

Consolidating for sustainable service delivery



Department of Local Government

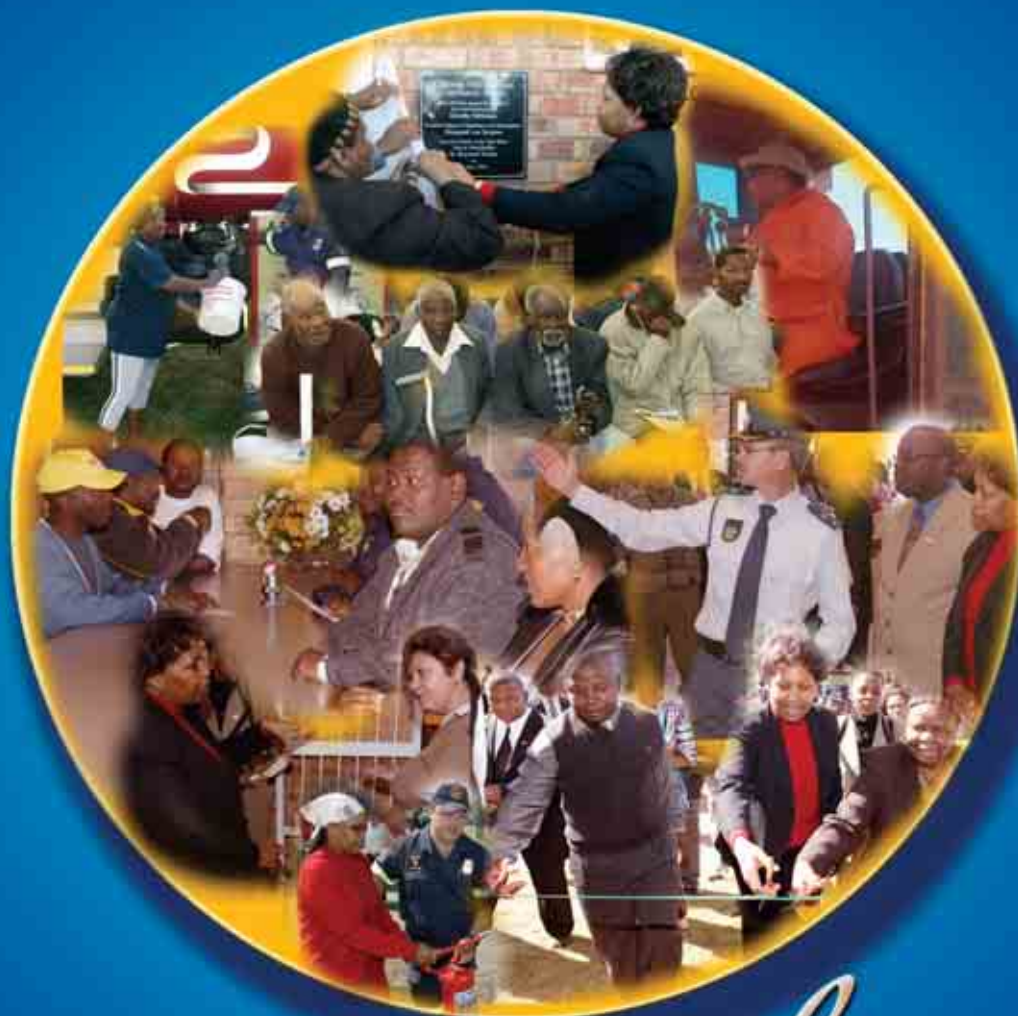
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Batho Pele "Waya Waya"



Department of Local Government



Annual Report

2004/2005

Consolidating for sustainable service delivery

Vision

To ensure that Gauteng Province comprises *viable local government and sustainable communities*.

Mission

The Department's mission is to:

- monitor and support developmental local government
- promote integrated service delivery; and
- enable Gauteng become a globally competitive city region.

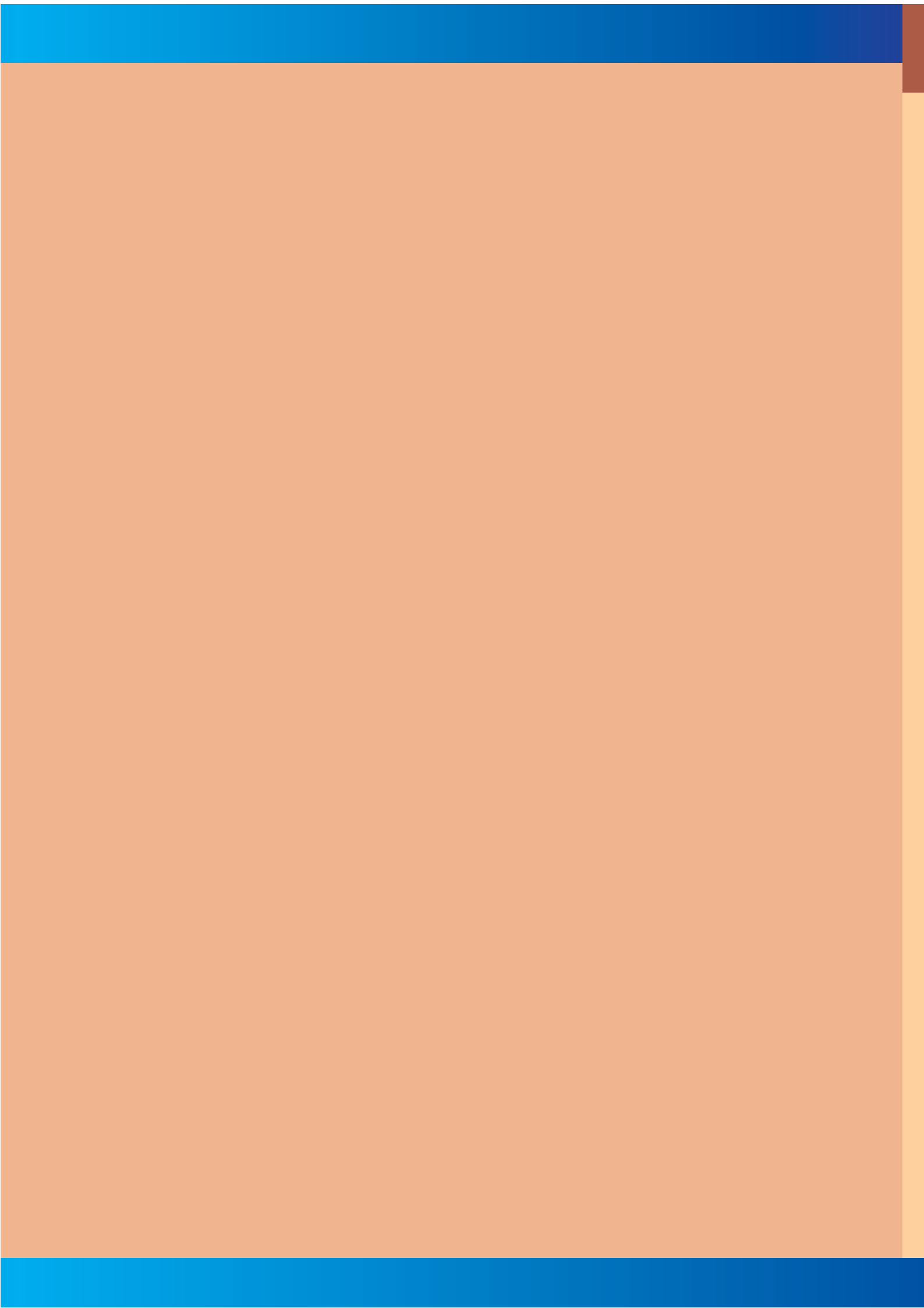


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Acronyms and Abbreviations

● BAS	Basic Accounting System
● BEE	Black Economic Empowerment
● CDW	Community Development Workers
● DLG	Department of Local Government
● DM	District Municipality
● DPLG	Department of Provincial and Local Government
● DPSA	Public Service Administration
● EPWP	Expanded Public Works Programme
● EDC	Entrepreneurial Development Centre
● ERMIS	Emergency Response Management Information System
● ESTA	Extension of Tenure Security Act
● EXCO	Executive Council
● FBS	Free Basic Services
● GAAP	Generally Accepted Accounting Practice
● GAMAP	Generally Accepted Municipal Accounting Practices
● GEDA	Gauteng Economic Development Agency
● GIDP	Gauteng Integrated Development Plan
● GLC	Gauteng Land Committee
● GPG	Gauteng Provincial Government
● GRAP	Generally Recognised Accounting Practice
● GSSC	Gauteng Shared Services Centre
● HIV	Human Immunodeficiency Virus
● HR	Human Resources
● IDP	Integrated Development Plans
● IEC	Independent Electoral Commission
● IGR	Intergovernmental Relations
● KPI	Key Performance Indicators
● LED	Local Economic Development
● LTA	Labour Tenant Act
● MEC	Member of Executive Council
● MFMA	Municipal Finance Management Act
● MIDP	Municipal Integrated Development Plans
● MIG	Municipal Infrastructure Grant
● MISC	Municipal Institutional Support Centre
● M&E	Monitoring and Evaluation
● MTEF	Medium Term Expenditure Framework
● NER	National Electricity Regulator
● NGO	Non Governmental Organisations
● PCC	President's Co-ordinating Council
● PDMAF	Provincial Disaster Management Advisory Forum
● PDMC	Provincial Disaster Management Centre
● PFMA	Public Finance Management Act
● PGDS	Provincial Growth and Development Strategy
● PMS	Performance Management System
● PIDP	Provincial Integrated Development Plan
● PIE	Prevention of Illegal Eviction
● PIER	Public Information Education and Relations Programme
● PSCBC	Public Service Central Bargaining Chamber
● SAICA	South African Institute of Chartered Accountants
● SCOPA	Standing Committee on Public Accounts
● SETA	Sector Education and Training Authority
● SITA	State Information and Technology Agency
● SALGA	South African Local Government Association
● SAMDI	South African Management Development Institute
● SMMEs	Small, Medium and Micro Enterprises

Section

1

Executive Summary



Senior Management



***Shan Balton Deputy
Director General***



***Pieter Crywagen
Chief Financial Officer***



***Motubatse Motubatse
Chief Director: Local
Government Support***



***Mpho Mogale
Chief Director:
Governance***



***Rashka Padarath
Director: MIDP***



***Collin Deiner
Director: Disaster
Management & Fire
Brigade Services***



***Quinton Kuhn
Director: Legal Services***



***Joseph Gomba
Director: Finance***

Vacant: Chief Director Monitoring and Evaluation Policy Research



Connie Muvunyi
Director: Communications & IGR



Khulekile Mase
Director: Research



Qondile Zimu
Director: Human Resource Development



Bongani Ngomane
Director: Land Management



Lebogang Tladinyane
Director: Strategic Support Services



Doctor Tshwale
Director: Office of the MEC



Russel McGregor
Director: Community Development Workers



Gigi Gosnell
Director: Monitoring & evaluation

**REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL
LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 8 –
DEPARTMENT OF LOCAL GOVERNMENT
FOR THE YEAR ENDED 31 MARCH 2005**

AUDITOR- GENERAL



A U D I T O R - G E N E R A L

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 35 to 78, for the year ended 31 March 2005, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

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

An audit includes:

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

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

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. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Department of Local Government at 31 March 2005 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended.

4. EMPHASIS OF MATTER

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

4.1 Breach of contract

As disclosed in note 25, the department awarded a contract to a service provider for the implementation of a municipal financial monitoring system. Subsequently, the department decided to review the implementation of the project resulting in the cancellation thereof. The service provider has issued a summons against the department on the grounds of expenses incurred on the project.

4.2 Contract management

An amount of R230 280 was paid to a service provider prior to completion of a project irrespective of the fact that the terms of the contract stipulated that payments should only be made after completion.

