



*KWAZULU-NATAL: DEPARTMENT OF
SPORT & RECREATION
ANNUAL REPORT 2004/2005*

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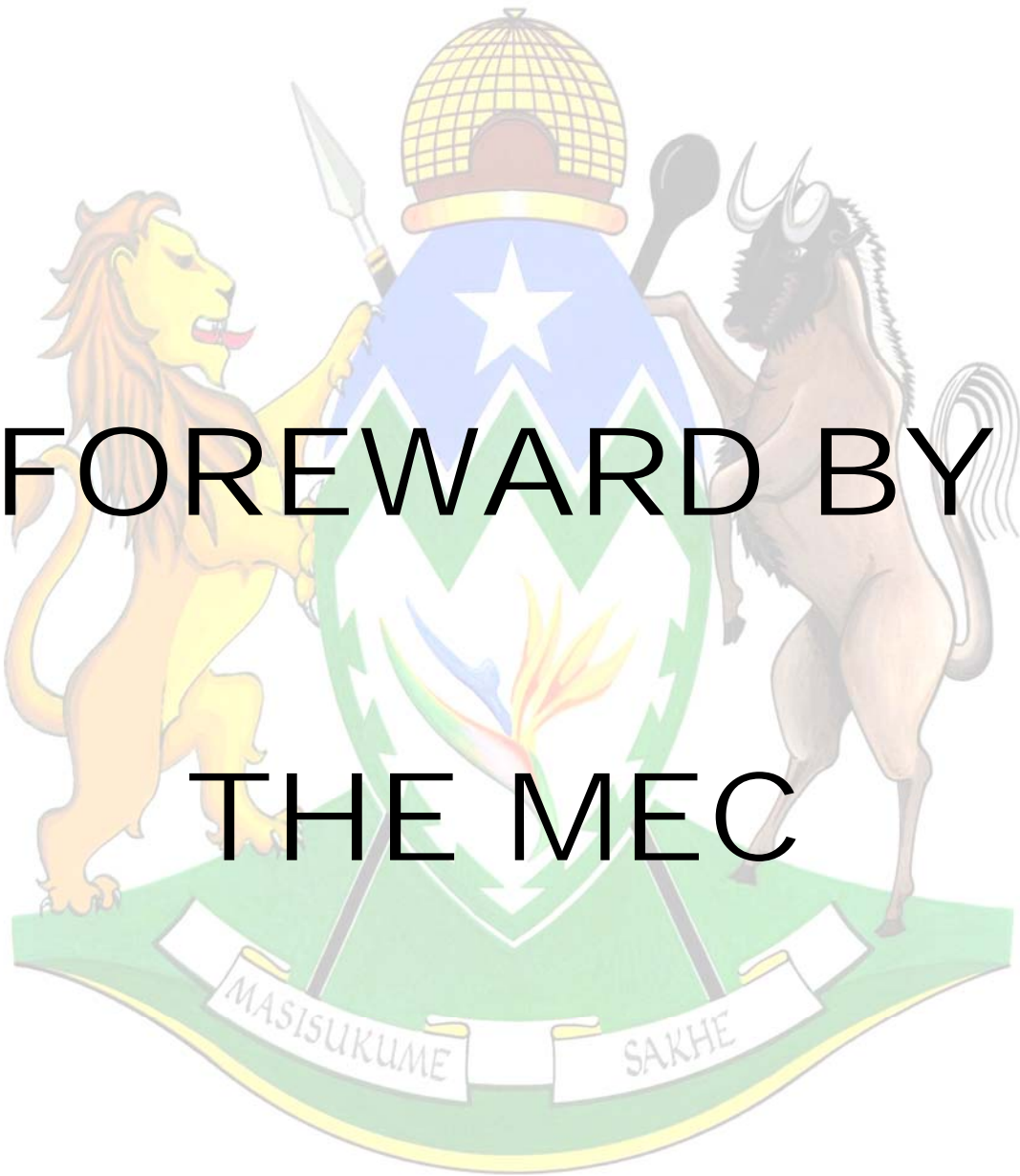
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FOREWARD BY THE MEC





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1. FOREWARD BY THE MEC

Mr. Speaker, Honourable Premier, Cabinet Colleagues and members of the House, it is an honour for me to table my first Annual Report for the KZN: Department of Sport and Recreation for the 2004/2005 financial year to this house.

During this first year of operations I have had the opportunity to familiarize myself with Sport and Recreation policy and mandates, both from a National and a Provincial perspective and have started making the strategic adjustments to the course that Sport and Recreation will take in this province.

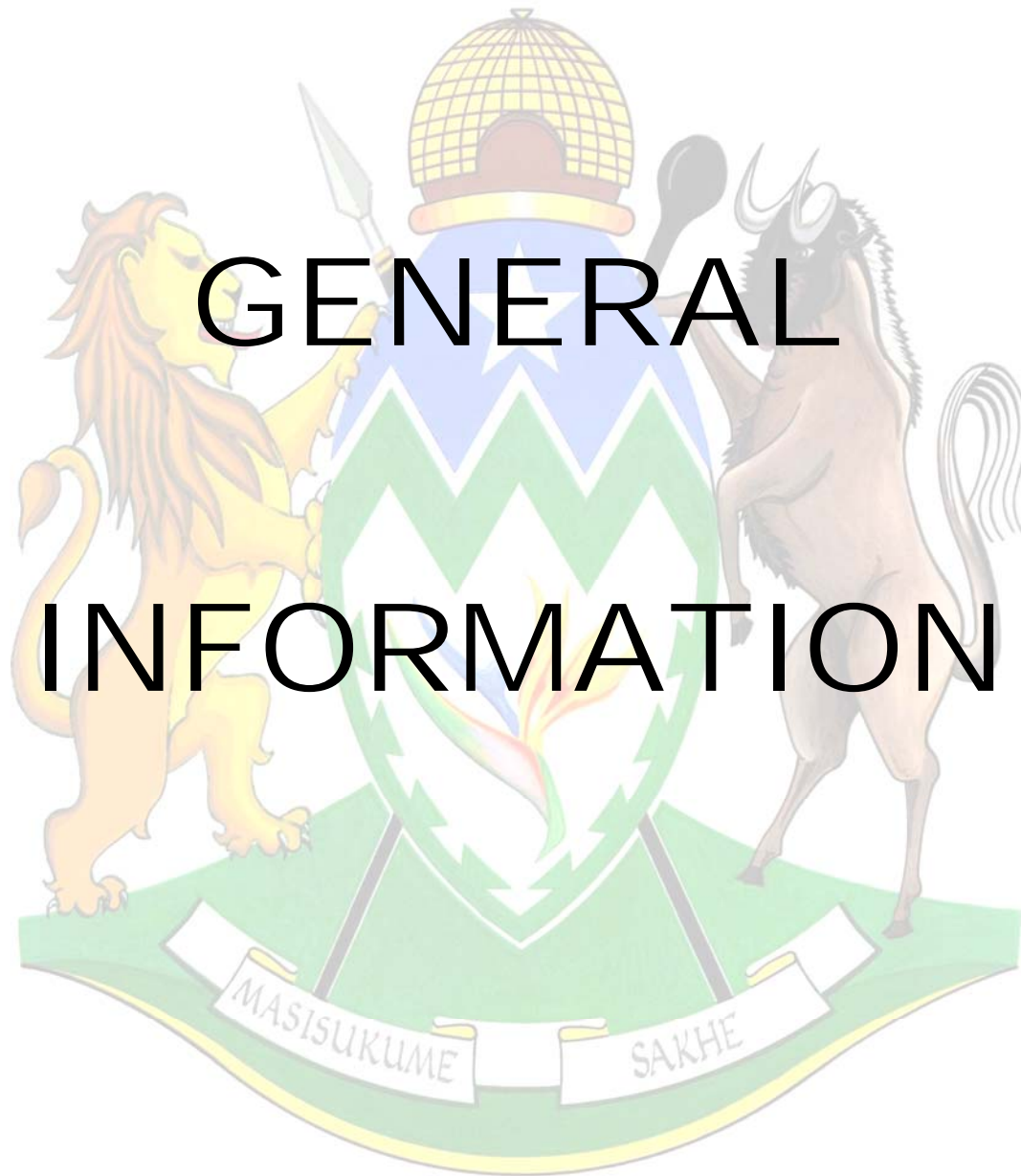
The support I have received from my colleagues in cabinet, the Head of the Department and her officials as well as the Portfolio Committee on Sport and Recreation has ensured that we are collectively delivering on sport and recreation in the province. I am also encouraged by the good wishes I have received from people from all our communities and the many offers of voluntary assistance to this Department. The renewed enthusiasm amongst the officials also bodes well for this new Department.

**Mr. A. Rajbansi M.P.P.
MEC: Sport and Recreation
31 August 2005**





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1. GENERAL INFORMATION

1.1 Submission of the annual report to the executive authority

I have the honour of submitting the Department of Sport and Recreation's first Annual Report for 2004/2005 in terms of the Public Finance Management Act, 1999. The first year of operation for any organisation is always challenging. A number of teething hurdles were encountered both from an administration perspective and service delivery. The officials were faced with new concepts, processes, protocol and procedures that had to be followed and there was a steep learning curve.

In the past the directorate focused mainly on sport and now the emphasis has been balanced between community sport, junior sport and recreation whereby separate sub-directorates have been created on the organisational structure. Line function support services such as facilities and research have also received more attention.

Despite the many challenges, the Department succeeded in delivering qualitative sport and recreation services to the communities of KwaZulu-Natal. Amongst the major projects were:

- The development of sport and recreation infrastructure through the National Building for Sport and Recreation Programme
- The implementation and launch of the Mass Participation Programme
- Programmes that ensure the development of human capacity, moral regeneration and social cohesion
- Organising and planning major sport and recreation events, namely Kwanaloga Games, Premier's Sports Awards, National Ball Games, Sports Festivals, Senior Citizens Recreation Day, Disability Sports Championships and Masidlale Festivals





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I extend my appreciation to the MEC, Mr. A. Rajbansi MPP and all Departmental officials for their commitment, support and teamwork during 2004/2005.

Mrs. S. Khan
Accounting Officer
31 August 2005

1.2 Information on the Ministry

Sport and Recreation in the Province of KwaZulu-Natal is a new portfolio and the work performed by the Ministry for the 2004/2005 financial year was predominantly related to consultation with various strategic stakeholders. The consultation process is aimed at gathering information for the development of a Provincial Policy for Sport and Recreation.

Institutions reporting to the Executive Authority

None

Bills submitted to the legislature during the financial year

None were submitted

Ministerial visits abroad

None

1.3 Mission statement

We will improve the quality of life of the citizens of KwaZulu-Natal by maximising opportunities for Recreation and Sporting excellence through mass participation and development.





