0	0	0	0

TABLE 5.6 - Disciplinary action for the period 1 April 2004 to 31 March 2005

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action									

TABLE 5.7 - Skills development for the period 1 April 2004 to 31 March 2005

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	4	0	0	1	4	0	0	0	9
Professionals	0	0	0	1	0	0	0	0	1
Technicians and associate professionals	25	3	0	4	18	2	0	2	54
Senior Admin Officer	128	14	0	8	187	11	2	26	376
Admin Clerks	41	9	0	5	55	13	2	10	135
General Assistants	31	0	0	0	76	0	0	0	107
TOTAL	229	26	0	19	340	26	4	38	682
Employees with disabilities									

PERFORMANCE REWARDS

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 6.1), salary bands (table 6.2) and critical occupations (Table 6.3).

TABLE 6.1 - Performance Rewards by race, gender, and disability, 1 April 2004 to 31 March 2005

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	482	492		R407772	846
Female	350	354		R273000	780
Asian					
Male	0	0			
Female	4	4		2184	546
Coloured					
Male	25	25		71150	846
Female	6	6		3276	546
White					
Male	55	55		46530	846
Female	30	30		23400	780
Employees with a disability					
TOTAL	952	968		4940880	5190

TABLE 6.2 - Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2004 to 31 March 2005

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	281	288	8%	74465	265	
Skilled (Levels 3-5)	190	192	4%	0350	546	
Highly skilled production (Levels 6-8)	411	417	2%	231804	780	
Highly skilled supervision (Levels 9-12)	71	71	5%	55380		
TOTAL		968	19%			

TABLE 6.3 - Performance Rewards by critical occupations, 1 April 2004 to 31 March 2005

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
	NIL	NIL	NIL		
	NIL	NIL	NIL		
	NIL	NIL	NIL		
	NIL	NIL	NIL		
	NIL	NIL	NIL		
	NIL	NIL	NIL		
TOTAL	NIL	NIL	NIL		



TABLE 6.4 - Performance related rewards (cash bonus), by salary band, for Senior Management Service

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	NIL	NIL	NIL			
Band B	NIL	NIL	NIL			
Band C	NIL	NIL	NIL			
Band D	NIL	NIL	NIL			
TOTAL	NIL	NIL	NIL			

FOREIGN WORKERS

The tables below summarise the employment of foreign nationals in the department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

TABLE 7.1 - Foreign Workers, 1 April 2004 to 31 March 2005, by salary band

Salary Band	1 April 2004		31 March 2005		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)						
Skilled (Levels 3-5)						
Highly skilled production (Levels 6-8)						
Highly skilled supervision (Levels 9-12)	10	1.03	10	1.03	0	0
Senior management (Levels 13-16)						
TOTAL	10	1.03	10	1.03	0	0

LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2004 TO 31 DECEMBER 2004

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

TABLE 8.1 - Sick leave, 1 January 2004 to 31 December 2004

Salary Band	Total days	% days with medical Certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	610	93.9	66	14	9	87
Skilled (Levels 3-5)	727.5	88.2	72	15.3	10	162
Highly skilled production (Levels 6-8)	2605	86.9	272	57.9	10	1.025
Highly skilled supervision (Levels 9-12)	502	92.8	55	11.7	9	350
Senior management (Levels 13-16)	23	95.7	5	1.1	5	41
TOTAL	4467.5	88.8	470	100	10	1665

TABLE 8.2 - Disability leave (temporary and permanent), 1 January 2004 to 31 December 2004

Salary Band	Total days taken	% days with medical Certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	52	100	3	15.8	17	7
Skilled (Levels 3-5)	171	100	2	10.5	86	45
Highly skilled production (Levels 6-8)	792	97.3	12	63.2	66	327
Highly skilled supervision (Levels 9-12)	273	100	2	10.5	137	175
Senior management (Levels 13-16)	0	0	0	0	0	0
TOTAL	1288	98.4	19	100	68	554

Table 8.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

TABLE 8.3 - Annual Leave, 1 January 2004 to 31 December 2004

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	3170	14
Skilled Levels 3-5)	2993.08	15
Highly skilled production (Levels 6-8)	8879	21
Highly skilled supervision (Levels 9-12)	1744	17
Senior management (Levels 13-16)	154	11
TOTAL	16940.08	18

TABLE 8.4 - Leave payouts for the period 1 April 2004 to 31 March 2005

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

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2004/05 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2004/05	366	78	21.31
Current leave payout on termination of service for 2004/05	114	16	14.03
TOTAL	480	84	17.5

HIV AND AIDS & HEALTH PROMOTION PROGRAMMES

TABLE 9.1 - Steps taken to reduce the risk of occupational exposure

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

TABLE 9.2 - Details of Health Promotion and HIV and AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Y		Ms Maseko
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Y		2 staff R480000 (including bill)
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Y		General lay counselling & peer education
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Y		Highlighted in page 2+5 of the policy
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	y		policy in place
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.			One officer disclosed
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.			
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.			