4.3 Land register for Gauteng Province

The authority to acquire or dispose of provincially owned land was assigned to the Department of Local Government in terms of the provisions of the

Gauteng Land Administration Act, 1996 (Act No. 11 of 1996) as amended. Section 2(4) of the said Act further provides that the Member of the Executive Council shall ensure that a consolidated register is established and maintained in order to reflect all provincial land.

At the date of this report, a complete consolidated register reflecting all provincial land had not been compiled. The department is compiling such a register.

In accordance with the prescribed accounting framework issued by National Treasury, no specific guideline exists for the capitalization and valuation of state-owned land in the balance sheet of the relevant department.

4.4 Fixed assets

During the audit of assets, the following control weaknesses were identified:

- (i) Assets acquired during the financial year were not allocated asset numbers and consequently the assets were not captured on the asset management system.
- (ii) The department did not have an approved policy for the maintenance, usage and disposal of fixed assets.

4.5 Information system audit of the general controls surrounding the information technology environment

The IT environment is supported by transversal and Department specific, general and application controls.

Arising from the IT audit performed by both internal and external auditors, the following significant findings were identified:

- (i) A formal change control policy had not been implemented.
- (ii) Back-up procedures were not adequately documented.
- (iii) A formal IT strategy and a steering committee to oversee IT activities did not exist.
- (iv) Security administration was inadequate and an information security policy had not been formalised and implemented.
- (v) A business continuity plan incorporating a disaster recovery plan did not exist.

- (vi) Significant control weaknesses surrounding user account management on BAS and PERSAL existed.

Weaknesses pertaining to change control, security and logical access controls on the operating system and user account management raised concerns regarding the integrity of the data.

4.6 Submission of annual financial statements

The annual financial statements for the Department of Local Government were submitted on 31 May 2005. Due to significant findings the statements were rectified and a final set was re-signed on 15 June 2005 and presented for audit.

5. APPRECIATION

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



**I. Vanker for Auditor-General
Johannesburg**

30 July 2005

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT
VOTE 8
MANAGEMENT REPORT
for the year ended 31 MARCH 2005

Management Report

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

I. General review of the state of financial affairs

The department formulated its activities for 2004/2005 around the strategic plan which reflects the departments continued focus to implement programmes and projects in a manner that enable government to accelerate local government transformation, service delivery, development and change so that democracy becomes more meaningful. The achievements of the department for 2004/2005 demonstrate the focussed approach adopted by the department in concentrating on service delivery as a means of achieving sustainable communities. The activities of the department placed emphasis on applying all sources of funding available to the department economically and effectively and ensuring that maximum benefit is achieved through well aligned operational plans.

Spending trends

The budget allocation for 2004/2005 remained at R237m when compared to that of the previous year. The department spent 89.9% of the allocated budget for 2004/2005, as reflected below. Refer to the section "Notes to the Appropriation Statement" in the annual financial statements for a detailed explanation for the under expenditure. An application for the rollover of the unspent funds has been lodged with provincial Treasury in this regard. The table below reflects expenditure trends over the last three years.



Description	2002/2003 R'000	2003/2004 R'000	2004/2005 R'000
Budget	160,456	237,841	237,367
Actual	149,935	210,475	213,405
Under/(Over) Expenditure	10,521	27,366	23,962
% Under/(Over) Expenditure	6.6%	11.5%	10.1%

Table 1: Total Budget vs Total Actual Expenditure

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT VOTE 8

Management Report for the year ended 31 MARCH 2005

The breakdown of projects that contributed a significant portion of the under expenditure at year end is as follows:

Project	Comments	Under Expenditure R'000
Capital Expenditure	Refer to the section "Notes to the Appropriation Statement"	R900
Ex- Development Board Pension Consultant Services (Legal) Municipal Infrastructure Grant	in the annual financial statements Refer to the section "Notes to the Appropriation Statement" in the annual financial statements	R516 R900 R1,491
Disaster Management	Refer to the section "Notes to the Appropriation Statement" in the annual financial statements	R1,195
Community Development Workers	Refer to the section "Notes to the Appropriation Statement" in the annual financial statements	R8,735
HIV/Aids Project	Refer to the section "Notes to the Appropriation Statement" in the annual financial statements	R2,200
Citizen Satisfaction Survey		R2,500

Table 2: Under Expenditure by projects

Spending on infrastructure through MIG and the water and sanitation project of R99,258m accounted for 46.5% of the actual expenditure for 2004/2005. This was in line with government's stated goal of providing basic services to communities. These projects were implemented mainly through municipalities within the province.

Expenditure trends when compared to last year were as follows:

Economic Classification	Amount R'000 2004/2005	Amount R'000 2003/2004	% change
Compensation of employees	30,273	35,243	-14.5%
Use of goods and services	43,047	71,785	-40.0%
Property expenses	9,555	9,731	-1.8%
Transfer payments	130,108	93,040	40.0%
Machinery and equipment	343	676	-49.2%
Theft and Losses	79		
Total Expenditure	213,405	210,475	1.4%

Table 3: Expenditure comparison by economic classification

The decrease in compensation of employees from R35.2m last year to R30.2m for 2004/2005 resulted mainly due to employees of Development Planning being transferred to Department of Finance and Economic Affairs.

The decrease in use of goods and services of 40% when compared to last year is attributed mainly to the discontinuing of MISC, the Local Governance project in respect of Municipal Administration.

Transfer payments increased by 40% when compared to last year. This increase was mainly due to the transfer payments of R99m made to the municipalities for Water and Sanitation.

Inventories

Inventories on hand at year end amounted to R25 000. In the prior year inventories on hand amounted to R34 000. The variance is attributed to the decrease in stock levels kept by the department to reduce inventory carrying costs and the risks related in keeping high stock levels. Inventories are valued on the FIFO basis.

2. Services rendered by the department

2.1 The department is organised into the following programmes:

- Programme 1 – Administration
- Programme 2 – Local Governance
- Programme 3 – Development and Planning

2.2 Tariff policy

The Gauteng Department of Public Works determines the tariff for parking provided to staff members. The applicable rate for 2004/2005 was R30 per month.

3. Capacity constraints

The restructuring of the department resulted in a new organisational structure with specific skills, experience and competencies at senior management level.

From time to time the department requires specialised capacity in dealing with various issues around financial management, local government support, local economic development and Integrated Development Planning. Where there is no capacity available in the department to effectively carry out these activities, external service providers are engaged to provide the necessary capacity.

The long-term goal of the department is to develop in house capacity to deal with specialised areas of intervention. As a result, whenever external service providers are engaged, staff members are allocated to them to ensure skills transfer and work towards developing internal capacity.

4. Utilisation of donor funds

No donor funds were received for the year under review.

5. Trading entities/public entities

There are no other public entities under the control of the department.

6. Other organisations to whom transfer payments have been made

The department processed transfer payments amounting to R130,231m (including R123,000 RSC Levy Transfers) to municipalities. Refer to Annexure IB of the annual financial statements for the list of municipalities to whom transfer payments were made. The details of the transfers are as follows:

Programme/Project	Amount transferred R'000
HIV/AIDS	15,800
Local Support Grants	15,050
Water and Sanitation	99,258

Table 4 – transfer payments per programme/project

7. Corporate governance arrangements

7.1 Risk management approach

In the broadest sense, effective risk management ensures the continuity of government operations and the maintenance of services to, and protection of the interests of, the public. Because all manner of risks are present throughout government operations, successful delivery of a program is contingent upon effective and cohesive management of those risks.

The department has adopted an approach to risk management that focuses on both financial and non-financial risks, with a view to ensuring that risk management is pervasive throughout the operations of the organisation. Managers throughout the department play an important role in the management of events and circumstances that contain certain elements of risk above the acceptable threshold. A risk management model has been implemented with assistance from the Gauteng Audit Services.

7.2 Fraud prevention policies

The risk management policy framework and the related guidelines are vital to fraud prevention within the department. The department has a fraud prevention plan in place, which was formulated based on the risk assessment. The plan is updated regularly based on changes in the risk assessment.

7.3 Effectiveness of internal audit and audit committee

The internal audit function is located at the Gauteng Shared Services Centre, as an independent function. The department works closely with internal audit in planning internal audits, identifying high-risk areas, formulating control measures and the implementation of internal audit findings.

Internal audit assisted the department in the completion of the risk assessment process for 2004/2005. This assessment was done in collaboration with managers within the department. The assessment focussed on all programmes of the Department. It is the intention of the department to update their risk assessments through control self assessment workshops in 2005/2006.

Planned internal audits were completed in the following areas during 2004/2005:

- Procurement and Sundry Payments
- Contract Management and Consultants
- Subsistence and Travel Allowance
- General Computer Control Review

The Audit Committee met five times during 2004/2005 to consider the following issues:

- Report of the Auditor General for 2003/2004
- Internal Audit reports for 2004/2005

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT VOTE 8

MANAGEMENT REPORT for the year ended 31 MARCH 2005

- Implementation of Internal Audit Recommendations.
- Findings of the Auditor General
- Internal Audit plan
- Review of departmental performance

8. New/proposed activities

The CDW project commenced during 2005/2006. This project is aimed at bridging the gap between government service delivery and peoples access to the services.

The programme is being implemented under good Governance, which is focussed on improving and strengthening governance.

The programme is expected to be continuous. The budget for this project for the MTEF period 2004/05 – 2007/08 is R139 million. Funding will come from the Provincial Treasury. Provincial Treasury contributed R26m to the programme during 2004/2005.

9. Events after the reporting date

The department employed a 199 CDW's as full time public servants with effect from 1 May 2005 and deployed the CDW's throughout the Gauteng Province into specific wards.

10. Public Private Partnerships (PPP)

No Public Private Partnerships have been undertaken or entered into by the Department

11. Discontinued activities /activities to be discontinued

The Local Governance project in respect of Municipal Administration namely Municipal Information Service Centre's (MISC) has been completed and no further activities in this regard is planned.

12. SCOPA Resolutions

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
Recommendation 6.3 of SCOPA 10 February 2005 requested a status report on over expenditure to be submitted.	Over expenditure of R928 256.63 on compensation of employees.	Department of Local Government is of the opinion that the decision of SCOPA was very harsh, a letter requesting SCOPA to review its decision was sent on 31 January 2005. Still awaiting the outcome.
Recommendation 6.4 of SCOPA 10 February 2005 requested a status report regarding the compilation of the land asset register project by 31 January 2005.	The process in relation to the compilation of the consolidated land asset register.	The Department of Local Government completed the process of data verification of data captured for accuracy only and verification through the deeds search, valuation and physical verification is being undertaken and will be completed before the end of the current financial year.

13. Progress with financial management improvement

The department is continuing with the implementation of measures aimed at enhancing financial accountability, budgetary control, expenditure management and enhanced service delivery.

Managers play a vital role in the development of programme budgets, based on the activities of the programmes for the year. Managers also play a vital role in the management of programme resources, including financial resources, during the year. The internal Finance unit is responsible for the overall coordination and reporting of financial and

non-financial performance, based on reports from programme managers. These reports are reviewed regularly to ensure that programme activities are aligned to the strategic goals of the department.

Key policies and procedures are currently being implemented to ensure that planning and implementation of projects takes place in an orderly manner. In addition, policies are being put in place to ensure that public resources are utilised in a responsible manner and to ensure overall accountability over resources entrusted to programmes for the implementation of their projects. Recommendations from the Auditor General and the internal audit unit are taken into account in enhancing departmental systems and improving financial and non-financial controls.

Review of financial performance takes place on a regular basis to ensure that the use of financial resources is in accordance with the operational plans of the department and that the expected targets are met. This review is done as part of the overall performance review process of the department, to determine progress towards achievement of departmental objectives.

The department submits reports to Treasury on a regular basis, in accordance with the Public Finance Management Act, as part of the In Year Monitoring processes.