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2. LEGISLATIVE MANDATE

The Department is responsible for the promotion and development of sport and recreation in KwaZulu-Natal. These responsibilities of the Department are mandated in terms of the following Acts.

o **The National Sport and Recreation Act (Act 110 of 1998)**

This Act provides for the promotion and development of sport and recreation and the co-ordination of the relationships between the Sports Commission, national and recreation federations and other agencies; to provide for measures aimed at correcting imbalances, to promote equity and democracy; and to provide for dispute resolution mechanisms in sport and recreation.

o **The White Paper on Sport and Recreation**

This white paper gives effect to stated government policy of ***a better life for all and to get the nation to play***. Cognisance is taken of the imbalances which exist between the advantaged urban and the disadvantaged rural communities; the strategic vision and policy for the development of sport and recreation and the need for South Africa to take its rightful place in the global sporting community. This White Paper indicates that ***in the*** governance of Sport and Recreation at the provincial level, the Member of the Executive Council (MEC) and the Provincial Sport and Recreation (Department) are charged with the responsibility of:

- o Policy development, within the context of the national sport and recreation policy, with the principal agents being provincial federations and macro bodies.
- o Implementation of recreation policy, via the Provincial Recreation Councils (PRORECs), The Province of KwaZulu-Natal does not have this Council.
- o Funding of the above agencies.
- o Upgrading of facilities as created by local authorities, for national and provincial events.

In addition, for the operational duties of the MEC and the Provincial Department of Sport and Recreation, it states – The provincial structures are one step closer to the delivery of sport and recreation than their national counterparts. They serve to:

- o Make sport and recreation accessible to all people in the province.
- o Provide the infrastructure required for sport and recreation, and its maintenance.
- o Ensure the existence of programs that develop the human resource potential in sport and recreation.





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- Develop a policy framework for the governance of sport and recreation in the province that is in concert with the national sport and recreation policy.
- Coordinate the involvement of the various departments of the Provincial Government, to ensure congruence with Provincial Sport and Recreation Policy.
- Effect international agreements, as reached by Sport and Recreation SA for the purpose of sharing technology, skills transfer and the development of sport and recreation.

Other legislation:

- Constitution of the Republic of South Africa Act, No 108 of 1996, Schedule 5
- The Bill of Rights – focusing especially on equality, freedom of association, labour relations, sport and recreation and just administrative action (basic values/ principles and the public service)
- The South African Sports Commission Act, No 110 of 1998
- The South African Boxing Act, No 11 of 2001
- Generic legislation e.g. Public Service Act, Public Finance Management Act, Labour Relations Act, KZN Procurement Act, etc.





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PROGRAMME PERFORMANCE





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1. VOTED FUNDS

Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Under Expenditure
R 30,213,000	R 43,652,000	R 37,385,000	R 6,267,000

Responsible Minister	A. Rajbansi, Minister of Sport and Recreation
Administering Department	Department of Sport and Recreation
Accounting Officer	Head of the Department Deputy Director-General

1.1 Aim of the Vote

The aim of the vote is to promote participation and development of both Sport and Recreation in the Province, which lends itself to an improved quality of life for the participants.

2. KEY STRATEGIC GOALS, OBJECTIVES, PROGRAMMES AND ACHIEVEMENTS

2.1 Key strategic goals

The strategic goals were defined as follows:

- To promote participation and development in sport and recreation in the province
- To use sport to enhance economic development and reduce the levels of crime and diseases
- To facilitate redress in the provisioning of sport and recreation facilities
- To promote indigenous sport and games
- To facilitate programmes that address equity issues





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2.2 Key strategic objectives

Based on the strategic goals of the department, its main strategic objectives were defined as follows:

- To provide and improve sporting facilities in disadvantaged groups
- To facilitate and manage sport and recreation events
- To ensure sustainable capacity development programmes in sport and recreation
- To implement mass participation programmes
- To implement junior sport programmes
- To provide financial assistance to sport and recreation entities for sports development and events
- To facilitate the preparation of elite athletes through programmes of the Provincial Academy of Sport
- To facilitate programme and events that address awareness of HIV/AIDS and moral regeneration
- To facilitate the processes of involving the unemployed, youth, women and the disabled by creating employment through poverty alleviation programmes
- To develop formal liaisons with Local Government to facilitate the provision of sports facilities
- To ensure capacity development programmes in facility management and community consultation
- Promote awareness of identified indigenous games
- Facilitate and manage Indigenous Games Festivals





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2.3 Programmes

The programme structure of the Department consisted of three programmes, namely Programme 1: Administration, Programme 2: Sport Co-ordination and Programme 3: Recreation, Facilities and Research. Consistent with its core function responsibilities, the majority of the budget is allocated to Programmes 2 and 3 for service delivery.

Programme 1: Administration is for the support functions such as overall management of the Department by the Office of the MEC and the Head of Department. The financial management, human resource management and auxiliary services also form part of this programme.

Programme 2: Sport Co-ordination is to promote the participation and development of sport in communities and juniors. The programme also caters for provincial programmes such as the Premier's Sports Awards, South African Games and Kwanaloga Games.

Programme 3: Recreation, Research and Information is to promote participation and development in recreation and co-ordinate the provision of facilities and provide a research and information service.





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2.4 Achievements

Although faced with many challenge in the first year of operation with limited capacity the Department is proud to state that it has a number of achievements. These achievements ranged across all service delivery areas, which are briefly described below.

The Department launched the **National Siyadlala Mass Participation** programme to get people active and increase the mass participation in sport and recreation. This programme was funded through the conditional grant, which was fully utilised.

The Department in partnership with the National Department of Sport and Recreation assisted with the **Building for Sport and Recreation Programme (BRSP)**. The Department played a coordinator role with the municipalities for the provision of sport and recreation facilities. The funding for the infrastructure was provided for directly by the National Department.

The Department in collaboration with the eThekweni Municipality embarked on a pilot **Water Safety and Learn to Swim Project** for learners in the junior primary section. Approximately 5000 learners benefited from the coaching conducted in the municipal pools in the region. The learners enjoyed the experience of learning one of the most difficult skills in sport. Their enthusiasm matched the eagerness of the educators and the lifesavers.





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The annual **Premier's Sports Awards** is one of the most prestigious events on our calendar. The Premier's Sports Awards 2004 took place on 8 December 2004 at the International Convention Centre. The event was a resounding success with sports achiever's receiving medals and certificates in the gold, silver, and bronze categories.

The Department of Sport and Recreation has formed a strong partnership with KWANALOGA, which has culminated in the **KWANALOGA Games**. The games are held on an annual basis with all District Municipalities presenting teams to participate in netball, basketball, cricket, football, athletics, volleyball, dancesport and boxing.

Emphasis was placed on the **capacity development** for the efficient delivery of sport and recreation in order to ensure efficient administration of sports organisations, proper coaching of athletes and technical officials of the highest calibre. In this regard, numerous courses have been held across the province to train administrators, coaches and technical officials.

The Clive Barker Project is a programme designed and was supervised by Clive Barker, a well known soccer coach. He is assisted by a group of well-known and experienced coaches such as Sugar Ray Xulu. The private sector showed a keen interest and sponsors pledged their support. The South African Football Association supported the programme.

The Department assisted a team of twenty swimmers and six officials from **KZN Disability Sport** to participate in the SA Elite Summer Games that were held in Port Elizabeth from the 25th March to the 1st April. Assistance was rendered to athletes to participate in the SA Championships for the Physically Disabled.





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2.5 Overview of the service delivery environment for 2004/2005

Historically, sport and recreation development has mainly benefited citizens residing in the urban areas. The neighbouring and rural areas were ignored due to the vastness of the area and the lack of infrastructure in these areas. The demand for providing services to these disadvantaged areas put great pressure on all the resources of the department.

Although sport and recreation have many benefits and can play a role in improving the quality of life of all people, this newly created department functioned as a programme within the Department of Education until March 2004, and was consequently not given the emphasis that it deserves. This had an impact on the delivery of sport and recreation services in the province in terms of the following key focus areas:

- Actual programmes, such as mass participation, skills development and high performance
- The provision of human, physical and financial resources
- Engaging in partnerships with other key stakeholders

The challenge therefore, is for this department to make up for the lack of service delivery in previous years, and to achieve its vision.

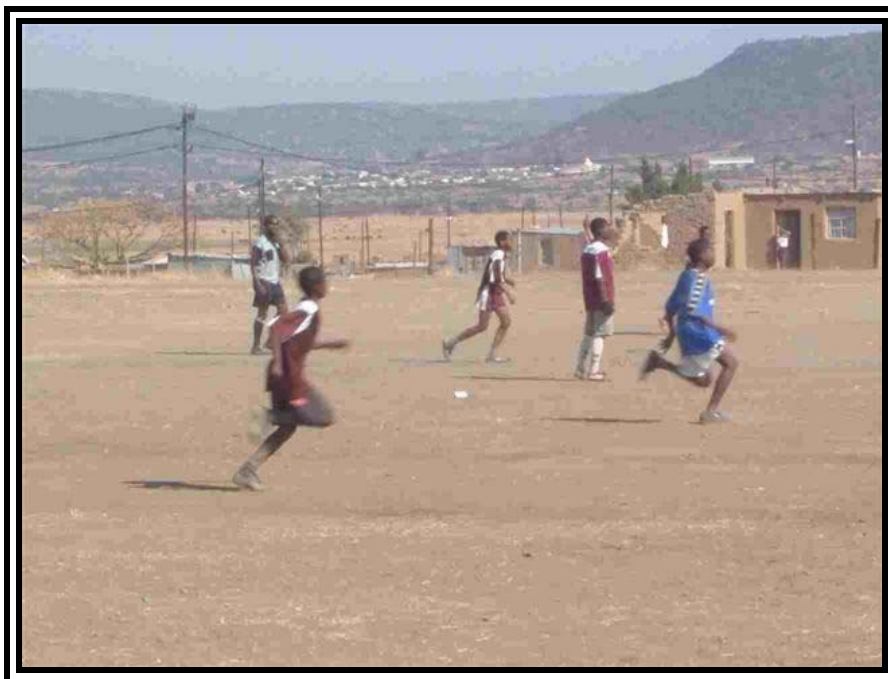
In addition to the above the following factors also affected the Department's services:

- Major provincial, national and international sporting and recreational events
- Requirement of stakeholders
- The blurring of the roles between the Department, USSASA and the Department of Education
- The lack of sport and recreation facilities
- National and Provincial priorities as well as ad hoc provincial programmes





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The core functions of the department are:

- To ensure that sport and recreation are accessible to all people in KwaZulu-Natal, especially previously disadvantaged people, rural communities, disabled and women
- To initiate programmes targeting the development of human resources potential relating to sport and recreation, through the improvement of the quality of sport and recreation and the development of coaches, trainers, volunteers and administrators
- To ensure alignment with the provincial sport and recreation policy, co-operative governance, and the co-ordinated involvement of stakeholders
- To effect and co-ordinate national and international agreements and initiatives, as reached by the province in the interests of sport and recreation
- To facilitate and organise sporting and recreational events, at district, provincial and international level
- To implement sport and recreation policy, and provide funding for and facilitate the implementation of sport and recreation agencies in the province
- To facilitate the provision and upgrading of sport and recreation facilities
- To accelerate the delivery of sport and recreation in the province through mass participation of the citizens in KwaZulu-Natal
- To achieve excellence in sport and recreation
- To host and co-host major provincial, national and international sporting events
- To facilitate the establishment of a Provincial Sports Council





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2.6 Overview of organisational environment for 2004/05

Any Department requires support services in the form of overall management, financial management, corporate services, legal services, and human resource management to ensure that the Department is operating effectively and efficiently. Although Sport and Recreation was promulgated as a new Department, no additional funding was received for these support services. As a result funds have been transferred from line function, service delivery to Administration to provide for the support services. The impact of this is a reduction in the performance targets.