LABOUR RELATIONS

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

TABLE 10.1 - Collective agreements, 1 April 2004 to 31 March 2005

Subject Matter	Date
NIL	NIL

If there were no agreements, then use the following table

TOTAL COLLECTIVE AGREEMENTS	NONE
-----------------------------	------

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

TABLE 10.2 - Misconduct and disciplinary hearings finalised, 1 April 2004 to 31 March 2005

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	
Verbal warning	2	
Written warning	2	
Final written warning	1	
Suspended without pay	3	
Fine	-	
Demotion	1	
Dismissal	1	
Not guilty	-	
Case withdrawn	-	
TOTAL	10	

If there were no disciplinary hearings, then use the following table

Disciplinary hearings – 2003/04	None
---------------------------------	------

TABLE 10.3 - Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Negligence	3	
Conduct Unbecoming	1	
Fraud	1	
Loss of Property (Hijacking)	2	

TABLE 10.4 - Grievances lodged for the period 1 April 2004 to 31 March 2005

	Number	% of Total
Number of grievances resolved	41	
Number of grievances not resolved	3	
TOTAL NUMBER OF GRIEVANCES LODGED	44	



TABLE 10.5 - Disputes lodged with Councils for the period 1 April 2004 to 31 March 2005

	Number	% of Total
Number of disputes upheld		
Number of disputes dismissed		
Total number of disputes lodged	3 (arbitrations)	

TABLE 10.6 - Strike actions for the period 1 April 2004 to 31 March 2005

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

TABLE 10.7 - Precautionary suspensions for the period 1 April 2004 to 31 March 2005

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

SKILLS DEVELOPMENT

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

TABLE 11.1 - Training needs identified 1 April 2004 to 31 March 2005

Occupational Categories	Gender	Number of employees as at 1 April 2004	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	4		PFMA, Proj Mngt, Lab Rel, Job Eval, Women in Leadership		4
	Male	5				5
Professionals	Female	0				0
	Male	1		Auto cad		1
Asst Director/ Deputy Director	Female	16		PFMA, Proj. Mngt, Lab Rel., Women in Leadership, Pol Dev, Fac, Change Mngt, Housing Fin, Events Mngt, Writing Skills, Lab Law, Sup Dev, HRM, Procurement, IT Supp, Rural Dev, Munic Fin, Disaster Mngt	Gender, Equity, PMDS	16
	Male	32		-do-		32
Senior Admin Officer	Female	226		-do-		226
	Male	146		-do-		146
Admin Clerks	Female	80		Gender, Equity, PMDS		80
	Male	55		-do-		55
General Assistants	Female	76		ABET, Stress, Mngt		76
	Male	31		Carpentry, Plumbing		31
TOTAL		672				672

TABLE 11.2 - Training provided 1 April 2004 to 31 March 2005

Occupational Categories	Gender	Number of employees as at 1 April 2004	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	4		PFMA, Proj Mngt, Lab Rel, Job Eval, Women in Leadership		4
	Male	5				5
Professionals	Female	0				0
	Male	1		Auto cad		1
Asst Director/ Deputy Director	Female	22		PFMA, Proj. Mngt, Lab Rel., Women in Leadership, Pol Dev, Fac, Change Mngt, Housing Fin, Events Mngt, Writing Skills, Lab Law, Sup Dev, HRM, Procurement, IT Supp, Rural Dev, Munic Fin, Disaster Mngt	Gender, Equity, PMDS	22
	Male	32		-do-		32
Senior Admin Officer	Female	226		-d0-		226
	Male	150		-do-		150
Admin Clerks	Female	80		Gender, Equity, PMDS		80
	Male	55		-do-		55
General Assistants	Female	76		ABET, Stress, Mngt		76
	Male	31		Carpentry , Plumbing		31
TOTAL		682				682

INJURY DUTY

The following tables provide basic information on injury on duty.

TABLE 12.1 - Injury on duty, 1 April 2004 to 31 March 2005

Nature of injury on duty	Number	% of total
Required basic medical attention only	5	0.51%
Temporary Total Disablement		
Permanent Disablement	1	0.1%
Fatal	1	0.1%
TOTAL		0.71%



UTILISATION OF CONSULTANTS

TABLE 13.1 - Report on consultant appointments using appropriated funds.

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand

TABLE 13.2 - Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project

TABLE 13.3 - Report on consultant appointments using Donor funds

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand

TABLE 13.4 - Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project

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