14. Performance against predetermined objectives

14.1 Programme 1 – Administration

The programme provided highly skilled Financial Management support to the department and assisted to promote affirmative procurement in order to sustain development and job creation. The department acquired, developed and retained staff with skills necessary to achieve the departmental objectives. Wellness programmes introduced incorporated issues of HIV/AIDS and pre and post counselling. The five year strategic plan of the Department is developed to guide the consolidation of municipal transformation. This process evolved to a sustainability phase of municipalities to ensure their ongoing viability. Critical also is the building of a department that will be the nerve centre for local government support in the province. This was done through a carefully planned organisational restructuring process that is signified by professional staff with expertise in areas of local government.

14.2 Programme 2 – Local Government

The department progressed in the process of ensuring that municipality evolve to a sustainability phase and remained viable. When municipalities are stable and developmental, they create a foundation

for economic and social progress. The financially viable municipalities in Gauteng are institutionally sound, efficient and effective. Municipalities were assisted to become capable of co-ordinating, integrating and supporting HIV/AIDS programmes in their localities. The department provided engineering advice to statutory bodies and municipalities and co-ordinated implementation of consolidated infrastructure programmes in municipalities including the provision of water and sanitation infrastructure to previously disadvantaged areas especially informal settlements. The department also co-ordinated the provision of basic infrastructure in the province through the Municipal Infrastructure Programme (MIG).

The department developed a draft strategic policy framework for disaster management. The department also rolled out Fire Awareness Campaigns through the Public, Information, Education and Relations Programme (PIER).

This programme also co-ordinated CDW's under Municipal Administration to bridge the gap between government service delivery and peoples access to the services, resulting in an increased number of communities being informed of and can access government services.

14.3 Programme 3 – Development and Planning

The Department increased the efficiency of the land disposal and acquisition system in order to eradicate backlogs and to introduce a responsive system to client departments.

The Municipal IDP's have been refined and communicated to stakeholders and municipalities in terms of key strategic issues. IDP's are now more consistent and aligned with the PIDP.

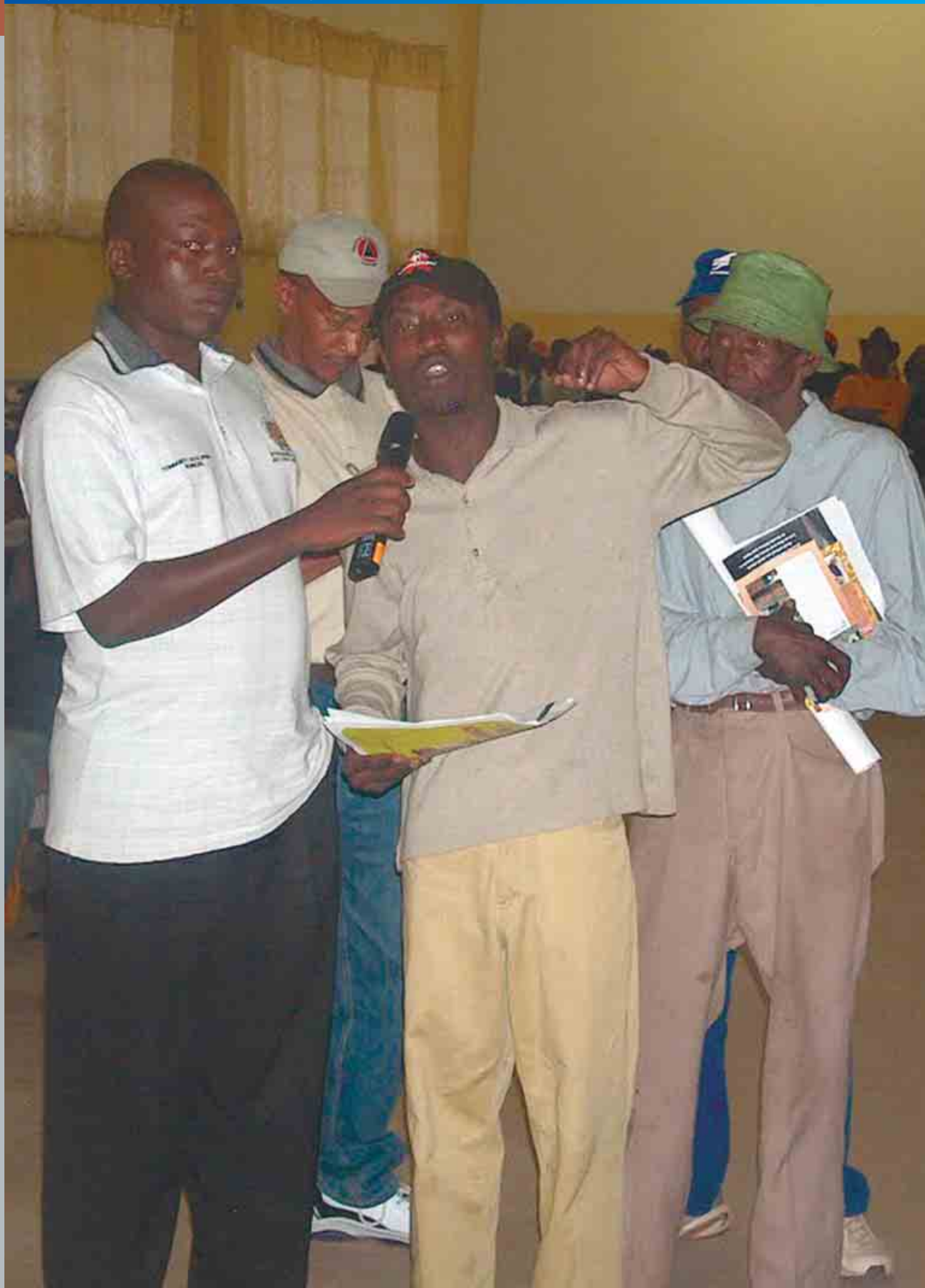
Part of this programme has been transferred to the Department Finance and Economic Affairs at the beginning of May 2004 through an announcement by the Premier transferring Provincial IDP's, Local Economic Development and Township Appeal Boards.

Approval

The annual financial statements set out on pages 41 to 78 have been approved by the Accounting Officer.



Oupa Seabi
Head of Department
Date: 15 June 2005



GAUTENG DEPARTMENT OF LOCAL GOVERNMENT
VOTE 8
STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
for the year ended 31 March 2005

Annual Financial Statements

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

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT VOTE 8 STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 March 2005

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.

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT
VOTE 8
STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
for the year ended 31 March 2005

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.

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT VOTE 8 STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 March 2005

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-ends.

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT
VOTE 8
APPROPRIATION STATEMENT
for the year ended 31 March 2005

Appropriation per programme									
	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme 1									
Administration									
Current payment	43,368		292	43,660	41,551	2,109	95.2%	41,719	42,647
Transfers and subsidies									
Payment for capital assets	1,222			1,222	274	948	22.4%	765	147
2. Programme 2									
Local Governance									
Current payment	56,482		-349	56,133	37,498	18,635	66.8%	79,534	57,096
Transfers and subsidies	130,050		57	130,107	130,108	-1	100.0%	65,040	65,275
Payment for capital assets	18			18	18		100.0%		195
3. Programme 3									
Development and Planning									
Current payment	6,014		-4	6,010	3,905	2,105	64.7%	22,783	17,015
Transfers and subsidies								28,000	28,000
Payment for capital assets	213		4	217	51	166	23.5%		100
Subtotal	237,367			237,367	213,405	23,962	89.9%	237,841	210,475
Statutory Appropriation									
Current payment									
Transfers and subsidies									
Payment for capital assets									
TOTAL	237,367			237,367	213,405	23,962	89.9%	237,841	210,475
Reconciliation with Statement of Financial Performance									
Prior year unauthorised expenditure approved with funding				138,700				53,679	
Departmental revenue received				217				1,368	
Local and foreign aid assistance received									
Actual amounts per Statements of Financial									
Performance (Total revenue)				376,284				292,888	
Investments acquired and capitalised during the current financial year, but expensed for appropriation purposes									
Other payments in Appropriation Statement, not accounted for in Statement of Financial Performance									
Local and foreign aid assistance									
Prior year unauthorised expenditure approved					138,700				53,679
Prior year fruitless and wasteful expenditure condoned									
Actual amounts per Statements of Financial									
Performance (Total expenditure)					352,105				264,154

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT
VOTE 8
APPROPRIATION STATEMENT
for the year ended 31 March 2005

Appropriation per economic classification									
	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	31,919		3,458	35,377	30,273	5,104	86.3%	35,447	35,243
Goods and services	64,214		-3,519	60,695	43,047	17,648	70.9%	98,858	71,785
Interest and rent on land	9,731			9,731	9,555	176	98.2%	9,731	9,731
Financial transactions in assets and liabilities					79	-79			
Transfers and subsidies to:									
Provinces and municipalities	130,050		57	130,107	130,108	-1	100%	93,040	93,040
Departmental agencies and accounts									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households									
Gifts and donations									
Payment for capital assets									
Buildings and other fixed structures									
Machinery and equipment	1,453		4	1,457	343	1,114	23.5%	765	676
Biological or cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total	237,367			237,367	213,405	23,962	89.9%	237,841	210,475

Statutory Appropriation									
	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Details of direct changes against the National / Provincial Revenue Fund									
List all direct charges against the Revenue Fund									
President and Deputy President salaries									
Minister and Deputy Ministers salaries									
Member of executive committee / parliamentary officers									
Judges salaries									
Sector education and training authorities (SETA)									
National Skills Fund									
Total									

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT
VOTE 8
APPROPRIATION STATEMENT
for the year ended 31 March 2005

Programme / Administration per subprogramme	2004/05							2003/04	
	Adjusted	Shifting		Final	Actual		Payment	Final	Actual
	Appropriation	of Funds	Virement	Appropriation	Expenditure	Variance	as % of final appropriation	Appropriation	Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
I.1 Office of the MEC									
Current payment	2,449		292	2,741	2,194	547	80.0%	1,733	1,900
Transfers and subsidies									
Payment for capital assets	122			122	16	106	13.1%		
I.2 Corporate Services									
Current payment	40,919			40,919	39,357	1,562	96.2%	39,986	40,747
Transfers and subsidies									
Payment for capital assets	1,100			1,100	258	842	23.5%	765	147
I.3 Repeat for all subprogrammes									
Current payment									
Transfers and subsidies									
Payment for capital assets									
TOTAL	44,590		292	44,882	41,825	3,057	93.2%	42,484	42,794

Economic Classification	2004/05							2003/04	
	Adjusted	Shifting		Final	Actual		Payment	Final	Actual
	Appropriation	of Funds	Virement	Appropriation	Expenditure	Variance	as % of final appropriation	Appropriation	Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	9,792		3,752	13,544	14,460	-916	106.9%	12,017	13,420
Goods and services	23,845		-3,460	20,385	17,459	2,926	85.6%	19,971	19,497
Interest and rent on land	9,731			9,731	9,555	176	98.2%	9,731	9,731
Financial transactions in assets and liabilities					77	-77			
Transfers and subsidies to:									
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households									
Gifts and donations									
Payment for capital assets									
Buildings and other fixed structures									
Machinery and equipment	1,222			1,222	274	948	22.4%	765	146
Biological or cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total	44,590		292	44,882	41,825	3,057	93.2%	42,484	42,794

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT
VOTE 8
APPROPRIATION STATEMENT
for the year ended 31 March 2005