The new Department first had to get approval for its post establishment after which posts were filled on an incremental basis. It therefore did not have the required manpower to immediately address problem areas.

The lack of office accommodation and equipment made it very difficult to manage the Department. The Department had to share office accommodation with the Department of Education.

At this stage, the Department only has the generic financial (BAS) and human resource systems (PERSAL) that it is able to utilise in terms of performance management.

The large number of vacant posts, at head office and regional level, had a serious impact on the quality and quantity of service delivery.

The finalisation and transfer of the budget from the Department of Education to the Department had a negative impact on service delivery. Officials could only start their planning during the second half of the year.

It was planned and negotiated with the Education Department that they will assist with the procurement of services for projects. This arrangement caused many problems and contributed largely to the fact that only a few projects were organised up to the end of 2004. To solve this problem the Department had no choice but to take over this function, despite the fact that it lacked the capacity to do so.





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2.7 Strategic overview and key policy developments for the 2004/05 financial year

Policy developments and legislative changes

On the promulgation of the Department of Sport and Recreation the in school sport functions were allocated to the Department of Sport and Recreation. On the 22nd of September the Premier issued a circular clarifying the responsibility for in-school sport as follows *“The Department’s role in sport and recreation should be focused on community sports. This excludes sports and recreation within a school or inter-school competitions.”*

The impact of this mandate was that the officials assigned to in-school sport were transferred back to Education creating a gap of 26 vacant posts which impacted service delivery.

No new policies were developed during the 2004/2005 year.





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3. DEPARTMENTAL REVENUE, EXPENDITURE, AND OTHER SPECIFIC TOPICS

3.1 Collection of departmental revenue

	2003/04 Actual	2004/05 Budget	2004/05 Actual
	R'000	R'000	R'000
Non-tax revenue- Insurance Commissions and parking income	0	0	3
Total departmental receipts	0	0	3

As this was a new Departmental no amounts were budgeted for revenue since the Department does not charge for the services it renders. The revenue earned is from the collection of parking from officials and commission earned from insurance companies on insurance deductions and payovers.

3.2 Departmental expenditure

The table below summarises the original budget allocation, the additional funding and the actual expenditure.

Programme	Voted for 2004/05	Rollover & adjustments	Virements	Total voted	Actual exp	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	6,679	1,651	(666)	7,664	5,132	2,532
Sport Co- ordination	23,534	5,986	1130	30,650	28,479	2,171
Recreation, Facilities, Research & Information	0	5,802	(464)	5,338	3,774	1,564
Total	30,213	13,439	0	43,652	37,385	6,267

The original budget allocation only included funds for the Office of the MEC and line function services, as a function shift from the Department of Education to the Department of Sport and Recreation. During the Adjustments Estimates additional funding was appropriated for support services such as Head of Department, Financial Management, Corporate Services and Human Resources. The limited human resources did not prevent the Department from spending its allocation on service delivery. Capital purchases such as office furniture and equipment were delayed, as there was limited office space to keep these assets.





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The Department of Education did not produce all the supporting vouchers for expenditure that was paid by Education on behalf of Sport and Recreation and this contributed to the underspending on the budget.

3.3 Transfer Payments

Name of institution	Budget allocation	Amount transferred
	R'000	R'000
Various Sport Federations	2,551	-
Sports Commission- SA Games	750	750
KZN Provincial Sport Academy	750	728
KWANALOGA	500	500
USSASA	-	610
Umzinyathi District Facilities	-	1,441
Other	-	499
Total	4,551	4,528

Due to the nature of the services that the Department delivers it is required to make transfer payments to various sport federations, sport and recreation community structures and associations. A number of partnerships are entered into with other government organisations such as Local Government and transfer payments are made for these partnerships. To ensure transparency and accountability are met departmental officials serve on the local organising committees.

To meet the requirements of the Public Finance Management Act and the Treasury Regulations for the effective management of the transfer payments the Department has a standard agreement, which must be signed by both parties. Prior to funds being transferred an audited set of financial statements are required, a signed agreement and a detailed business plan. Another control measure is that no further funds are transferred without a detailed report back and accountability for funds that were previously transferred. A member of staff is assigned to all projects that require transfer payments. This assists with the monitoring of the spending of the funds is in accordance with the business plans and that it contributes to the achievement of the Department's strategic goals.





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3.4 Conditional grants and earmarked funds

Type of grant	Amount received	Actual expenditure
	R'000	R'000
Mass Participation	1,000	1,034
Total	1,000	1,034

This grant is for a National Project: "Siyadlala Mass Participation" and the grant has been budgeted for over the MTEF period. The 2004/2005 financial year was the first year of the project.

In the early months teething problems were encountered with regards to the appointment of the volunteers and the acquisition of equipment by the National Department. The aim of the project is to encourage mass participation of the communities to participate in sport and recreational activities to promote an active and healthy lifestyle.

The Department launched the National Siyadladla Mass Participation programme on 5 February 2005 at Esikhawini College of Education. Presently this programme is actively running in 4 hubs of the province, namely KwaMashu, Esikhawini, Steadville and Machibisa. There are six activities, namely, basketball, handball, football, aerobics, gymnastics, fun run/walk. 4 Volunteers are appointed as hub co-ordinators, 1 per hub. 24 Volunteers are appointed as activity co-ordinators, 1 per activity per hub. This process contributes to the Provincial priority of poverty alleviation. These volunteers receive a stipend per month that is in accordance with the National Blue Print of the project. These volunteers are responsible for ensuring that there is on going participation throughout the year and not only at festivals or events.

Following on the launch, a Mass Participation Festival took place in Steadville on 5 March 2005

A key priority of the Department is to ensure that the number of mass participation hubs increase so that in the immediate future we have at least a hub in each District Municipality and in the long term there are hubs in all Local Municipalities. For the 2005/2006 financial year the Department has allocated funds from its equitable share to achieve this objective

The allocated amount was transferred into the Department's bank account during the financial year. This funding was used for the payment of the stipends for the volunteers, transport costs, equipment purchases, stationery, the provincial launch, provincial festival and the training of the volunteers. Monthly provincial reports were submitted to the National Department of Sport and Recreation. The project was highly successful and it is ongoing. Objectives and targets were achieved.





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3.5 Capital investment, maintenance and asset management plan

3.5.1 Capital Investment

The budgeted capital purchases for the 2004/2005 financial year were limited to the acquisition of motor vehicles, computer equipment and office furniture and equipment. The full budget allocation was not utilised, as there was no office space to keep the assets. A rollover of these unspent funds was requested at the end of April 2005. These assets will be acquired in the 2005/2006 financial year as and when office accommodation is obtained.

At Umzinyathi a multi-purpose facility was built. The department contributed R1,4 million towards the building costs by means of a transfer payment to the Municipality. The Municipality is the implementing agent as they will be responsible for the ongoing maintenance of the facility. The same principles and procedures of the National Building for Sport and Recreation Programme were used. The facility consists of a football field ringed by a 400m athletics track, a practice soccer field, a double combi-court, change rooms, public toilets and a security fence.





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3.5.2 Maintenance

The local municipality will maintain the sports facilities.

3.5.3 Asset management

The Department commenced with the implementation of the Provincial asset register software, HARDCAT. The appointed consultants have completed the first round of capturing of data. The Department is now in the process of updating the asset register for new acquisitions.

A research and information official has been appointed who will be responsible for setting up a GIS system for the recording of all sport and recreation facilities in the provinces.

In conjunction with National Treasury's initiative on asset management, the necessary asset management plans will be developed and implemented in the 2005/2006 financial year.





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4. PROGRAMME PERFORMANCE

For the 2004/2005 financial year the Department did not have a proper strategic planning session and therefore no published 5 year strategic plan and annual performance plan. The performance targets that the Department will be reporting on will be the targets as per the Adjustments Estimate. The Department has published the strategic plan and annual performance plan for the 2005/2006 financial year.

4.1 Programme 1: Administration

4.1.1 Purpose

The purpose of this programme is to provide the overall management of the department, in accordance with national policy, PFMA and other legislation and policies. There are four sub-programmes contained within this programme, namely Office of the MEC, Head of Department, Financial Management and Corporate Services. The main aims of the programme are policy formulation by the Minister and the Department's management, organising the department, managing its human resources and financial management, determining policies and procedures and exercising control through head office and district offices.

4.1.2 Measurable objectives

The measurable objectives for this programme are to:

- Render an efficient and effective administration support services to the MEC
- Promote accountability at all managerial levels and ensure the proper delegation of responsibilities to the relevant levels in the Department
- Ensure sound financial accounting processes
- Ensure compliance of the PFMA through the implementation of relevant financial management procedures
- Promote financial control through internal inspectorate and control
- Render human resource management and development
- Ensure human resource planning, development, training and policy formulation
- Manage labour relations and discipline
- Provide auxiliary support services
- Render communication and marketing services
- Render administrative support to districts and clusters





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4.1.3 Service delivery objectives and indicators

As this is a programme for support and administrative functions no service delivery objectives and performance indicators were developed.

4.1.4 Service delivery achievements

The Administration programme achieved the following:

- The financial system, BAS was fully implemented and finance staff were appointed before the year end to enable the Department to operate independently from the Department of Education from 1 February 2005.
- The organisational structure was approved and funding was obtained for the filling of 120 posts from the total establishment of 326.
- The PERSAL system was fully implemented.
- For the first time the management team were involved in the strategic planning process for Sport and Recreation. 3 Planning sessions were conducted to finalise the strategic direction of the Department, the targets as contained in the annual performance plan as well as the alignment to the format for the Arts, Culture and Sport cluster.
- The Department completed the PFMA requirements in terms of the monthly report and the budget requirements.

4.2 Programme 2: Sport Co-ordination

4.2.1 Purpose

To promote the participation and development of sport in communities including junior sport and consists of 3 sub-programmes namely Management, Junior Sport and Community Sport.

4.2.2 Strategic Objectives

The strategic objectives for the Programme: Sport Co-ordination has been defined as follows:

- To ensure the effective and efficient functioning of Sport Co-ordination
- To promote accountability at all managerial levels
- To promote participation and development in junior sport
- To promote participation and development in sport in communities





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4.2.3 Service delivery objectives and indicators

The table below compares the actual performance against the targets as set in the Adjustments Estimate for each of the performance indicators that were identified.

Output type	Performance measures	Performance targets	
		2004/05 Revised Target	2004/05 Actual
To facilitate and organising sporting events at various levels from district through to and international events	Number of sporting events held or funded	60	90
	Number of trained coaches, managers, technical officials and administrators	400	200 ⁽²⁾
To co-ordinate and implement the activities, and programmes for outdoor adventure, senior citizens and inmates of correctional service institutions	Number of events in correctional service institutions	5	2
	Number of people trained as recreation practitioners	24	64
To facilitate and organise programmes for the designated groups	Percentage of women, blacks and disabled participating in sports	50%	70%
To initiate and mentor programmes focusing on junior sport	Number of athletes	44, 000	21,000 ⁽¹⁾
	Number of female participants	18, 000	
	Number of trained coaches, managers, technical officials and administrators	1, 500	400 ⁽²⁾
	Number of events held	90	25
To develop and implement an HIV/AIDS Plan and facilitate the Young Champions Project to address moral regeneration	Number of awareness seminars	4	4
	Number of officials trained as counsellors	4	0
	Number of federation representatives trained	25	25
	Number of participants in Young Champions programme	400	400
To provide specialised management and skills to members of Premier Soccer League	Number of Premier Soccer League clubs	1	0
To transfer funds to Sports Federations and Sporting Institutions for the promotion and development of Sport	Number of codes of sport benefiting through the transfer payments	15	25

Notes

(1) No previous trends to determine a realistic target and therefore the deviation between actual and target is material.

(2) The number of events held for the training of coaches and administrators is far fewer than planned.





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4.2.4 Service Delivery Achievements

Detailed below are the highlights of the Department's achievements during the 2004/2005 financial year for Sport Co-ordination.

Learn To Swim Programme

The Department in collaboration with the eThekweni Municipality embarked on a pilot Water Safety and Learn to Swim Project for learners in the junior primary section. More than 5000 learners benefited from the coaching that was conducted at the municipal pools in the eThekweni Region. The learners enjoyed the experience of learning one of the most difficult skills in sport. Their enthusiasm matched the eagerness of the educators and the lifesavers. Departmental officials monitored the programme at the respective pools and assisted in solving the problems of non-participation, transport and communication problems.

The Learn to Swim project culminated in a very successful swimming gala, which afforded approximately 3000 learners from the region to converge at the Kings Park swimming pool to showcase their skills.





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Premier's Sports Awards 2004

The Annual Premier's Sports Awards 2004 took place on 8 December 2004 at the International Convention Centre. The event was a resounding success with sports achiever's receiving medals and certificates in the gold, silver, and bronze categories. In so doing, it serves to motivate athletes by bestowing the honour of the Premier, recognising the voluntary efforts of administrators, coaches and technical officials, encouraging sports partners, such as federations, to accelerate delivery systems and recognise their achievements, encouraging development, especially rural areas.





KWAZULU-NATAL: DEPARTMENT OF SPORT & RECREATION ANNUAL REPORT 2004/2005

KWANALOGA Games

The Department of Sport and Recreation has formed a strong partnership with KWANALOGA to host the KWANALOGA Games. This partnership emphasised the Department's commitment to improve intergovernmental relationships. The games were held in December in Ladysmith. Each District Municipality had a team to participate in netball, basketball, cricket, football, athletics, volleyball, dancesport and boxing.





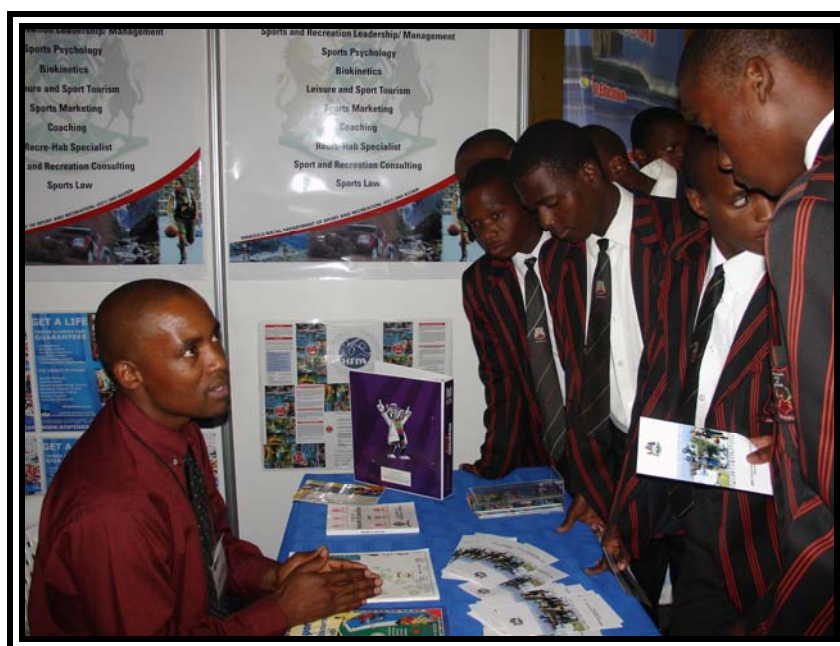
KWAZULU-NATAL: DEPARTMENT OF SPORT & RECREATION ANNUAL REPORT 2004/2005

Development of human skills development

Great emphasis is placed on the development of capacity for the efficient delivery of sport and recreation to ensure efficient administration of sports organisations, proper coaching of athletes and technical officials of the highest calibre. A total of 31 workshops/training sessions have been conducted across the 4 regions and head office. The training also included Educators as part of the In-School Sport Programme. Participants from the athletics, football, rugby, volleyball, dance, table tennis and swimming codes of sport were represented.

SABC Careers Fair

The Department had a very informative stand at the SABC Careers Fair held at the Royal Showground's in Pietermaritzburg to inform learners and the general public of possible career opportunities in sport and recreation.





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South African Women Sport & Recreation Project (SAWSAR)

The SAWSAR committee was involved in arranging a successful Sports Administrators' Course that was facilitated by the Provincial Academy of Sport. 40 Women from the sports federations, school sport and departmental officials attended this course. A Provincial Women's Sport and Recreation Festival was organised in Richards Bay in August 2004. Approximately 500 women participated in netball, football and volleyball. An inmate delivered a motivational speech from Westville Prison. Inmates from the Prison's "Isiyalo" project attended the event.





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Dreams and Teams

This is a partnership programme with the British Council. It is an international network of organisations and people. The project facilitates two processes: a training process where young leaders are trained to organise sports events for other young people in their communities and a linking process where young leaders are linked globally, to share their experiences and learn from each other. Role players have to commit to the project and undergo training.

14 Schools were involved were 200 learners were trained as youth sport leaders. These sport leaders were given an opportunity to attend a camp where facilitators from the UK shared their expertise. This was a preparation for the Global Sports Festival that the leaders had to organise at a later stage.





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The Clive Barker Project

The Department of Sport & Recreation liaised with Mr. Clive Barker, a well known football coach with a proposal for a coaching programme. The programme was designed, and supervised by Clive Barker. He was assisted by a group of well known and experienced coaches such as Sugar Ray Xulu. The private sector namely Vodacom showed a keen interest and pledged their support.

The programme has been approved by SAFA who credited the courses. The Department has agreed to use their infrastructure to assist with communicating the programme within the Department, and to provide logistical support (use of training grounds, transport of teachers etc.) where available. The programme will be implemented throughout the province, in both urban and rural areas.

Junior Football Development Project

The junior development programme targets learners in primary schools through financial assistance from the Department. 3000 Learners were provided with the opportunity to be trained by professional coaches.





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Disability Sport

A team of twenty intellectually challenged swimmers and six officials were selected to participate in the SA Elite Summer Games that were held in Port Elizabeth from the 25th March to the 1st April. The team travelled by bus to Port Elizabeth. The KZN team were the overall winners of the competition. Of the 12 SA records that were broken 7 were broken by swimmers from KZN. The medal tally for KZN was; gold – 29, silver – 26, bronze – 23. The Department assisted the team financially.

Financial assistance was also provided to the physically challenged athletes to participate in the National Championships for the disabled.

The Department also assisted the men and women's blind cricket teams to participate in the Inter-Provincial Tournament in Kimberley.





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International Tour

The KZN under 19 rugby team undertook a tour to Australia and New Zealand. The team consisted of 12 black and 10 white players. They participated in the Brisbane Southern Skies Tournament and played six games in total including the final, which they won 39-7 against Logan Rugby Union. From Brisbane they travelled to Napier in New Zealand where they played one game against Hawkes Bay. They lost the 34-24 against a team that included some under 21 players. The players and management learned a lot and the experience gained will certainly contribute to the upliftment and strengthening of the game in the province.





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Surfing

There has been a growing interest in surfing amongst the previously disadvantaged communities along the coast. The Department responded to a request by a group of surfers from the south coast for assistance to participate in a national championship in Port Elizabeth. A development programme was organised for a group of orphans at South Beach with KZN Life Saving Association.



HIV/AIDS

A community Sports Day was held at Ezakheni on 24 and 25 September, where the Department of Health presented the community with advice and awareness posters. The Masidlale Festival was held at the Ugu district together with a campaign on HIV/AIDS awareness. 4 Lovelife Games were held in Hlabisa, Vryheid, Ulundi, Pholela with a total of 1,240 participants.





KWAZULU-NATAL: DEPARTMENT OF SPORT & RECREATION ANNUAL REPORT 2004/2005

4.3 Programme 3: Recreation, Facilities, Research and Information

4.3.1 Purpose

This programme's purpose is to promote participation and development in recreation and co-ordinate the provision and development of sport and recreation facilities and consists of 4 sub-programmes namely Management, Recreation, Facilities and Research and Information.

4.3.2 Strategic objectives

The strategic objectives for the Programme: Recreation, Facilities, Research and Information have been defined as follows:

- Ensure the effective and efficient functioning of recreation, facilities, research and information
- Promote accountability at all managerial levels
- Promote participation and development in recreation
- Coordinate the provision and development of sport and recreation facilities
- Provide a research and information service





KWAZULU-NATAL: DEPARTMENT OF SPORT & RECREATION ANNUAL REPORT 2004/2005

4.3.3 Service delivery objectives and indicators

The table below compares the actual performance against the targets as set in the Adjustments Estimate for each of the performance indicators that were identified for the Programme: Recreation, Facilities, Research and Information.

Service delivery objectives	Performance indicators	Actual performance against targets	
		Target	Actual
To provide sports facilities in designated areas through the Building for Sport and Recreation Programme	• Agreements signed with District Municipalities	11	17
	• Number of facilities built through the National Building for Sport and Recreation Programme	16	17
To co-ordinate and implement the 6 mass participation activities, programmes for outdoor adventure, senior citizens and inmates of correctional service institutions	• Number of events	10	10
	• Number of participants in the 6 mass participation programme	5,600	6,000
	• Number of activities organised for senior citizens	12	10
To facilitate and organise programmes for the designated groups	• Number of people trained as recreation practitioners	24	64
	• Percentage of women, blacks and disabled participating in sports	50%	70%





KWAZULU-NATAL: DEPARTMENT OF SPORT & RECREATION ANNUAL REPORT 2004/2005

4.3.4 Service delivery achievements

Detailed below are highlights of the Department's service delivery achievements for the 2004/2005 financial year.

Siyadlala/Mass Participation

The Mass Participation Programme commenced in 2004/2005 to get the nation playing by facilitating participation in sport and recreation activities within disadvantaged communities focusing on high crime areas, government priority nodes, and rural areas and where possible at the facilities /areas that have been built through the Building for Sport and Recreation Programme. The first year was used to launch the project, detailed information is provided under the heading Conditional Grants.





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Masidlale

This is an ongoing community recreation campaign, which seeks to create awareness and participation. It further seeks public, private sector partnerships, local government involvement, community empowerment and ownership of projects. It appeals to all age groups and activities are open-ended, namely, sport activities, indigenous games, fun events, music, dance.