	2004/05							2003/04	
Programme 2 Local Governance per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Municipal Administration									
Current payment	37,426		-292	37,134	25,987	11,147	70.0%	56,114	37,846
Transfers and subsidies	15,800			15,800	15,800		100.0%	2,040	2,040
Payment for capital assets									77
2.2 Municipal Finance									
Current payment	4,711			4,711	4,270	441	90.6%	567	607
Transfers and subsidies	15,050			15,050	15,050		100.0%		
Payment for capital assets									11
2.3 Municipal Infrastructure									
Current payment	9,203		-57	9,146	6,088	3,058	66.6%	17,931	13,984
Transfers and subsidies	99,200		57	99,257	99,258	-1	100.0%	63,000	63,000
Payment for capital assets									107
2.4 Disaster Management									
Current payment	5,142			5,142	1,153	3,989	21.7%	4,922	4,659
Transfers and subsidies									235
Payment for capital assets	18			18	18		100.0%		
TOTAL	186,550		-292	186,258	167,624	18,634	90.0%	144,574	122,566

	2004/05							2003/04	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	18,875		-292	18,583	13,755	4,828	75.2%	17,483	14,914
Goods and services	37,607		-57	37,550	23,743	13,807	63.1%	62,051	42,182
Interest and rent on land									
Financial transactions in assets and liabilities									
Transfers and subsidies to:									
Provinces and municipalities	130,050		57	130,107	130,108	-1		65,040	65,040
Departmental agencies and accounts									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households									
Gifts and donations									
Payment for capital assets									
Buildings and other fixed structures									
Machinery and equipment	18			18	18		100.0%		430
Biological or cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total	186,550		-292	186,258	167,624	18,634	90.0%	144,574	122,566

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT
VOTE 8
APPROPRIATION STATEMENT
for the year ended 31 March 2005

	2004/05							2003/04	
Programme 3 Development Planning per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Spatial Planning									
Current payment							958	1,376	
Transfers and subsidies									
Payment for capital assets									
3.2 Development Administration / Land Use Management									
Current payment	2,570		-4	2,566	1,989	577	77.5%	3,023	2,928
Transfers and subsidies									
Payment for capital assets	30		4	34	34		100.0%		
3.3 Integrated Development Planning									
Current payment	3,444			3,444	1,916	1,528	55.1%	6,066	5,620
Transfers and subsidies									
Payment for capital assets	183			183	17	166	9.3%		
3.4 Local Economic Development(LED) Development and Planning									
Current payment								12,736	7,091
Transfers and subsidies								28,000	28,000
Payment for capital assets									100
TOTAL	6,227			6,227	3,956	2,271	63.5%	50,783	45,115

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT
VOTE 8
APPROPRIATION STATEMENT
for the year ended 31 March 2005

Economic classification	2004/05							2003/04	
	Adjusted	Shifting		Final	Actual		Payment	Final	Actual
	Appropriation	of Funds	Virement	Appropriation	Expenditure	Variance	as % of final appropriation	Appropriation	Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	3,252		-2	3,250	2,058	1,192	63.1%	5,947	6,909
Goods and services	2,762		-2	2,760	1,845	915	66.8%	16,836	10,106
Interest and rent on land									
Financial transactions in assets and liabilities					2	-2			
Transfers and subsidies to:									
Provinces and municipalities								28,000	28,000
Departmental agencies and accounts									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households									
Gifts and donations									
Payment for capital assets									
Buildings and other fixed structures									
Machinery and equipment	213		4	217	51	166	23.5%		100
Biological or cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total	6,227			6,227	3,956	2,271	63.5%	50,783	45,115

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT
VOTE 8
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	%
Programme 1 – Administration	44,882	41,825	3,057	93.0%
Programme 2 – Local Governance	186,258	167,624	18,634	90.0%
Programme 3 – Development and Planning	6,227	3,956	2,271	63.0%

The under-expenditure on programme 1 Administration is due to savings incurred on the rental of Corner House building, Ex-Development board funds not utilised and savings in respect of capital expenditure.

The under expenditure on programme 2 Local Governance resulted due to the CDW'S not being appointed during the financial year under review, MIG management fees not fully utilised and the funds received during the adjustment budget not fully utilised.

The under-expenditure on programme 3 Development and Planning is due to the MIDP projects not completed during the financial year under review.

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT VOTE 8

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2005

4.2 Per Economic classification

R'000

Current payment:

Compensation of employees
Goods and services
Interest and rent on land
Financial transactions in assets and liabilities

30,273

43,047

9,555

79

Transfers and subsidies:

Provinces and municipalities
Departmental agencies and accounts
Universities and Technikons
Public corporations and private enterprises
Foreign governments and international organisations
Non-profit institutions
Households

130,108

Payments for capital assets:

Buildings and other fixed structures
Machinery and equipment
Heritage assets
Biological or cultivated assets
Software and other intangible assets
Land and subsoil assets

343

Total

213,405

5. Number of Programmes.

The 2003/04 Financial year reflected five programmes. National Treasury embarked on a process of standardizing the budget frameworks of all sector departments in all Government Departments at provincial and national levels for ease of consolidation. The process started in 2002/2003 wherein all sector departments were invited to provide inputs in the design of a common structure for the Local Government sector. The budget structure thus designed became mandatory for all Departments of Local Government to use when compiling their budget statements. The DLG budget changed from a five-programme budget to a three-programme budget.

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT
VOTE 8
INCOME STATEMENT (STATEMENT OF FINANCIAL PERFORMANCE)
for the year ended 31 March 2005

	<i>Note</i>	2004/05 R'000	2003/04 R'000
REVENUE			
Annual appropriation	<i>1</i>	237,367	237,841
Statutory appropriation			
Appropriation for unauthorised expenditure approved		138,700	53,679
Departmental revenue	<i>3</i>	217	1,368
Local and foreign aid assistance			
TOTAL REVENUE		376,284	292,888
EXPENDITURE			
Current expenditure			
Compensation of employees	<i>5</i>	30,273	35,243
Goods and services	<i>6</i>	43,047	71,785
Interest and rent on land	<i>7</i>	9,555	9,731
Financial transactions in assets and liabilities	<i>8</i>	79	-
Local and foreign aid assistance		-	-
Unauthorised expenditure approved	<i>9</i>	138,700	53,679
Total current expenditure		221,654	170,438
Transfers and subsidies	<i>11</i>	130,108	93,040
Expenditure for capital assets			
Buildings and other fixed structures			
Machinery and Equipment	<i>12</i>	343	676
Biological or cultivated assets			
Software and other intangible assets			
Land and subsoil assets			
Local and foreign aid assistance			
Unauthorised expenditure approved			
Total expenditure for capital assets		343	676
TOTAL EXPENDITURE		352,105	264,154
NET SURPLUS			
Add back unauthorised expenditure	<i>9</i>	24,179	28,734
Adjustment to voted funds surrendered in 200/2001		928	(3,730)
NET SURPLUS FOR THE YEAR		25,107	25,004

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT
VOTE 8
INCOME STATEMENT (STATEMENT OF FINANCIAL PERFORMANCE)
for the year ended 31 March 2005

	Note	2004/05 R'000	2003/04 R'000
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds to be surrendered to the Revenue Fund/unutilised	18	24,890	23,636
Departmental receipts to be surrendered to the Revenue Fund	19	217	1,368
Local and foreign aid assistance			
NET SURPLUS FOR THE YEAR		25,107	25,004

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT
VOTE 8
BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
for the year ended 31 March 2005

	<i>Note</i>	2004/05 R'000	2003/04 R'000
ASSETS			
Current assets		42,925	139,641
Unauthorised expenditure	9	928	138,702
Fruitless and wasteful expenditure			
Cash and cash equivalents	13	41,313	5
Loans			
Other financial assets			
Prepayments and advances	15	615	
Receivables	16	69	934
Local and foreign aid assistance receivable			
Non-current assets			
Investments			
Loans			
Other financial assets			
TOTAL ASSETS		42,925	139,641
LIABILITIES			
Current liabilities		42,925	139,641
Voted funds to be surrendered to the Revenue Fund	18	24,890	23,636
Departmental revenue to be surrendered to the Revenue Fund	19		379
Bank overdraft	20		102,344
Payables	21	18,035	13,282
Local and foreign aid assistance repayable			
Local and foreign aid assistance unutilised			
Non-current liabilities			
Payables			
TOTAL LIABILITIES		42,925	139,641
NET ASSETS			
Represented by:			
Capitalisation reserve			
Recoverable revenue			
TOTAL			

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT
VOTE 8
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2005

	<i>Note</i>	2004/05 R'000	2003/04 R'000
Capitalisation reserve			
Opening balance			
Transfers			
Closing balance			
Recoverable revenue			
Opening balance		42,013	18,377
Debts written off	8.4		
Debts recovered (included in departmental revenue)	3		
Debts raised			
Transfer to Revenue Fund			
Closing balance		24,890	23,636
		<u>66,903</u>	<u>42,013</u>
TOTAL		<u><u> </u></u>	<u><u> </u></u>

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT
VOTE 8
CASH FLOW STATEMENT
for the year ended 31 March 2005

	<i>Note</i>	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts	23	376,534
Annual appropriated funds received		237,367
Statutory appropriated funds received		
Appropriation for unauthorised expenditure received	9	138,700
Departmental revenue received		217
Local and foreign aid assistance received		
Net (increase)/decrease in working capital		250
Surrendered to Revenue Fund		-24,232
Current payments		-78,201
Transfers and subsidies paid		130,108
Net cash flow available from operating activities		<u>143,993</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets		-343
Proceeds from sale of capital assets		
Proceeds from sale of investments		
Proceeds from sale of other financial assets		
(Increase)/decrease in loans granted		
Net cash flows from investing activities		<u>-343</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution/dividend to government		
Increase/(decrease) in loans received		
Net cash flows from financing activities		<u></u>
Net increase/(decrease) in cash and cash equivalents		143,650
Cash and cash equivalents at the beginning of the period		<u>-102,337</u>
Cash and cash equivalents at end of period	13	<u><u>41,313</u></u>

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT
VOTE 8
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005

I. Annual Appropriation

I.1 Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted funds) and Provincial Departments (Equitable Share):**

	Final Appropriation	Actual Funds Received	Variance over/(under)	Total Appropriation 2003/04
	R'000	R'000	R'000	R'000
Programme 1	44,882	41,825	3,057	42,484
Programme 2	186,258	167,624	18,634	144,574
Programme 3	6,227	3,956	2,271	50,783
Total	237,367	213,405	23,962	237,841

Explanation of material variances including whether or not application will be made for a rollover.