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Indigenous Games

The Indigenous Games is a window for African values. The participation in Indigenous Games emphasises physical development, skill training and maintenance. This reinforces community values and interaction between communities. The Department held a number of indigenous festivals during the course of the year. These indigenous games include Intonga, Morabaraba, Jukskei, Dibeke, Ncuva, Khokho





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Senior Citizens

Senior Citizens Sports Day was held in Tongaat for the North Durban areas and Chatsworth for the South Durban Areas. Senior citizens were also catered for in the Masidlale Project.





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Building for Sport and Recreation Programme

The funding for the Building for Sport and Recreation Programme is provided by the National Department of Sport and Recreation directly to the Municipalities. The Provincial Department of Sport and Recreation's role is one of co-ordination and facilitation. A total of 17 sport and recreation facilities have been completed at a cost of R 25 million through the Building for Sport and Recreation Programme, a poverty alleviation programme. These facilities will be handed over to the communities during the current financial year. The District Municipalities that have benefited are:

- Umgungundlovu 3, facilities,
- Uthukela 1 facility,
- Umzinyathi 2 facilities,
- Zululand 1 facility, Umkhanyakude 1 facility,
- Uthungulu 1 facility,
- Ilembe 1 facility,
- Amajuba 2 facility,
- Ugu 3 facilities,
- Sisonke 2 facilities.

The success of this emanates from the co-operative governance in working towards service delivery for 2004/5. A further 16 facilities are 80% complete and 22 identified facilities for 2005/6 have been submitted for approval to the National Department. This project has succeeded in creating employment for local contractors and employing mainly women, the youth and at least 2% disabled people. A total of 17 sport and recreation facilities have been completed at a cost of R25 million.





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**KWAZULU-NATAL: DEPARTMENT OF
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**REPORT OF THE AUDIT COMMITTEE ON
VOTE 16 – SPORT AND RECREATION**

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 met 5 times as per its approved terms of reference.

Name of Member	Number of Meetings Attended
R. Morar (Chairperson)	5
B.P. Campbell	5
B.S Khuzwayo (Adv)	4
A.D.K. Leisegang	5
D.S.D. Shabalala	1
R.K. Sizani (Adv)	0
R.W. Green-Thompson (Prof)	3

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38(1)(a) of the Public Finance Management Act 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, except as stated below.

The Effectiveness of Internal Control

We cannot comment on the systems of internal control as the Internal Audit Unit did not conduct any internal audit assignments during the year under review.

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

We cannot comment on the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review.





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**REPORT OF THE AUDIT COMMITTEE ON
VOTE 16 – SPORT AND RECREATION**

Evaluation of Financial Statements

We have:

- Not reviewed the Audited Annual Financial Statements to be included in the annual report;
- Taken into consideration the Auditor-General's management letter and management response;
- Not reviewed changes in accounting policies and practices;
- Reviewed significant adjustments resulting from the audit.

We concur and accept the conclusions of the Auditor-General on the Annual Financial Statements and are of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

R. MORAR

.....
R. MORAR: Chairperson
On behalf of the Audit Committee

16/8/05

Date:





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ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2005

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REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2005

Report by the Accounting Officer to the Provincial Legislature of the KwaZulu-Natal Government

1. General review of the state of financial affairs

The 2004/05 financial year was the first financial year that the Department of Sport and Recreation operated as a new Department. Prior to this, the functions of Sport and Recreation were carried out by the Department of Education and Culture as a Programme.

The Department encountered a number of hurdles during this first year, as the departmental staff had to function as a Department for the first time, as opposed to being a programme within the Department of Education, as was previously the case. This proved to be difficult, as a number of new management and administrative responsibilities were placed on the limited staff complement.

In addition, the staff that were employed under the Educators Act and performed the functions of the previous Sport and Recreation Programme in the Department of Education remained with that Department, resulting in additional strain on the existing staff. Although additional funds were allocated to the department during the 2004/05 Adjustments Estimate, this meant that the advertising and filling of essential posts only commenced towards the end of January 2005.

Despite the staffing limitations, the Department engaged in a number of activities to promote and develop sport in the province during the course of the year. For example, the Department hosted the Premier Sports Awards, an event that is held every year to recognise and reward the sport achievers for the year.

Furthermore, in partnership with KWANALOGA and District Municipalities, the Department co-hosted the KWANALOGA Games. Also, as part of the junior sport functions, the Department provided funding for the provincial team that participated in the Summer Games, which were held in Cape Town.





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REPORT OF THE ACCOUNTING OFFICER For the year ended 31 March 2005

The National Sport and Recreation Mass Participation Programme commenced in 2004/05, and is being funded as a national conditional grant. The activities that took place to initiate this programme ranged from the launching of the programme, to the training of volunteers and the acquisition of equipment and ongoing sustainable activities. The Mass Participation Launch took place on 5 February 2005 at Esikhawini and the festival on 5 March 2005 at Steadville.

The table below summarises the actual expenditure in comparison to the Adjustments Estimate after virements.

	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
Programme 1: Administration	7,664	5,132	2,532
Programme 2: Sport Co-ordination	30,650	28,479	2,171
Programme 3: Recreation, Facilities, Research and Information	5,338	3,774	1,564
Total	43,652	37,385	6,267

Administration

The Department only commenced the filling of posts in the last quarter of the financial year resulting in savings on personnel expenditure. Suitable office accommodation was not identified and the Department continued to utilise the existing offices that were part of the Department of Education. Not all capital items such as computers, furniture and vehicles were purchased as there was no space to store these assets and this contributed to the savings and a request for a rollover has been made to the Treasury for this savings.

Sport Co-ordination

Senior management and junior sport posts remained unfilled as at 31 March 2005 and therefore the savings on Sport Co-ordination. From 1 April 2004 till 30 November 2004 the expenditure for Sport and Recreation was accounted for in the Department of Education's books. 80% of the expenditure was transferred to the Department of Sport and Recreation and the balance of 20% has not yet been transferred, as the supporting vouchers have not yet been produced by the Department of Education. This will be finalised in the 2005/2006 financial year and the Department has made an application for a rollover to the Treasury for these funds.





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REPORT OF THE ACCOUNTING OFFICER For the year ended 31 March 2005

Recreation, Facilities, Research and Information

Posts were not filled timeously and therefore savings on salary costs and associated administrative costs and capital expenditure.

2. Service rendered by the department

The Department's core functions are as follows:

- To initiate programmes targeting the development of human resources potential relating to sport and recreation, through the improvement of the quality of sport and recreation and the development of coaches, trainers, volunteers and administrators
- To ensure that sport and recreation are accessible to all people in KwaZulu-Natal, especially previously disadvantaged people, rural communities, the disabled and women
- To ensure alignment with the provincial sport and recreation policy, co-operative governance, and the co-ordinated involvement of stakeholders
- To effect and co-ordinate national and international agreements and initiatives, as reached by the province in the interests of sport and recreation
- To facilitate and organise sporting and recreational events, at district, provincial and international level
- To implement sport and recreation policy, and provide funding for and facilitate the implementation of sport and recreation agencies in the province
- To facilitate the provision and upgrading of sport and recreation facilities
- To accelerate the delivery of sport and recreation in the province through mass participation of the citizens in KwaZulu-Natal
- To achieve excellence in sport and recreation
- To host and co-host major provincial, national and international sporting events
- To facilitate the establishment of a Provincial Sports Council.





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REPORT OF THE ACCOUNTING OFFICER For the year ended 31 March 2005

2.1 *Tariff policy*

The Department does not sell any its services and therefore has no tariff policy.

2.2 *Free Services*

The Department provides no free services.

2.3 *Inventories*

There are no inventories on hand at the end of the financial year.

3. **Capacity constraints**

The Department was in the process of establishing itself, and therefore had insufficient line function and administrative support staff during the financial year under review. This lack of capacity, as well as the lack of funding, has hindered the Department's ability to operate effectively and efficiently.

4. **Utilisation of donor funds**

The Department has received no donor funds.

5. **Trading entities and public entities**

There are no trading entities or public entities.

6. **Organisations to whom transfer payments have been made**

The nature of the Department's operations requires it to make use of the Sport Federations for the various codes of sports and the Sports Academy for the development and promotion of sport and recreation within the province. The Sports Federations are used as an agency for the development programmes as well as the organisation of events and programmes. Prior to funds being transferred a business plan must be submitted by the organisation, an agreement is signed and audited financial statements are required. A detailed report back is also required once the programme is completed. Refer to Annexure 1 C for a detailed breakdown of transfer payments made.





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REPORT OF THE ACCOUNTING OFFICER For the year ended 31 March 2005

7. Public private partnerships (PPP)

There are no public private partnerships.

8. Corporate governance arrangements

8.1 Risk management approach

The Department has not completed a formal risk assessment process. The management team meets on a regular basis to discuss the risks facing the department and these are addressed as and when they are identified.

The Department will request the Provincial Treasury: Internal Audit Unit to perform a risk assessment session where the critical risks will be identified and an action plan to address these will be developed.

8.2 Fraud prevention policies

The Department has not developed a fraud prevention plan, but it will work closely with the Provincial Treasury's Internal Audit component to develop a fraud prevention plan during the next financial year.

8.3 Effectiveness of internal audit and audit committee;

Internal Audit and Audit Committee's in this Province has been centralised in the Provincial Treasury. All audit reports from the Provincial Treasury's Internal Audit Unit will be reviewed and relevant action will be taken to address weaknesses that have been identified. The Department does not have an internal control environment and therefore requests the Provincial Internal Audit unit to carry out certain audits.

8.4 Implementation of a code of conduct,

The Human Resources directorate ensures that the code of conduct is complied with. Adherence to the Code of Conduct has also been included in the Department's strategic plan as a core value. Disciplinary procedures are followed if there is non compliance to the Code of Conduct.





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REPORT OF THE ACCOUNTING OFFICER For the year ended 31 March 2005

8.5 *Safety, health and environment issues*

The Department ensures that the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) is complied with at all times.

8.6 *Minimising conflict of interest*

Various committees have been established to reduce the conflict of interest, as decisions do not reside solely with any one individual. Officials are also required to disclose their interests in any transactions that the Department undertakes.

9. **Discontinued activities**

The in-school functions of Sport were previously part of the Programme: Sport and Recreation as part of the Department of Education. With effect from 22 September 2004 the in-school sport functions were transferred from the Department of Sport and Recreation to the Department of Education. The in-schools sport functions relate to sport activities within the school learning hours as well as inter-school activities/events.

10. **New activities**

Sport and Recreation did not receive any funding in the past for the building of sport and recreation facilities. The Department's role was one of a facilitator between the National Department of Sport and Recreation and the Municipality. For the first time in the 2005/06 financial year funds have been allocated for infrastructure on sport and recreation facilities. This is a new function for the Department and it is expected to grow in the coming years, as facilities are critical for the development and promotion of sport and recreation in the Province.

11. **Events after the reporting date**

No other material fact or event has occurred subsequent to the accounting date.





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**REPORT OF THE ACCOUNTING OFFICER
For the year ended 31 March 2005**

12. Performance information

The current process for obtaining performance information is a manual process of record keeping. In the past there was no structured process to collect and evaluate the performance information. The process that will be used in the future will still be a manual process; however, the information and statistics will be captured on a project-by-project basis by the Project Co-ordinator. This information will be accumulated after each project. At this stage no information systems will be used as this would not be cost effective and no additional funds are available for this.