Programmes	Surplus / Deficit R000's	Reasons	Remedial steps / Remarks
Administration	3,057	The under-expenditure is due to the savings on the rental of Corner House Building, Ex-Development Board funds and under-expenditure on capital expenditure including payments that were not captured by GSSC at the year-end.	The Department requested rollovers on capital expenditure and payments that were not captured at year-end.
Local Governance	18,634	The under-expenditure is due to the CDW's not being appointed during the financial year under review as anticipated, MIG management fees not fully utilised, HIV/Aids funds not utilised (which were received during the adjustment budget) and Municipal performance monitoring fees. Includes payments not captured by GSSC at year-end.	The department requested rollovers for MIG Management fee, Municipal performance fees and for payments that were not captured at year-end.
Development and Planning	2,271	The under-expenditure is due to the MIDP projects not completed during the financial year under review and payments that were not captured by GSSC at year-end.	Rollovers requested for payments not captured at year end by GSSC

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1.2 Conditional grants	<i>Note</i>	2004/05	2003/04
		R'000	R'000
Total grants received	<i>Annex 1A</i>	20,714	30,377

** It should be noted that the Conditional grants are included in the amounts per the Total Appropriation in Note 1.1.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2005

3.2. Departmental revenue to be surrendered to revenue fund

Description (Specify material amounts separately)

	Note	2004/05 R'000	2003/04 R'000
Tax revenue			
Sales of goods and services other than capital assets			
Fines, penalties and forfeits			
Interest, dividends and rent on land			
Sales of capital assets			
Recoverable revenue received			
Financial transactions in assets and liabilities	3.1	217	
Transfer received consists of:			
Gifts, donations and sponsorships received			
Other transfers			
Total revenue collected		217	1,368
Less: Departmental Revenue Budgeted			
Departmental revenue collected		<u>217</u>	<u>1,368</u>

3.12.1 Financial transactions in assets and liabilities

Nature of loss recovered

	2004/05	2003/04
Cheques written back	217	
Other		
	<u>217</u>	<u></u>

5 Compensation of employees

5.1 Salaries and Wages

	2004/05 R'000	2003/04 R'000
Basic salary	20,267	24,288
Performance award	576	
Service Based	61	
Compensative/circumstantial	638	
Periodic payments	1,009	
Other non-pension able allowances	3,322	5,666
	<u>25,873</u>	<u>29,954</u>

5.2 Social contributions

5.2.1 Short-term employee benefits

Pension	2,906	3,416
Medical	1,494	1,873
UIF		
Bargaining council		
Official unions and associations		
Insurance		
	<u>4,400</u>	<u>5,289</u>

5.2.2 Post employment retirement benefits

Pension		
Medical		
Insurance		
	<u></u>	<u></u>
Total compensation of employees	<u>30,273</u>	<u>35,243</u>
Average number of employees	<u>209</u>	<u>223</u>

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6. Goods and services

	Note	2004/05 R'000	2003/04 R'000
Advertising		1,623	
Attendance fees (including registration fees)		721	
Bank charges and card fees		44	
Bore waterhole drilling			
Bursaries (employees)		90	
Cash discount			
Communication		2,190	2,761
Computer services		282	
Commission		4	1,522
Consultants, contractors and special services		14,805	44,420
Courier and delivery services			
Tracing agents & Debt collections			
Drivers' licences and permits			
Entertainment		997	
External audit fees	6.1	816	764
Equipment less than R5000		20	7
Firearm handling fees			
Freight service			
Government motor transport		848	
Helicopter services			
Honoraria (Voluntarily workers)			
Inventory	6.2	25	
Land reform/restitution			
Learnerships			
Legal fees		173	
Licence agency fees			
Housing			
Maintenance, repairs and running cost		1452	
Medical services		8,674	
Operating leases		456	
Mint of decorations/medals			
Personnel agency fees		6	
Photographic services			
Plant flowers and other decorations		235	
Printing and publications		951	1,357
Professional bodies and membership fees			
Resettlement cost		1	
Road laboratories			
School & boarding fees			
Subscriptions			
Storage of furniture			
System access fees			
Taking over of contractual obligations			
Owned leasehold property expenditure		1,500	1,543
Translations and transcriptions			
Transport provided as part of the departmental activities		86	1,629
Travel and subsistence	6.3	646	
Venues and facilities		3,471	2,564
Protective, special clothing & uniforms			

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	2004/05 R'000	2003/04 R'000
Training & staff development	2,931	
Town & regional planning		
Water research/testing		
Witness and related fees		
Previous years unallocated items		15,218
	43,047	71,785
	2004/05 R'000	2003/04 R'000
6.1 External audit fees		
Regularity audits	816	764
Performance audits		
Other audits		
Total external audit fees	816	764
	2004/05 R'000	2003/04 R'000
6.2 Inventory (purchased during the year)		
Inventory surcharges		
Medas inventory interface		
Construction work in progress		
Other inventory		
Strategic stock		
Agricultural		
Domestic consumables	6	9
Learning and teaching support material		
Food and Food supplies		
Fuel, oil and gas		
Laboratory consumables		
Other consumables		
Parts and other maintenance material		
Sport and recreation		
Stationery and printing	19	25
Veterinary supplies		
Restoration and fittings		
Road construction and supplies		
Medical supplies		
Weapons and armaments		
	25	34
	2004/05 R'000	2003/04 R'000
6.3 Travel and subsistence		
Local	368	
Foreign	278	
Total travel and subsistence	646	

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7 Interest and rent on land

	2004/05 R'000	2003/04 R'000
Interest expense		
Rent on land	9,555	9,731
Total interest and rent on land	9,555	9,731

8. Financial transactions in assets and liabilities

	Note	2004/05 R'000	2003/04 R'000
Material losses through criminal conduct			
Other material losses written off			
Debts written off	8.4	79	
		79	

8.1 Material losses through criminal conduct
Nature of losses

	2004/05 R'000	2003/04 R'000
8.2 Other material losses written off		
Nature of losses		
	79	
	79	

9. Unauthorised expenditure

	2004/05 R'000	2003/04 R'000
9.1. Reconciliation of unauthorised expenditure		
Opening balance	138,700	192,381
Unauthorised expenditure	928	
Unauthorised expenditure approved by Parliament/Legislature – current expenditure	-138,700	-53,679
Unauthorised expenditure approved by Parliament/Legislature – expenditure for capital assets		
Transfer to receivables for recovery		
Unauthorised expenditure awaiting authorisation	928	138,700

9.2 Unauthorised expenditure

Incident	Disciplinary steps taken/criminal proceedings	
Compensation of Employees paid during financial year 2003/04	Not applicable.	928

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11. Transfers and subsidies

		2004/05 R'000	2003/04 R'000
	Notes		
Provinces and municipalities	Annex 1B, 1C	130,108	93,040
Departmental agencies and accounts	Annex 1D		
Universities and Technikons	Annex 1E		
Foreign governments and international organisations	Annex 1G		
Public corporations and private enterprises	Annex 1F		
Non-profit institutions	Annex 1H		
Households	Annex 1I		
Gifts and donations	Annex 1K		
		<u>130,108</u>	<u>93,040</u>
		2004/05 R'000	2003/04 R'000

12. Expenditure for capital assets

Buildings and other fixed structures	Annex 4		
Machinery and equipment	Annex 4	343	76
Heritage assets	Annex 4		
Biological or cultivated assets	Annex 4		
Land and subsoil assets	Annex 4		
Software and other intangible assets	Annex 5		
Total		<u>343</u>	<u>676</u>

The following amount for Compensation of employees has been included in Expenditure for capital assets

13. Cash and cash equivalents

Consolidated Paymaster General Account	41,308	
Fund requisition account		
Cash receipts		
Disbursements		
Cash on hand	5	5
Cash with commercial banks		
Cash in transit		
	<u>41,313</u>	<u>5</u>

Non-current

(Group major categories, but list material items)

15. Prepayments and advances

Description

(Group major categories, but list material items)

Staff advances		
Travel and subsistence		
Prepayments	615	
Advances paid to other entities		
Claims recoverable		
	<u>615</u>	

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16. Receivables

Receivables					2004/05	2003/04
					R'000	R'000
		Less than one year	One to three years	Older than three years	Total	Total
Amounts owing by other entities	Annex 7					
Staff debtors	16.1					
Clearing accounts	16.2					
Other debtors	16.3	69			69	934
		69			69	934

Amounts of R Nil (2004: R Nil) included above may not be recoverable,
but have not been written off in the Statement of financial performance

16.1 Staff debtors**16.2 Clearing accounts****16.3 Other debtors**

Gauteng Shared Service Centre				82
Dept of Public Works				718
Other debtors			69	134
			69	934

17. Investments

Investee Nature of investment
(Reflected at cost)

18. Voted funds to be surrendered to the Revenue Fund

Opening balance	23,636	10,521
Transfer from Statement of Financial Performance	24,890	27,366
Voted funds not requested/not received		-3,730
Paid during the year	-23,636	-10,521
Closing balance	24,890	23,636

19. Departmental receipts to be surrendered to the Revenue Fund

Opening balance	379	144
Transfer from Statement of Financial Performance		1,368
Departmental revenue		217
Transfer from local and foreign aid assistance**		
Paid during the year	-596	-1,133
Closing balance		379

**Amount not used at end of project, which donors allow
department to maintain should be paid over to the Revenue Fund.

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	Notes	2004/05 R'000	2003/04 R'000		
20. Bank overdraft					
Paymaster General Account			102,344		
			102,344		
21 Payables – current					
Description					
	Notes	30 Days	30+ Days	2004/05 Total	2003/04 Total
Amounts owing to other departments	Annex 7	6,523		6,523	
Advances received	21.1				1,798
Clearing accounts					
Other payables	21.3	11,512		11,512	11,484
		<u>18,035</u>		<u>18,035</u>	<u>13,282</u>
				2004/05 R'000	2003/04 R'000
21.1 Advances received					
Deposit Town Council Appeal					1,798
					<u>1,798</u>
21.2 Clearing accounts					
Description (Identify major categories, but list material amounts)					
21.3 Other payables					
Agency: Fund Grant Account				11,404	11,404
South African Revenue Services					10
Department of Finance and Economic Affairs				6,524	
Other				107	70
				<u>18,035</u>	<u>11,484</u>
				2004/05	
23. Reconciliation of net cash flow from operating activities to surplus/(deficit)				R'000	
Net surplus/(deficit) as per Statement of Financial Performance				25,107	
Non-cash movements					
(Increase)/decrease in receivables – current				865	
(Increase)/decrease in prepayments and advances				-19	
(Increase)/decrease in other current assets				137,772	
(Increase)/decrease in other non-current assets					
Increase/(decrease) in payables – current				4,753	
Increase/(decrease) in current liabilities					
Increase/(decrease) in non-current liabilities					
Proceeds from sale of equipment					
Surrenders				-24,828	
Proceeds from sale of land and buildings					
Proceeds from sale of investments					
Capital expenditure				343	
Voted funds not requested/not received					
Proceeds from sale of financial assets					
Other non-cash items					
Net cash flow generated by operating activities				<u>143,993</u>	

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24. Appropriated funds and departmental revenue surrendered

Appropriated funds surrendered	24,890	27,366
Departmental revenue surrendered	217	1,368
	<u>25,107</u>	<u>28,734</u>

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

25. Contingent liabilities

		Note	2004/05 R'000	2003/04 R'000
Liable to	Nature			
Motor vehicle guarantees	Employees	Annex 3		
Housing loan guarantees	Employees	Annex 3	445	506
Other guarantees		Annex 3		
Claim in respect of contract cancelled			2,000	
Other departments (interdepartmental unconfirmed balances)		Annex 7		
Capped leave commitments			2,348	465
Other			<u>4,793</u>	<u>971</u>

26. Commitments per programme

	2004/05 R'000	2003/04 R'000
Current expenditure		
Approved and contracted	6,533	42
Approved but not yet contracted		
Capital expenditure		
Approved and contracted		
Approved but not yet contracted		
Total Commitments	<u>6,533</u>	<u>42</u>

27. Accruals

Listed by economic classification

	30 Days	30+ Days	2004/05 R'000 Total	2003/04 R'000 Total
Compensation of employees			0	62
Goods and services			2,273	5,257
Interest and rent on land				
Transfers and subsidies				
Buildings and other fixed structures			542	
Machinery and equipment				
Biological or cultivated assets				
Software and other intangible assets				
Land and subsoil assets			<u>2,815</u>	<u>5,319</u>

Listed by programme level

1. Administration	1,351	887
2. Local Governance	881	4,432
3. Development and Planning	583	
	<u>2,815</u>	<u>5,319</u>
Confirmed balances with other departments	Annex 7	<u>7,065</u>

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	2004/05 R'000	2003/04 R'000
28 Employee benefits		
Leave entitlement	61	465
Thirteenth cheque	1,481	1,729
Performance bonus	576	0
	<u>2,118</u>	<u>2,194</u>

29. Lease Commitments**29.1 Operating leases**

	Buildings and other fixed structures	Machinery and equipment	Total	Total
Not later than 1 year	9,731		9,731	9,731
Later than 1 year and not later than 3 years	10,831		10,831	10,831
Later than three years				

29.2 Finance leases

Not later than 1 year
 Later than 1 year and not later than 3 years
 Later than three years

Future finance charges
 Present value of lease liabilities
 Total present value of lease liabilities

<u>20,562</u>	<u>20,562</u>	<u>20,562</u>
---------------	---------------	---------------

31. Irregular expenditure**31.1 Reconciliation of irregular expenditure**

Opening balance		
Irregular expenditure – current year		
Transfer to Statement of Financial Performance – authorised losses (Condoned)	79	0
Transfer to receivables for recovery (Not condoned)		
Irregular expenditure awaiting condonement	<u>79</u>	<u>0</u>

32. Related party transactions

	2004/05 R'000	2003/04 R'000
Water and Electricity	291	579
Telephone	136	325
Total	<u>427</u>	<u>904</u>

This relates to the consumption by GDE for the offices occupied in Corner House Building. The expenditure refunded to DLG is for water, electricity and telephones.

The above excludes transfer payments and subsidies, as that is disclosed in the annexure to the Annual Financial Statements.

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33. Senior management personnel

The aggregate compensation of the senior management of the department and the number of individuals determined on a full time equivalent basis receiving compensation within this category, showing separately major classes of key management personnel and including a description of each class for the current period and the comparative period. Detail on each type of compensation disclosed.

	Notes	2004/05 R'000	2003/04 R'000
The Minister, Deputy Ministers, Director-General			
Deputy Director Generals			
MEC for Local Government	<i>1</i>		728
Basic salary		555	
Medical		10	
Pension		94	
Non- Pensionable-all		149	
RSC Levy		3	
Chief Director	<i>1</i>		956
Basic salary		353	
Medical		8	
Pension		53	
Non-Pensionable-all		152	
Leave discounted		5	
RSC Levy		2	
Head of Department	<i>1</i>		640
Basic salary		457	
Bonus		35	
Pension		69	
Non- Pensionable-all		276	
RLC Levy		2	
Medical		23	
Directors	<i>7</i>		2856
Basic salary		1580	
Bonus		110	
Medical		55	
Pension		237	
Non-Pensionable-all		629	
Leave discounted		19	
RSC Levy		9	
Compens/circum other		133	
Chair Person TB	<i>1</i>		408
Basic salary		252	
Pension			
Non- coupled item		23	
Non- Pensionable-all		86	
Compens/circum other		20	
		5402	5588

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34. Public Private Partnership

The Department does not have any Public Private Partnership for current and prior year.

35. Land Management Unit

The Department of Local Government is assigned with the duty to manage Provincial Land. This assignment stems from the Gauteng Land Administration Act 11 of 1996 as amended. This assignment gives legal and administrative authority to the Department and specifically to the Land Management Directorate, to acquire and dispose land for and on behalf of Gauteng Provincial Government. In the process of acquiring and disposing of land for the Province, there is revenue generated from disposing land and payments made to external service providers and from land that was sold in prior years but only transferred in the 2003/2004 financial year end as well as from land that was sold during the 2003/2004 financial year end. There were no purchases of land during the 2003/2004 financial year. The department also transferred monies to other departments in the 2003/2004 financial year relating to land sold in prior years. These monies transferred were approximately R15 million.

List of land sold in the prior year but only transferred in 2003/2004

Department	Description of land transferred	R'000
Education	Erf 375 Rosettenville	27
	Erf 155 Ravenswood	225
	Erf 302 Moretela Park	57
	Erf 575 Gallo Manor	243
	Erf 220 Newlands	843
	Erf 1298 & 1299 Sunward Park	625
	Erf 4 Loughern AH	36
	Erf 247 Van Dyk Park	440
		2,496

List of land sold and transferred in 2003/2004

Department	Description of land sold & transferred	
Transport and Public Works	Transfer of portion 441 Farm Driefontein	41
		8
Health	Erf 4631 Eesterus Ext 6	55
Total revenue received in 2003/2004		63

Amounts transferred to other departments in 2003/2004 relating to land sold in prior years

Department	R'000
Health	1,134
Education	4,154
Transport and Public Works	55
Housing	35
Total amounts transferred	5,378

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Disestablishment of the Gauteng Land Fund

Section 6 of the Gauteng Land Administration Act, 1996 (Act No. 11 of 1996) has been amended and as a result the Gauteng Land Fund has been disestablished. The closing balance of R10,127,000 that was in the Gauteng Land Fund was transferred to the Department of Housing in 2003/2004.

List of land sold and transferred in 2004/2005

Department	Description of land sold	R'000
Education	Erf 570 Abermal Germiston	145
Housing	Title Deed T269/1987	17
Health	Portion 1 of Farm Hosp	869
Education	Erf 39 Bedford Gardens Bedfordview	7,500
Transport & Public Works	Ptn 544 of the farm Boschkop 197	154
Education	Erf 503 Petersfield Springs	150
Health	Andrew McColm Hospital	6,699
		15,534

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS RECEIVED**

NAME OF DEPARTMENT	GRANT ALLOCATION				SPENT			2003/04	
	Division of Revenue	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
Local Government Grant	15,050			15,050	15,050	15,050	100.0%	24,017	19,894
Cmip Management Fee	5,664			5,664	5,664	4,173	73.7%	6,360	6,362
	20,714			20,714	20,714	19,223		30,377	26,256

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ANNEXURE 1B
STATEMENT OF CONDITIONAL GRANT PAID TO DEPARTMENTS

NAME OF DEPARTMENT	GRANT ALLOCATION			TRANSFER			SPENT			2003/04
	Division of Revenue Act	Roll Overs	DORA Adjustments	Total Available	Actual transfer	% of available funds transferred	Amount recieved by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Local Government Grant	15,050			15,050			15,050	15,050	100.0%	24,017
Cmip Management Fee	5,664			5,664			5,664	4,173	73.7%	6,360
	20,714			20,714			20,714	19,223		30,377

ANNEXURE 1C
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 recieved 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	%	R'000
Metsweding	676			676	676	100.0%	676			12,076
Sedibeng	11,180			11,180	11,180	100.0%	11,180			15,000
West Rand	26,353			26,353	26,353	100.0%	26,353			25,340
Ekurhuleni	3,175			3,175	3,175	100.0%	3,175			2,865
City of Johannesburg	29,775			29,775	29,775	100.0%	29,775			626
City of Tshwane	34,388			34,388	34,388	100.0%	34,388			
Westonaria	5,131			5,131	5,131	100.0%	5,131			
Randfontein	2,550			2,550	2,550	100.0%	2,550			3,632
Nokeng Tsa Taimane	1,500			1,500	1,500	100.0%	1,500			
Mogale City	500			500	500	100.0%	500			
Midvaal	200			200	200	100.0%	200			850
Merafong	6,900			6,900	6,900	100.0%	6,900			3,316
Kungwini	2,000			2,000	2,000	100.0%	2,000			
Lesedi	400			400	400	100.0%	400			12,335
Emfuleni	5,380			5,380	5,380	100.0%	5,380			17,000
	130,108			130,108	130,108		130,108			93,040

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ANNEXURE 3**STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2005 – LOCAL**

Guarantor institution	Guarantee in respect of	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
	Motor vehicles							
	Housing							
Standard Bank			79	7			86	
African Bank			27				27	
Peoples Bank			23		9		14	
Ned bank			159		95		64	
FNB			96	9			105	
ABSA			103		12		91	
BOE Bank			19		19			
FBC Fidelity				39			39	
Cash Bank				19			19	
	Other							
Total			506	74	135		445	

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 4**PHYSICAL ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005**

	Opeining Balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES						
Dwellings						
Non-residential buildings						
Investment properties						
Other structures (Infrastructure assets)						
Capital work in progress						
Heritage assets						
MACHINERY AND EQUIPMENT	2,291	343				2,634
Computer equipment	1,032	319				1,351
Furniture and office equipment	1,259	24				1,283
Other machinery and equipment						
Specialised military assets						
Transport assets						
BIOLOGICAL OR CULTIVATED ASSETS						
LAND AND SUBSOIL ASSETS						
Land						
Mineral and similar non regenerative resources						
	2,291	343				2,634

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT
VOTE 8
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005

ANNEXURE 4 (CONT.)**PHYSICAL ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2004**

	Opeining Balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES						
Dwellings						
Non-residential buildings						
Investment properties						
Other structures (Infrastructure assets)						
Capital work in progress						
Heritage assets						
	1,615	676				2,291
MACHINERY AND EQUIPMENT						
Computer equipment	775	257				1,032
Furniture and office equipment	840	419				1,259
Other machinery and equipment						
Specialised military assets						
Transport assets						
BIOLOGICAL OR CULTIVATED ASSETS						
LAND AND SUBSOIL ASSETS						
Land						
Mineral and similar non regenerative resources						
	1,615	676				2,291

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT
VOTE 8
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005

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				
Department of Finance and Economic			571	
Gauteng Shared Service Centre		82		
GDE			59	
Northern Province: Local Government				
National Department of Land Affairs				
Other government entities				
TOTAL		82	630	

Include all amounts owing by National and Provincial Departments as well as all Public Entities, Constitutional Institutions and Trading Entities.

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT
VOTE 8
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005

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	7,065			
Non-current				
Total	7,065			
Amounts included in Statement of financial position				
Current	6,523			
Non-current				
Total	6,523			
Other government entities				
Amounts not included in Statement of financial position				
Current				
Non-current				
Total				
Amounts included in Statement of financial position				
Current				
Non-current				
Total				

Include all amounts owing to National and Provincial Departments as well as all Public Entities, Constitutional Institutions and Trading Entities.

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT

Report of the Audit Committee – Cluster 4
for the year ended 31 March 2005Report of
the Audit
Committee –
Cluster 4

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

Audit Committee Members and Attendance:

The audit committee consists of the members listed hereunder and meets a minimum of two times per annum as per its approved terms of reference. During the current year meetings were held on 5 occasions in terms of the charter. Meetings were held on the following dates: 02 April 2004, 2 July 2004, 16 August 2004, 11 November 2004 and 28 February 2005.

Name of Member	Number of Meetings Attended
John Modiko - External - resigned	2
Alethea Whitfield - (Chairperson) External	5
Haroun Moola - External	5
Jack van der Merwe - resigned	1
Jason Sishuba - resigned	1
Linda Mvanana - resigned	1
Oupa Seabi - appointed	2
Sibusiso Buthelezi	2

Audit Committee Responsibility

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

The effectiveness of internal control

The system of internal control is effective as the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, the matters of emphasis and management letter of the Auditor-General have not

reported any significant or material non compliance with prescribed policies and procedures other than for those items detailed. A risk assessment has been performed during the financial year under review.

The compilation of the Land Register for Gauteng Province which is not yet complete, remains of concern to the Audit Committee. This item is also referred to in the report of the Auditor General.

The quality of in year management and monthly / quarterly reports submitted in terms of the Act and the Division of Revenue Act

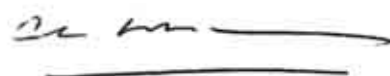
The Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review.

However, due to continued staff shortages for most of the year under review the department has not been entirely effective in fulfilling its objectives.