13. SCOPA resolutions

As this is the first year of operations for the Department of Sport and Recreation, there are no SCOPA resolutions.

Approval

The Annual Financial Statements set out on pages 60 to 93 have been approved by the Accounting Officer.

Mrs. S. Khan
Head of Department
31 May 2005





KWAZULU-NATAL: DEPARTMENT OF SPORT & RECREATION ANNUAL REPORT 2004/2005

REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 16 - DEPARTMENT OF SPORT AND RECREATION FOR THE YEAR ENDED 31 MARCH 2005

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 60 to 93, 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 the Auditor-General Directive No. 1 of 2005.

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





KWAZULU-NATAL: DEPARTMENT OF SPORT & RECREATION ANNUAL REPORT 2004/2005

REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 16 - DEPARTMENT OF SPORT AND RECREATION FOR THE YEAR ENDED 31 MARCH 2005

3. QUALIFICATION

In terms of section 42 of the Public Finance Management Act, 1999 (Act No. 1 of 1999), (PFMA), the Honourable Premier reallocated Programme 9 functions from the Department of Education to the Department of Sport and Recreation. This transfer of assets and functions was finalised by November 2004. However, due to inadequate monitoring and management of the transfer process significant discrepancies were identified during the audit. Consequently, I was unable to verify the completeness, accuracy and validity of the amounts disclosed as indicated in the following sub-paragraphs. I was also unable to perform alternative audit procedures.

3.1 Capped leave

The capped leave balance included in note 14 of the financial statements amounting to R2 480 341 could not be confirmed for accuracy and completeness. Discrepancies in the balances between the PERSAL report and the leave files were noted. Management did not perform reconciliation between PERSAL records and the information on the leave files. Furthermore, certain leave files were not submitted for audit purposes.

3.2 Leave pay provision

The validity and accuracy of the leave pay provision amounting to R652 000 as disclosed in note 17 of the financial statements could not be confirmed. Leave files balances could not be verified to leave entitlement as leave files were either not updated or not submitted for audit purposes, as a result of an inadequate system of control over leave.

3.3 Employee files

Notwithstanding the efforts by the Department to obtain the employee staff files from the Department of Education, 20 employee staff files still remain outstanding. As a result the required assurance could not be obtained that the amounts reflected in the financial statement form a valid charge for compensation of employees of approximately R2 256 039; subsidised motor allowances of R420 718; performance awards of R78 000 and home owner allowances of R73 348.





KWAZULU NATAL - DEPARTMENT OF SPORT & RECREATION ANNUAL REPORT 2004/2005

REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 16 - DEPARTMENT OF SPORT AND RECREATION FOR THE YEAR ENDED 31 MARCH 2005

3.4 Lease agreements

The Department could not provide the lease agreements supporting lease expenditure of R169 000 as disclosed in note 4 and lease commitments of R147 000 as disclosed in note 18 of the financial statements. As a consequence, it could not be verified that the amounts disclosed are valid and accurate.

4. Qualified audit opinion

In my opinion, except for the effect on the financial statements of the matters referred to in paragraph 3, the financial statements fairly present, in all material respects, the financial position of the Department of Sport and Recreation 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 PFMA.

5. EMPHASIS OF MATTER

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

5.1 Asset register

In terms of section 38(1)(d) of the PFMA, the accounting officer is responsible for the management, including the safeguarding and maintenance of the assets. In addition, Resolution 80/2003 of the Provincial Public Accounts Committee required all departments to fully update their asset registers. Due to the lack of management policies and procedures to affect and monitor this requirement the following weaknesses were identified:

- Assets transferred from the Department of Education were not recorded accurately in the register.
- Current additions amounting to R606 000 were not recorded in the asset register.

There were no columns for date purchased, amounts and disposals.





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**REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL
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OF VOTE 16 - DEPARTMENT OF SPORT AND RECREATION
FOR THE YEAR ENDED 31 MARCH 2005**

5.2 Audit flavour – vacancy rates

The Department has a high vacancy rate and the Chief Financial Officer's position has not been filled, as a result a consultant is used to fulfill the financial management function. As at 30 June 2005 a 33 per cent vacancy rate was in excess of the acceptable norm of 5 per cent.

6. APPRECIATION

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

H. van Zyl for Auditor-General

Durban

29 July 2005



AUDITOR - GENERAL





KWAZULU NATAL - DEPARTMENT OF SPORT & RECREATION ANNUAL REPORT 2004/2005

ACCOUNTING POLICIES For the year ended 31 March 2005

The Annual Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Annual Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act No 1 of 1999 (as amended by Act No 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act No 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.





KWAZULU NATAL - DEPARTMENT OF SPORT & RECREATION ANNUAL REPORT 2004/2005

ACCOUNTING POLICIES **For the year ended 31 March 2005**

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 are 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 is 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.





KWAZULU NATAL - DEPARTMENT OF SPORT & RECREATION ANNUAL REPORT 2004/2005

ACCOUNTING POLICIES For the year ended 31 March 2005

Local and foreign aid assistance

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

3. Expenditure

Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. The expenditure is classified as capital where the employees were involved, on a full time basis, on capital projects during the financial year. All other payments are classified as current expense.

Social contributions include the entities' contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

Short-term employee benefits

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

Long-term employee benefits and other post employment benefits

Termination benefits

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





KWAZULU NATAL - DEPARTMENT OF SPORT & RECREATION ANNUAL REPORT 2004/2005

ACCOUNTING POLICIES **For the year ended 31 March 2005**

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 were 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.





KWAZULU NATAL - DEPARTMENT OF SPORT & RECREATION ANNUAL REPORT 2004/2005

ACCOUNTING POLICIES For the year ended 31 March 2005

Financial transactions in assets and liabilities

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

Unauthorised expenditure

Unauthorised expenditure is defined as:

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

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

Irregular expenditure

Irregular expenditure is defined as:

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

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

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





KWAZULU NATAL - DEPARTMENT OF SPORT & RECREATION ANNUAL REPORT 2004/2005

ACCOUNTING POLICIES For the year ended 31 March 2005

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.





KWAZULU NATAL - DEPARTMENT OF SPORT & RECREATION ANNUAL REPORT 2004/2005

ACCOUNTING POLICIES **For the year ended 31 March 2005**

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.





KWAZULU NATAL - DEPARTMENT OF SPORT & RECREATION ANNUAL REPORT 2004/2005

ACCOUNTING POLICIES 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.





**KWAZULU NATAL - DEPARTMENT OF
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**ACCOUNTING POLICIES
For the year ended 31 March 2005**

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

This is the Department's first year of operations and no comparative figures have been disclosed.





KWAZULU NATAL - DEPARTMENT OF SPORT & RECREATION
ANNUAL REPORT 2004/2005

APPROPRIATION STATEMENT
For the year ended 31 March 2005

Appropriation per programme							
2004/2005							
	Adjusted Appropriation	Virement	Final Appropriation	Actual Expenditure	Variance	Payments as % of final appropriation	
	R'000	R'000	R'000	R'000	R'000	%	
1. Administration							
Current payment	6,593	(666)	5,927	4,644	1,283	78.4%	
Transfers and subsidies	12	-	12	4	8	33.3%	
Payment for capital assets	1,725	-	1,725	484	1,241	28.1%	
2. Sport Co-ordination							
Current payment	24,682	1130	25,812	23,830	1,982	96.5%	
Transfers and subsidies	4,586	-	4,586	4,533	53	79.3%	
Payment for capital assets	252	-	252	116	136	46.0%	
3. Recreation, Facilities, Research and Information							
Current payment	5,570	(464)	5,106	3,767	1,339	73.8%	
Transfers and subsidies	12	-	12	1	11	8.3%	
Payment for capital assets	220	-	220	6	214	2.7%	
TOTAL	43,652	-	43,652	37,385	6,267	85.6%	
Reconciliation with Statement of Financial Performance							
Departmental revenue received				3			
Actual amount per Statement of Financial Performance				43,655			
Actual amounts per Statement of Financial Performance					37,385		





KWAZULU NATAL - DEPARTMENT OF SPORT & RECREATION
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APPROPRIATION STATEMENT
For the year ended 31 March 2005

Appropriation per economic classification						
2004/2005						
Economic classification	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation
	R'000	R'000	R'000	R'000	R'000	%
Current payment						
Compensation of employees	16,638	(7,567)	9,071	9,071	-	100.0%
Goods and services	20,207	7,567	27,774	23,170	4,604	83.4%
Transfers and subsidies to:						
Provinces and municipalities	59	-	59	10	49	16.9%
Non-profit institutions	4,551	-	4,551	4,528	23	99.5%
Payment for capital assets						
Machinery and equipment	2,197	-	2,197	606	1,591	27.6%
Total	43,652	-	43,652	37,385	6,267	85.6%





KWAZULU NATAL - DEPARTMENT OF SPORT & RECREATION
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APPROPRIATION STATEMENT
For the year ended 31 March 2005

Detail per programme 1 – Administration						
2004/2005						
Programme per sub-programme	Adjusted appropriation	Virement	Final Appropriation	Actual payment	Variance	Payment as % of final appropriation
	R'000	R'000	R'000	R'000	R'000	%
1.1 Office of the MEC						
Current payment	3,455	-	3,455	3,035	420	87.8%
Transfers and subsidies	8	-	8	3	5	37.5%
Payment for capital assets	1,055	-	1,055	314	741	29.8%
1.2 Head of Department						
Current payment	611	-	611	217	394	35.5%
Transfers and subsidies	1	-	1	-	1	0.0%
Payment for capital assets	90	-	90	-	90	0.0%
1.3 Financial Management						
Current payment	700	-	700	315	385	45.0%
Transfers and subsidies	1	-	1	-	1	0.0%
Payment for capital assets	140	-	140	143	(3)	102.1%
1.4 Corporate Services						
Current payment	1,827	(666)	1,161	1,077	84	92.8%
Transfers and subsidies	2	-	2	1	1	50.0%
Payment for capital assets	440	-	440	27	413	6.1%
Total	8,330	(666)	7,664	5,132	2,532	67.0%





KWAZULU NATAL - DEPARTMENT OF SPORT & RECREATION
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APPROPRIATION STATEMENT
For the year ended 31 March 2005

Detail per programme 1 – Administration						
2004/2005						
Economic classification	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation
	R'000	R'000	R'000	R'000	R'000	%
Current payment						
Compensation of employees	3,370	(970)	2,400	2,400	-	100.0%
Goods and services	3,223	304	3,527	2,244	1,283	63.6%
Transfers and subsidies to:						
Provinces and municipalities	12	-	12	4	8	33.3%
Payment for capital assets						
Machinery and equipment	1,725	-	1,725	484	1,241	28.1%
Total	8,330	(666)	7,664	5,132	2,532	67.0%





KWAZULU NATAL - DEPARTMENT OF SPORT & RECREATION
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APPROPRIATION STATEMENT
For the year ended 31 March 2005