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed with the Auditor-General and the Accounting Officer the audited annual financial statements to be included in the annual report;
- Reviewed the Auditor-General's management letter and management response where significant issues were raised;
- Reviewed significant adjustments resulting from the audit.
- The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



Chairperson of the Audit Committee
19 August 2005



Section

5

HR Oversight Report



HR OVERSIGHT - APRIL 2004 to MARCH 2005 GAUTENG DEPARTMENT OF LOCAL GOVERNMENT

I. Expenditure

TABLE I.1 - Personnel costs by Programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Cost per Employee (R'000)	Employment
Pr1: administration	40,719	13,488	0	0	33.1	64	211
Pr2: local governance	167,727	13,710	0	0	8.2	65	211
Pr3: development and planning	3,936	2,006	0	0	51	10	211
Special functions	2	0	0	0	0	0	211
Theft and losses	77	0	0	0	0	0	211
Z=Total as on Financial Systems (BAS)	212,461	29,204	0	0	13.7	138	211

TABLE I.2 - Personnel costs by Salary band

Salary Bands	Compensation of Employees	Percentage of Total (R'000)	Average Personnel Cost	Total Compensation per Employee (R'000)	Number of Employees of Employees
Lower skilled (Levels 1-2)	5,353	13.9	130561	38,497	41
Skilled (Levels 3-5)	3,510	9.1	90000	38,497	39
Highly skilled production (Levels 6-8)	9,443	24.5	140940	38,497	67
Highly skilled supervision (Levels 9-12)	15,077	39.2	269232	38,497	56
Senior management (Levels 13-16)	5,114	13.3	639250	38,497	8
TOTAL	38497	100	182450	38497	211

HR OVERSIGHT - APRIL 2004 to MARCH 2005 GAUTENG DEPARTMENT OF LOCAL GOVERNMENT

TABLE 1.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost (R'000)
Deep loc democ*cur(2a)	384	62	0	0	7	1.1	32	5.2	619
Effective business process	8347	59.4	13	0.1	195	1.4	817	5.8	14055
Information tech*cur(5)	517	54.2	3	0.3	9	0.9	34	3.6	953
Integrated development planning	1979	64.3	0	0	18	0.6	97	3.2	3077
Office admin*cur(1a)	872	57	0	0	2	0.1	16	1	1530
Provin intergr dev plan*cur	543	50.5	0	0	16	1.5	31	2.9	1075
Quality service delivery	3485	57.8	187	3.1	54	0.9	204	3.4	6029
Special projects cur (4)	445	73.2	0	0	9	1.5	33	5.4	608
Support to mec & hod*cur(5)	717	57.3	0	0	4	0.3	44	3.5	1252
Sys dss/mss*cur(3)	293	66.7	0	0	3	0.7	20	4.6	439
Transformed load govt.	5088	68.5	0	0	103	1.4	303	4.1	7432
Well man prov.land*cur(3)	998	69.8	0	0	22	1.5	92	6.4	1429
TOTAL	23668	61.5	203	0.5	442	1.1	1723	4.5	38498

TABLE 1.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost (R'000)
Lower skilled (Levels 1-2)	1655	30.9	157	2.9	56	1	233	4.4	5353
Skilled (Levels 3-5)	2347	66.9	32	0.9	73	2.1	307	8.7	3510
Highly skilled production (Levels 6-8)	6438	68.2	8	0.1	170	1.8	559	5.9	9443
Highly skilled supervision (Levels 9-12)	10256	68	7	0	142	0.9	531	3.5	15077
Senior management (Levels 13-16)	2972	58.1	0	0	0	0	93	1.8	5114
TOTAL	23668	61.5	204	0.5	441	1.1	1723	4.5	38497

HR OVERSIGHT - APRIL 2004 to MARCH 2005 GAUTENG DEPARTMENT OF LOCAL GOVERNMENT

2. Employment

TABLE 2.1 - Employment and Vacancies by Programme at end of period

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Deep loc democ*cur(2a), Permanent	4	4	0	0
Effective business process, Permanent	141	106	24.8	0
Information tech*cur(5), Permanent	6	4	33.3	0
Intergrated development planning, Permanent	25	8	68	0
Office admin*cur(1a), Permanent	7	3	57.1	0
Provin intergr dev plan*cur, Permanent	10	4	60	0
Quality service deilvery, Permanent	255	28	89	0
Special projects cur (4), Permanent	3	3	0	0
Support to mec & hod*cur(5), Permanent	5	2	60	0
Sys dss/mss*cur(3), Permanent	2	2	0	0
Transformed load govt., Permanent	52	37	28.8	0
Well man prov.land*cur(3), Permanent	15	10	33.3	0
TOTAL	525	211	59.8	0

TABLE 2.2 - Employment and Vacancies by Salary Band at end of period

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	50	41	18	0
Skilled (Levels 3-5), Permanent	62	45	27.4	0
Highly skilled production (Levels 6-8), Permanent	298	61	79.5	0
Highly skilled supervision (Levels 9-12), Permanent	90	56	37.8	0
Senior management (Levels 13-16), Permanent	25	8	68	0
TOTAL	525	211	59.8	0

HR OVERSIGHT - APRIL 2004 to MARCH 2005

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT

TABLE 2.3 - Employment and Vacancies by Critical Occupation at end of period

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administrative related, Permanent	52	38	26.9	0
Architects town and traffic planners, Permanent	4	0	100	0
Building and other property caretakers, Permanent	1	1	0	0
Cartographers and surveyors, Permanent	4	0	100	0
Cartographic surveying and related technicians, Permanent	1	0	100	0
Civil engineering technicians, Permanent	2	1	50	0
Cleaners in offices workshops hospitals etc., Permanent	28	26	7.1	0
Client inform clerks(switchb receipt inform clerks), Permanent	4	4	0	0
Communication and information related, Permanent	2	0	100	0
Community development workers, Permanent	57	0	100	0
Engineering sciences related, Permanent	10	5	50	0
Finance and economics related, Permanent	4	1	75	0
Financial and related professionals, Permanent	4	3	25	0
Financial clerks and credit controllers, Permanent	1	1	0	0
Food services aids and waiters, Permanent	6	5	16.7	0
Human resources & organisat developm & relate prof, Permanent	8	4	50	0
Human resources clerks, Permanent	8	3	62.5	0
Human resources related, Permanent	12	5	58.3	0
Information technology related, Permanent	3	3	0	0
Language practitioners interpreters & other commun, Permanent	3	3	0	0
Legal related, Permanent	1	1	0	0
Library mail and related clerks, Permanent	8	6	25	0
Light vehicle drivers, Permanent	4	3	25	0
Logistical support personnel, Permanent	7	4	42.9	0
Material-recording and transport clerks, Permanent	10	7	30	0
Messengers porters and deliverers, Permanent	3	2	33.3	0
Other administrat & related clerks and organisers, Permanent	173	21	87.9	0
Other administrative policy and related officers, Permanent	43	32	25.6	0
Other information technology personnel., Permanent	3	2	33.3	0
Other occupations, Permanent	2	2	0	0
Printing and related machine operators, Permanent	4	4	0	0
Regulatory inspectors, Permanent	2	1	50	0
Secretaries & other keyboard operating clerks, Permanent	15	8	46.7	0
Security guards, Permanent	5	5	0	0
Security officers, Permanent	7	3	57.1	0
Senior managers, Permanent	24	7	70.8	0
TOTAL	525	211	59.8	0

HR OVERSIGHT - APRIL 2004 to MARCH 2005 GAUTENG DEPARTMENT OF LOCAL GOVERNMENT

3. Job Evaluation

TABLE 3.1 - Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	50	0	0	0	0	0	0
Skilled (Levels 3-5)	62	0	0	5	0	0	0
Highly skilled production (Levels 6-8)	298	1	0.3	0	0	0	0
Highly skilled supervision (Levels 9-12)	90	7	7.8	0	0	0	0
Senior Management Service Band A	18	1	5.6	0	0	0	0
Senior Management Service Band B	5	0	0	0	0	0	0
Senior Management Service Band C	2	0	0	0	0	0	0
TOTAL	525	9	1.7	5	55.6	0	0

TABLE 3.2 - Profile of employees whose positions were upgraded due to their posts being upgraded

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	0	0	0	0	0

TABLE 3.3 - Employees whose salary level exceed the grade determined by Job Evaluation [i.e. PSR I.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
xxx	0	xxx	xxx	xxx	
xxx	0	xxx	xxx	xxx	
Total	0				
Percentage of Total Employment	0				0

HR OVERSIGHT - APRIL 2004 to MARCH 2005 GAUTENG DEPARTMENT OF LOCAL GOVERNMENT

TABLE 3.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR I.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	0	0	0	0	0

4. Employment Changes

TABLE 4.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	42	0	1	2.4
Skilled (Levels 3-5), Permanent	51	1	1	2
Highly skilled production (Levels 6-8), Permanent	61	3	6	9.8
Highly skilled supervision (Levels 9-12), Permanent	62	5	6	9.7
Senior Management Service Band A, Permanent	7	2	3	42.9
Senior Management Service Band B, Permanent	2	0	1	50
Senior Management Service Band C, Permanent	1	0	1	100
TOTAL	226	11	19	8.4

HR OVERSIGHT - APRIL 2004 to MARCH 2005

GAUTENG DEPARTMENT OF LOCAL GOVERNMENT

TABLE 4.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Administrative related, Permanent	39	3	4	10.3
Architects town and traffic planners, Permanent	3	0	1	33.3
Building and other property caretakers, Permanent	1	0	0	0
Cartographic surveying and related technicians, Permanent	1	0	1	100
Civil engineering technicians, Permanent	2	1	2	100
Cleaners in offices workshops hospitals etc., Permanent	27	0	1	3.7
Client inform clerks(switchb receipt inform clerks), Permanent	4	0	0	0
Computer system designers and analysts., Permanent	1	0	0	0
Engineering sciences related, Permanent	3	0	1	33.3
Engineers and related professionals, Permanent	3	0	0	0
Finance and economics related, Permanent	1	0	0	0
Financial and related professionals, Permanent	3	0	0	0
Financial clerks and credit controllers, Permanent	2	0	0	0
Food services aids and waiters, Permanent	4	0	0	0
Household and laundry workers, Permanent	1	0	0	0
Human resources & organisat developm & relate prof, Permanent	6	0	0	0
Human resources clerks, Permanent	4	0	0	0
Human resources related, Permanent	3	3	0	0
Information technology related, Permanent	1	0	0	0
Language practitioners interpreters & other commun, Permanent	4	0	0	0
Library mail and related clerks, Permanent	7	0	0	0
Light vehicle drivers, Permanent	3	0	0	0
Logistical support personnel, Permanent	6	0	0	0
Material-recording and transport clerks, Permanent	6	0	0	0
Messengers porters and deliverers, Permanent	3	0	0	0
Other administrat & related clerks and organisers, Permanent	23	1	0	0
Other administrative policy and related officers, Permanent	28	1	1	3.6
Other information technology personnel., Permanent	1	0	0	0
Other occupations, Permanent	2	0	0	0
Photographic lithographic and related workers, Permanent	4	0	0	0
Rank: Unknown, Permanent	1	0	0	0
Regulatory inspectors, Permanent	1	0	1	100
Secretaries & other keyboard operating clerks, Permanent	12	1	2	16.7
Security guards, Permanent	5	0	0	0
Security officers, Permanent	3	0	0	0
Senior managers, Permanent	8	1	5	62.5
TOTAL	226	11	19	8.4

TABLE 4.3 - Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Resignation, Permanent	13	68.4	5.8	19	226
Expiry of contract, Permanent	1	5.3	0.4	19	226
Discharged due to ill health, Permanent	1	5.3	0.4	19	226
Retirement, Permanent	2	10.5	0.9	19	226
Other, Permanent	2	10.5	0.9	19	226
TOTAL	19	100	8.4	19	226