Detail per programme 2 – Sport Co-ordination						
2004/2005						
Programme per sub-programme	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final allocation
	R'000	R'000	R'000	R'000	R'000	%
2.1 Sport Management						
Current payment	310	2,591	2,901	750	2,151	100.0%
Transfers and subsidies	501	-	501	1,945	(1,444)	63.3%
Payment for capital assets	100	-	100	-	100	0.0%
2.2 Junior Sport						
Current payment	9,344	(1,798)	7,546	7,546	-	89.9%
Transfers and subsidies	2,017	-	2,017	742	1,275	100.0%
Payment for capital assets	6	-	6	-	6	0.0%
2.3 Community Sport						
Current payment	15,028	337	15,365	15,534	(169)	100.0%
Transfers and subsidies	2,068	-	2,068	1,846	222	97.2%
Payment for capital assets	146	-	146	116	30	79.5%
Total	29,520	1,130	30,650	28,479	2,171	92.9%





KWAZULU NATAL - DEPARTMENT OF SPORT & RECREATION
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APPROPRIATION STATEMENT
For the year ended 31 March 2005

Detail per programme 2 – Sport Coordination						
2004/2005						
Economic classification	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%
Current payment						
Compensation of employees	10,134	(5,266)	4,868	4,868	-	100.0%
Goods and services	14,548	6,396	20,944	18,962	1,982	90.5%
Transfers and subsidies to:						
Provinces and municipalities	35	-	35	5	30	14.3%
Non-profit institutions	4,551	-	4,551	4,528	23	99.5%
Payment for capital assets						
Machinery and equipment	252	-	252	116	136	46.0%
Total	29,520	1,130	30,650	28,479	2,171	92.9%





KWAZULU NATAL - DEPARTMENT OF SPORT & RECREATION
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APPROPRIATION STATEMENT
For the year ended 31 March 2005

Detail per programme 3 – Recreation, Facilities, Research and Information						
2004/2005						
Programme per sub-programme	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%
3.1 Recreation Management						
Current payment	297	-	297	48	249	16.2%
Transfers and subsidies	1	-	1	-	1	0.0%
Payment for capital assets	100	-	100	-	100	0.0%
3.2 Recreation						
Current payment	4,803	(464)	4,339	3,406	933	78.5%
Transfers and subsidies	9	-	9	1	8	11.1%
Payment for capital assets	80	-	80	6	74	7.5%
3.3 Facilities						
Current payment	373	-	373	313	60	83.9%
Transfers and subsidies	1	-	1	-	1	0.0%
3.4 Research						
Current payment	97	-	97	-	97	0.0%
Transfers and subsidies	1	-	1	-	1	0.0%
Payment for capital assets	40	-	40	-	40	0.0%
Total	5,802	(464)	5,338	3,774	1,564	70.7%





KWAZULU NATAL - DEPARTMENT OF SPORT & RECREATION
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APPROPRIATION STATEMENT
For the year ended 31 March 2005

Detail per programme 3 – Recreation, Facilities, Research and Information						
2004/2005						
Economic classification	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%
Current payment						
Compensation of employees	3,134	(1,331)	1,803	1,803	-	100.0%
Goods and services	2,436	867	3,303	1,964	1,339	59.5%
Transfers and subsidies to:						
Provinces and municipalities	12	-	12	1	11	8.3%
Payment for capital assets						
Machinery and equipment	220	-	220	6	214	2.7%
Total	5,802	(464)	5,338	3,774	1,564	70.7%





KWAZULU NATAL - DEPARTMENT OF SPORT & RECREATION ANNUAL REPORT 2004/2005

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

1. **Detail of current and capital transfers as per Appropriation Act (after Virement):**
Detail of these transactions can be viewed in note 5 (Transfer Payments) and Annexure 1C 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. **Explanations of material variances from amounts voted (after virement):**

3.1 Per programme

	Final Appropriation	Actual Expenditure	Variance	% Spent
	R'000	R'000	R'000	
Programme 1: Administration	7,664	5,132	2,532	66,96%
Programme 2: Sport Co-ordination	30,650	28,479	2,171	92,92%
Programme 3: Recreation, Facilities, Research and Information	5,338	3,774	1,564	70,7%
Total	43,652	37,385	6,267	85,64%

Administration

Senior management and support services posts were only filled in the 4th quarter of the financial year and therefore savings. Vehicles, computer equipment and furniture were not acquired as posts were not filled and limited office accommodation for the storage of these.

Sport Co-ordination

Senior management posts were only filled in the 4th quarter of the financial year and therefore savings. The Educators for Junior Sports functions were transferred to Education, resulting in a saving in salary costs. These Educator posts were not filled prior to the financial year.

Recreation, Facilities, Research and Information

Senior management posts were filled prior to 31 March 2005.





**KWAZULU NATAL - DEPARTMENT OF
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**STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 31 March 2005**

	<i>Note</i>	2004/05 R'000
REVENUE		
Annual appropriation	1	43,652
Departmental revenue	2	3
TOTAL REVENUE		<u>43,655</u>
EXPENDITURE		
Current expenditure		
Compensation of employees	3	9,071
Goods and services	4	23,170
Total current expenditure		32,241
Transfers and subsidies	5	4,538
Expenditure for capital assets		
Machinery and equipment	6	606
TOTAL EXPENDITURE		<u>37,385</u>
NET SURPLUS FOR THE YEAR		<u><u>6,270</u></u>
Reconciliation of Net Surplus for the year		
Voted Funds to be surrendered to the Revenue Fund	10	6,267
Departmental receipts to be surrendered to Revenue Fund	11	3
NET SURPLUS FOR THE YEAR		<u><u>6,270</u></u>





**KWAZULU NATAL - DEPARTMENT OF
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**STATEMENT OF FINANCIAL POSITION
As at 31 March 2005**

	<i>Note</i>	2004/05 R'000
ASSETS		
Current assets		7,826
Cash and cash equivalents	7	7,814
Prepayments and advances	8	7
Receivables	9	5
TOTAL ASSETS		<u><u>7,826</u></u>
LIABILITIES		
Current liabilities		7,826
Voted Funds to be surrendered to the Revenue Fund	10	6,267
Departmental revenue to be surrendered to the Revenue Fund	11	3
Payables	12	1,556
TOTAL LIABILITIES		<u><u>7,826</u></u>





*KWAZULU NATAL - DEPARTMENT OF
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**STATEMENT OF CHANGES IN NET ASSETS
For the year ended 31 March 2005**

	<i>Note</i>	2004/05 R'000
Capitalisation reserve		-
Recoverable revenue		-
TOTAL		<hr/> <hr/> -





**KWAZULU NATAL - DEPARTMENT OF
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**CASH FLOW STATEMENT
For the year ended 31 March 2005**

	<i>Note</i>	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		43,643
Annual appropriated funds received		43,652
Departmental revenue received		3
Net increase in working capital		(12)
Surrendered to Revenue Fund		-
Current payments		(30,685)
Transfers and subsidies paid		(4,538)
Net cash flow available from operating activities	13	8,420
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets		(606)
Net cash flows from investing activities		(606)
Net increase in cash and cash equivalents		7,814
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at end of period		7,814





KWAZULU NATAL - DEPARTMENT OF SPORT & RECREATION ANNUAL REPORT 2004/2005

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

1. Annual Appropriation

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

1.1 Programmes

	Final Appropriation	Actual Funds Received	Variance over/ (under)
	R'000	R'000	R'000
Administration	7,664	8,330	(666)
Sport Coordination	30,650	29,520	1,130
Recreation, Facilities, Research and Information	5,338	5,802	(464)
Total	43,652	43,652	-

Refer to management report for explanations.

	<i>Note</i>	2004/05 R'000
1.2 Conditional Grants		
Total grants received	Annexure 1A	1,000
Conditional grants are included in the amounts per Total Appropriation in Note 1.1.		

2. Departmental revenue to be surrendered to the revenue fund

Sales of goods and services other than capital assets 3

Departmental revenue collected **3**

3. Compensation of employees

3.1 Salaries and Wages

Basic salary	6,085
Performance award	78
Service based	16
Compensative/circumstantial	265
Other non-pensionable allowances	1,372
	7,816





**KWAZULU NATAL - DEPARTMENT OF
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2005**

	<i>Note</i>	2004/05
3.2.1 Short term employee benefits		
Pension		888
Medical		366
Bargain council		1
		<u>1,255</u>
 Total compensation of employees		 <u>9,071</u>
 Average number of employees		 <u>45</u>
 4. Goods and services		
Advertising		1,887
Communication		181
Computer services		2
Consultants, contractors and special services		3,993
Entertainment		1
Equipment less than R 5000		2,177
Honoraria (Voluntary workers)		284
Inventory	4.1	3,209
Operating leases		169
Printing and publications		27
Resettlement costs		7
Subscriptions		5
Owned and leasehold property expenditure		61
Transport provided as part of the departmental activities		4,614
Travel and subsistence	4.2	3,971
Venues and facilities		1,804
Protective, special clothing & uniforms		575
Training and staff development		203
Total goods and services		<u>23,170</u>
 4.1 Inventory		
Domestic consumables		547
Food and food supplies		1,761
Sport and recreation		304
Stationery and printing		597
Total Inventory		<u>3,209</u>





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		Note	2004/05 R'000			
4.2	Travel and subsistence					
	Local		3,971			
	Total travel and subsistence		3,971			
5.	Transfers and subsidies					
	Provinces and municipalities	Annexure 1B	10			
	Non-profit institutions	Annexure 1C	4,528			
	Total transfers and subsidies		4,538			
6.	Expenditure for capital assets					
	Machinery and equipment	Annexure 3	606			
	Total expenditure for capital assets		606			
7.	Cash and cash equivalents					
	Consolidated Paymaster General Account		7,814			
			7,814			
8.	Prepayments and advances					
	Travel and subsistence		7			
			7			
9.	Receivables					
		Less than one year	One to three years	Older than three years	Total	
	Clearing accounts	9.1	5	-	-	5
			5	-	-	5

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

9.1	Clearing accounts	
	Salary Deduction Disallowance Account	3
	Salary Medical Aid Control Account	2
		5





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	Note	2004/05 R'000
10.	Voted Funds to be surrendered to the Revenue Fund	
	Transfer from Statement of Financial Performance	6,267
	Closing Balance	<u>6,267</u>
11.	Departmental revenue to be surrendered to revenue fund	
	Transfer from Statement of Financial Performance	3
	Closing Balance	<u>3</u>
12.	Payables –current	





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

		<i>Note</i>	2004/05 R'000
14. Contingent Liabilities			
Liable to	Nature		
Housing loan guarantees	Employees	Annexure 2	67
Capped Leave	Employees		
Commitments			2,480
			2,547
15. Commitments			
Current Expenditure			
Approved and contracted			30
Capital Expenditure			
Approved and contracted			412
Total Commitments			442
16. Accruals			
Listed by economic classification	30 Days	30+ Days	Total
Goods and services	6,106	-	6,106
Machinery and equipment	87	-	87
	6,193	-	6,193
Listed by programme level			
Administration			433
Sport Co-ordination			5,731
Recreation, Facilities, Research and Information			29
			6,193
17. Employee benefits			
Leave entitlement			652
Thirteenth cheque			244
			896





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18. Leases

	2004/05 R'000	2004/05 R'000	2004/05 R'000
18.1 Operating leases	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	71	76	147
Total present value of lease liabilities	71	76	147

**2004/05
R'000**

19 Senior management personnel

Member of Executive Council	567
Accounting Officer	653
General Manager	537
Manager	909
	2,666

20 Related party transactions

There are no related party transactions.