Resignations as % of Employment

8.4

TABLE 4.4 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	39	2	5.1	29	74.4
Architects town and traffic planners	3	0	0	2	66.7
Building and other property caretakers	1	0	0	1	100
Cartographic surveying and related technicians	1	0	0	1	100
Civil engineering technicians	2	0	0	1	50
Cleaners in offices workshops hospitals etc.	27	0	0	25	92.6
Client inform clerks (switchboard reception inform clerks)	4	0	0	4	100
Computer system designers and analysts	1	0	0	0	0
Engineering sciences related	3	0	0	2	66.7
Engineers and related professionals	3	0	0	2	66.7
Finance and economics related	1	0	0	1	100
Financial and related professionals	3	0	0	3	100
Financial clerks and credit controllers	2	0	0	1	50
Food services aids and waiters	4	0	0	4	100
Household and laundry workers	1	0	0	0	0
Human resources & organisational development & related professional	6	1	16.7	4	66.7
Human resources clerks	4	0	0	2	50
Human resources related	3	0	0	2	66.7
Information technology related	1	0	0	0	0
Language practitioners interpreters & other communication	4	0	0	3	75
Library mail and related clerks	7	0	0	7	100
Light vehicle drivers	3	0	0	3	100
Logistical support personnel	6	0	0	6	100
Material-recording and transport clerks	6	0	0	6	100
Messengers porters and deliverers	3	0	0	3	100
Other administrative & related clerks and organisers	23	2	8.7	15	65.2
Other administrative policy and related officers	28	4	14.3	27	96.4
Other information technology personnel	1	0	0	1	100
Other occupations	2	0	0	1	50
Photographic lithographic and related workers	4	0	0	4	100
Rank: Unknown	1	0	0	0	0
Regulatory inspectors	1	2	200	1	100
Secretaries & other keyboard operating clerks	12	0	0	8	66.7
Security guards	5	0	0	5	100
Security officers	3	0	0	3	100
Senior managers	8	2	25	0	0
TOTAL	226	13	5.8	177	78.3

TABLE 4.5 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2), Permanent	42	0	0	39	92.9
Skilled (Levels 3-5), Permanent	51	2	3.9	42	82.4
Highly skilled production (Levels 6-8), Permanent	61	6	9.8	51	83.6
Highly skilled supervision (Levels 9-12), Permanent	62	3	4.8	44	71
Senior management (Levels 13-16), Permanent	10	2	20	1	10
TOTAL	226	13	5.8	177	78.3

HR OVERSIGHT - APRIL 2004 to MARCH 2005 GAUTENG DEPARTMENT OF LOCAL GOVERNMENT

5. Employment Equity

TABLE 5.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent	3	0	0	3	1	1	0	0	1	0	5
Professionals, Permanent	31	2	1	34	20	35	2	2	39	11	104
Clerks, Permanent	7	0	0	7	2	27	7	0	34	9	52
Service and sales workers, Permanent	8	0	0	8	0	0	0	0	0	0	8
Craft and related trades workers, Permanent	3	0	0	3	0	1	0	0	1	0	4
Plant and machine operators and assemblers, Permanent	3	0	0	3	0	0	0	0	0	0	3
Elementary occupations, Permanent	13	1	0	14	0	21	0	0	21	0	35
TOTAL	68	3	1	72	23	85	9	2	96	20	211

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	4	0	0	4	0	1	0	0	1	0	5

TABLE 5.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	1	0	0	1	0	0	0	0	0	0	1
Senior Management, Permanent	4	0	0	4	1	2	0	0	2	0	7
Professionally qualified and experienced specialists and mid-management, Permanent	21	2	1	24	15	13	1	2	16	6	61
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	9	0	0	9	6	34	2	0	36	11	62
Semi-skilled and discretionary decision making, Permanent	17	0	0	17	1	12	6	0	18	3	39
Unskilled and defined decision making, Permanent	16	1	0	17	0	24	0	0	24	0	41
TOTAL	68	3	1	72	23	85	9	2	96	20	211

HR OVERSIGHT - APRIL 2004 to MARCH 2005 GAUTENG DEPARTMENT OF LOCAL GOVERNMENT

TABLE 6.3 - Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	2	0	0	2	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management, Permanent	3	0	0	3	0	1	0	1	2	0	5
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1	0	0	1	0	2	0	0	2	0	3
Semi-skilled and discretionary decision making, Permanent	1	0	0	1	0	0	0	0	0	0	1
TOTAL	7	0	0	7	0	3	0	1	4	0	11

No data	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
	0	0	0	0	0	0	0	0	0	0	0

TABLE 6.4 - Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	2	0	0	2	0	1	0	0	1	0	3
Professionally qualified and experienced specialists and mid-management, Permanent	16	1	0	17	13	12	0	2	14	3	47
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	7	1	0	8	11	24	2	0	26	12	57
Semi-skilled and discretionary decision making, Permanent	18	0	0	18	1	18	5	0	23	3	45
Unskilled and defined decision making, Permanent	15	1	0	16	0	23	0	0	23	0	39
TOTAL	58	3	0	61	25	78	7	2	87	18	191

Employees with disabilities	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
	4	0	0	4	0	1	0	0	1	0	5

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TABLE 5.5 - Terminations

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	0	0	0	0	0	1	0	0	1	0	1
Senior Management, Permanent	3	0	0	3	0	1	0	0	1	0	4
Professionally qualified and experienced specialists and mid-management, Permanent	1	0	0	1	2	3	0	0	3	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2	0	0	2	2	0	0	0	0	2	6
Semi-skilled and discretionary decision making, Permanent	0	0	0	0	0	1	0	0	1	0	1
Unskilled and defined decision making, Permanent	1	0	0	1	0	0	0	0	0	0	1
TOTAL	7	0	0	7	4	6	0	0	6	2	19

Employees with disabilities	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
	0	0	0	0	1	0	0	0	0	0	1

TABLE 5.6 - Disciplinary Action

Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total	Not Available
TOTAL	0	0	0	0	0	0	0	0	0	0	0

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TABLE 5.7 - Skills Development

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior Officials and Managers	12	0	0	12	0	2	0	0	2	0	46
Professionals	11	0	1	0	1	12	0	1	12	0	26
Technicians and Associate Professionals	0	0	0	0	0	0	0	0	0	0	0
Clerks	13	0	0	0	0	44	1	0	0	2	60
Service and Sales Workers	0	0	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary Occupations	40	0	0	40	0	0	0	0	38	0	78
TOTAL	76	0	1	52	1	96	1	1	52	2	178
Employees with disabilities	3	0	0	3	0	0	0	0	0	0	0

6. Performance

TABLE 6.1 - Performance Rewards by Race, Gender and Disability

Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	84	57.1	268	5,574
African, Male	64	40.6	134	5,168
Asian, Female	2	100	16	7,904
Asian, Male	1	0	0	0
Coloured, Female	9	77.8	23	3,333
Coloured, Male	3	0	0	0
Total Blacks, Female	95	60	307	5,381
Total Blacks, Male	68	41.2	140	4,985
White, Female	15	75	85	5,694
White, Male	19	82.6	133	7,021
Employees with a disability	2	40	5	2,612
TOTAL	121	57.3	670	5,540

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TABLE 6.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	10	41	24.4	24	2,400
Skilled (Levels 3-5)	25	39	64.1	79	3,160
Highly skilled production (Levels 6-8)	45	67	67.2	252	5,600
Highly skilled supervision (Levels 9-12)	38	56	67.9	303	7,974
TOTAL	118	203	58.1	658	5576

TABLE 6.3 - Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
TOTAL	0	0	0	0	0

TABLE 7.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	1	5	20	7	700	0.2	3,370
Band B	0	2	0	0	0	0	0
Band D	0	1	0	0	0	0	0
TOTAL	1	8	12.5	7	700	0.2	3370

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7. Foreign Workers

TABLE 7.1 - Foreign Workers by Salary Band

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Highly skilled supervision (Levels 9-12)	1	100	0	0	-1	100	1	0	-1
TOTAL	1	100	0	0	-1	100	1	0	-1

TABLE 7.2 - Foreign Workers by Major Occupation

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Professionals and managers	1	100	0	0	-1	100	1	0	-1
TOTAL	1	100	0	0	-1	100	1	0	-1

8 - Leave

TABLE 8.1 - Sick Leave for Jan 2004 to Dec 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)	Total number of Employees using Sick Leave	Total number of days with medical certification
Lower skilled (Levels 1-2)	529	82.8	45	22.3	12	74	202	438
Skilled (Levels 3-5)	316	66.8	51	25.2	6	70	202	211
Highly skilled production (Levels 6-8)	550	66.7	63	31.2	9	213	202	367
Highly skilled supervision (Levels 9-12)	315	67.3	38	18.8	8	208	202	212
Senior management (Levels 13-16)	9	33.3	5	2.5	2	14	202	3
TOTAL	1719	71.6	202	100	9	579	202	1231

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TABLE 8.2 - Disability Leave (Temporary and Permanent) for Jan 2004 to Dec 2004

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
Lower skilled (Levels 1-2)	2	100	1	33.3	2	0	2	3
Highly skilled production (Levels 6-8)	19	100	1	33.3	19	8	19	3
Highly skilled supervision (Levels 9-12)	7	100	1	33.3	7	4	7	3
TOTAL	28	100	3	100	9	12	28	3

TABLE 8.3 - Annual Leave for Jan 2004 to Dec 2004

Salary Band	Total Days Taken	Average per Employee	Employment
Lower skilled (Levels 1-2)	1337	23	58
Skilled (Levels 3-5) 1109	17	67	
Highly skilled production (Levels 6-8)	1411	17	84
Highly skilled supervision (Levels 9-12)	1166	18	64
Senior management (Levels 13-16)	139	12	12
TOTAL	5162	18	285

TABLE 8.4 - Capped Leave for Jan 2004 to Dec 2004

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 Dec. 2004	Number of Employees	Total number of capped leave available at 31 Dec. 2004	Number of Employees as at 31 Dec. 2004
Lower skilled (Levels 1-2)	21	3	58	8	2205	38
Skilled (Levels 3-5)	45	9	53	5	1427	27
Highly skilled production (Levels 6-8)	30	4	35	8	1518	43
Highly skilled supervision (Levels 9-12)	37	4	44	10	1526	35
TOTAL	133	4	47	31	6676	143

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TABLE 8.5 - Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2004/05 due to non-utilisation of leave for the previous cycle	27	3	9000
Capped leave payouts on termination of service for 2004/05	66	13	5077
Current leave payout on termination of service for 2004/05	23	7	3286
TOTAL	116	23	5043

9. HIV

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
xxx	xxx
xxx	xxx

TABLE 9.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide 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 I of the Public Service Regulations, 2001? If so, provide her/his name and position.			
2. Does the department have a dedicated unit or have you designated specific staff members to promote 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.			
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.			
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter I 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.			
5. Has the department reviewed the employment policies and practices of your department 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.			
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.			
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 your health promotion programme? If so, list these measures/indicators.			

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10. Labour Relations

TABLE 10.1 - Collective Agreements

Subject Matter	Date
xxx	xxx
xxx	xxx

TABLE 10.2 - Misconduct and Discipline Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total	Total
TOTAL	0	0	0

TABLE 10.3 - Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	% of total
xxx	0	0
xxx	0	0
Total	0	0

TABLE 10.4 - Grievances Lodged

Number of grievances addressed	Number	% of total
Resolved	0	0
Not resolved	0	0
Total	0	0

TABLE 10.5 - Disputes Lodged

Number of disputes addressed	Number	% of total
Upheld	0	0
Dismissed	0	0
Total	0	0

TABLE 10.6 - Strike Actions

Strike Actions	—
Total number of person working days lost	0
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

TABLE 10.7 - Precautionary Suspensions

Precautionary Suspensions	—
Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost (R'000) of suspensions	0

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II. Skills Development

TABLE II.1 - Training Needs identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	0	0	0
	Male	0	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Gender sub totals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total	0	0	0	0	0	0

TABLE II.2 - Training Provided

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	0	0	0
	Male	0	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Gender sub totals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total	0	0	0	0	0	0

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12. Injuries

TABLE 12.1 - Injury on Duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	0	0

13. 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
XXX	XXX	XXX	XXX

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
XXX	XXX	XXX	XXX

TABLE 13.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

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

TABLE 14.3 - 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
XXX	XXX	XXX	XXX

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
XXX	XXX	XXX	XXX

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TABLE 13.4 - Analysis of consultant appointments using Donor funds, i.t.o. HDIs

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



Section

6

Outlook for the Coming year