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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		
	Division of revenue act	Roll overs	DORA Adjustments	Total available	Amount received by department	Amount spent by department	% of available funds spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	%
National Department of Sport and Recreation	1,000	-	-	1,000	1,000	1,034	103.4%
	1,000	-	-	1,000	1,000	1,034	103.4%

The over expenditure against the conditional grant has been funded from the Department's equitable share. The Department has complied with the requirements of the Division of Revenue Act.





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ANNEXURE 1B
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

Name of municipality	Grant allocation				Transfer		Spent		
	Division of revenue act	Roll overs	Adjustments	Total available	Actual Transfer	% of available transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%

**Regional Council
Levies**

eThekwini	-	-	59	59	10	16.9%	10	10	100.0%
	-	-	59	59	10		10	10	





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ANNEXURE 1C
STATEMENT OF TRANSFERS TO NON-PROFIT ORGANISATIONS

Non profit organisation	Transfer allocation				Transfer	
	Adjusted Appropriation act	Roll overs	Adjustments	Total available	Actual Transfer	% of available transferred
	R'000	R'000	R'000	R'000	R'000	%
Various Sport Federations	2,551	-	-	2,551	-	0.0%
Sports Commission - SA Games	750	-	-	750	750	100.0%
KZN Provincial Sport Academy	750	-	-	750	728	97.1%
Kwanaloga	500	-	-	500	500	100.0%
USSASA	-	-	-	-	610	0.0%
Umzinyathi District Facilities	-	-	-	-	1,441	0.0%
Other	-	-	-	-	499	0.0%
Total	4,551	-	-	4,551	4,528	99.5%





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ANNEXURE 2
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2005 – LOCAL

Guarantor Institution	Guarantee in respect of	Original Guaranteed capital amount	Opening Balance 01 April 2004	Guarantees issued during the year	Guarantees released during the year	Guaranteed interest outstanding as at 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
	Housing							
ABSA		27	-	27	-	-	27	-
First Rand Bank		29	-	29	-	-	29	-
Old Mutual		11	-	11	-	-	11	-
Standard Bank		18	-	18	(18)	-	-	-
Total		85	-	85	(18)	-	67	-





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ANNEXURE 3
PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2005

	Opening Balance	Additions	Disposals	Transfers in	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT						
Computer equipment	-	373	-	-	-	-
Furniture and office equipment	-	200	-	-	-	-
Other machinery and equipment	-	33	-	-	-	-
	-	606	-	-	-	-

Assets such as furniture, office equipment and computer equipment that were utilised by the sport and recreation staff within the department of Education was transferred from the Department of Education to the Department of Sport and Recreation with effect from 1 April 2004. No complete fixed asset register with values was maintained. The Department of Sport and Recreation was unable to quantify the monetary value of the assets transferred and therefore no value for transfers in on the above table.





ANNEXURE 4

INTER-GOVERNMENT PAYABLES

1,553





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1. SERVICE DELIVERY

The 2004/2005 year was the first year of operations and the Department will only be finalising the Service Delivery Plan in 2005/2006. Listed below are certain aspects of the service delivery plan that the Department has already identified.

Table 1.1 – Main services provided and actual customers

Main services	Actual customers
Promotion and development of sport and recreation	Municipalities Federations Clubs Disadvantaged communities Youth Provincial and National Departments Women Non-Profit Organisations

Table 1.2 – Consultation arrangements with customers

Type of arrangement	Actual Customers	Actual achievements
Workshops, meetings, presentations, reports, stakeholders forums	Municipalities	Identification and building of facilities Co-operative agreements
	Federations	Launched the hosting of the SA Games
	Clubs	Consultative process will begin in the next year.

Table 1.3 – Service delivery access strategy

Access Strategy	Actual achievements
The development of a website which will allow customers to understand the services we deliver as well as obtain sport and recreation statistics in the Province	A separate directorate has been created on the organisational structure for research and information. The development of the website will only commence in 2005/2006 once the posts have been filled.
Services will be provided at grass root level within the local municipal boundaries.	The organisational structure has been designed to ensure officials are assigned to the local municipal boundaries.
Conducting stakeholders forums at municipal level, district level and provincial level	This will begin in 2005/2006 with the first provincial stakeholders forum being held on 18 April 2005.

Table 1.4 – Service information tool and complaints mechanism

Types of information tool	Actual achievements
Client survey questionnaire	Will be implemented in 2005/2006
Website	Will be implemented in 2005/2006





KWAZULU NATAL - DEPARTMENT OF SPORT & RECREATION ANNUAL REPORT 2004/2005

2 EXPENDITURE

Table 2.1 – Personnel costs by programme, 2004/05

Programme	Total	Personnel	Training	Professional & Special Services	Personnel cost as a % of total expenditure	Ave personnel cost per employee
	R'000	R'000	R'000	R'000	%	R'000
Administration	5,132	2,400	10	446	46,77%	120
Sport Co- ordination	28,479	4,868	-	3,547	17,09%	122
Recreation, Facilities, Research & Information	3,774	1,803	-	-	47,77%	200
Total	37,385	9,071	10	3,993	24,26%	131

Table 2.2 – Personnel costs by salary bands, 2004/05

Salary bands	Personnel Expenditure	% of total personnel cost	Average personnel cost per employee
	R'000		R'000
Lower skilled (Levels 1-2)	142	1,6%	47
Skilled (Levels 3-5)	35	0,4%	17
Highly skilled production (Levels 6-8)	3,932	43,4%	123
Highly skilled supervision (Levels 9-12)	2,843	31,3%	237
Senior management (Levels 13-16)	1,307	14,4%	327
Contract (level 3-5)	65	0,7%	7
Contract (level 6-8)	161	1,8%	32
MEC	586	6,4%	586
Total	9,071	100%	131

New appointments were only made in the last quarter of the financial year with the contract staff only being appointed in February and March. This has resulted in a distortion of the annual average cost per employee.





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Table 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2004/05

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amt	% of personnel cost	Amt	% of personnel cost	Amt	% of personnel cost	Amt	% of personnel cost
	R'000		R'000		R'000		R'000	
Administration	1,618	67.4%	-	-	2	-	62	2.6%
Sport Co-ordination	3,265	67,1%	-	-	57	1,2%	220	4,5%
Recreation, Facilities, Research & Information	1,202	66,7%	-	-	24	1,3%	84	4,7%
Total	6,085	67,1%	-	-	83	0.9%	366	4%

Table 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2004/05

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amt	% of personnel cost	Amt	% of personnel cost	Amt	% of personnel cost	Amt	% of personnel cost
	R'000		R'000		R'000		R'000	
Lower skilled (Levels 1-2)	111	78,5%	-	-	-	-	9	6,0%
Skilled (Levels 3-5)	29	83,0%	-	-	-	-	2	4,3%
Highly skilled production (Levels 6-8)	2,543	64,7%	-	-	50	1,3%	175	4,5%
Highly skilled supervision (Levels 9-12)	2,070	72,8%	-	-	33	1,2%	133	4,7%
Senior management (Levels 13-16)	722	55,2%	-	-	-	-	32	2,4%
MEC	390	66,5%	-	-	-	-	15	2,4%
Contract (levels 3-5)	65	100%	-	-	-	-	-	-
Contract (levels 6-8)	155	96%	-	-	-	-	-	-
Total	6,085	67,1%	-	-	83	0,9%	366	4%





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3. EMPLOYMENT AND VACANCIES

The newly established Department of Sport and Recreation originally only comprised of staff from the Department of Education. All the Department of Education staff that were attached to school sport were transferred to the Department of Sport and Recreation. In September, when the Premier allocated functions to the Department of Sport and Recreation and the Department of Education, it was determined that school sport would remain with the Department of Education. When the school sport staff were transferred back to the Department of Education, this resulted in additional funding for posts being made available to the Department of Sport & Recreation.

Table 3.1 – Employment and vacancies by programme, 31 March 2005

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administration	44	20	55%	-
Sport Co-ordination	56	40	29%	-
Recreation, Facilities, Research & Information	20	9	55%	-
Total	120	69	42.5	-

Table 3.2 – Employment and vacancies by salary bands, 31 March 2005

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	3	3	0	-
Skilled (Levels 3-5)	7	2	71.4	-
Highly skilled production (Levels 6-8)	85	48	43.5	-
Highly skilled supervision (Levels 9-12)	17	11	35.3	-
Senior management (Levels 13-16)	8	5	37.5	-
Total	120	69	42.5	-

Note

The 69 posts filled includes 15 contract workers that were appointed against administration clerk and sport officer posts.





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Table 3.3 – Employment and vacancies by critical occupation, 31 March 2005

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Auxiliary and related workers	1	1	-	-
Bus and heavy vehicle drivers	1	1	-	-
Cleaners	2	2	-	-
Financial clerks	5	-	100	-
Human resource clerks	2	-	100	-
Human resource related	3	3	-	-
Library mail and related clerks	1	1	-	-
Other administration and related clerks	5	2	60	-
Other administrative policy and related officers	84	52	38.1	-
Other occupations	5	1	80	-
Secretaries	4	2	50	-
Senior managers	7	4	42.9	-
Total	120	69	42.5	-

4. JOB EVALUATION

All the director and deputy director posts that were filled were evaluated. The levels of the posts that staff who were relocated from the Department of Education occupied ranged from director to administrative clerk. These officials moved with their posts and the posts are still to be evaluated in line with the new Department.

The Department of Sport and Recreation utilised the services of the Office of the Premier to assist with the job evaluation.





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Table 4.1 – Job Evaluation, 1 April 2004 to 31 March 2005

Salary band	Number of posts	Number of jobs evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	3	-	-	-	-	-	-
Skilled (Levels 3-5)	7	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	85	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	17	11	64.7	-	-	-	-
Senior Management Service Band A	5	5	100	-	-	-	--
Senior Management Service Band B	3	3	100	-	-	-	-
Total	120	19	15.8	0	0	0	0

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

No employees' salary positions were upgraded due to their posts being upgraded.

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

No employees' salaries exceeded the grades determined by job evaluation.





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5. EMPLOYMENT CHANGES

The previous Programme 9: Sport & Recreation, within the Department included officials performing both in-school and out-of-school sport and recreation functions. The in-school officials did not transfer to the Department of Sport & Recreation as the in-school functions remained with Education. This matter was only finalised in January 2005. For the period 1 April 2004 to 31 December 2005 the in-school officials assisted the Department of Sport and Recreation in the rendering of its services but the salary costs were paid by the Department of Education.

The tables listed below do not include any of the in-school officials.

Table 5.1 – Annual turnover rates by salary band for the period 1 April 2004 to 31 March 2005

Salary Band	Number of employees per band as on 1 April 2004	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	3	-	-	-
Skilled (Levels 3-5)	-	2	-	-
Highly skilled production (Levels 6-8)	25	8	1	3
Highly skilled supervision (Levels 9-12)	9	4	1	3.3
Senior Management Service Band A	2	2	-	1
MEC	-	1	-	1
Contract (levels 3-5) temporary	-	10	-	10
Contracts (levels 6-8) temporary	-	5	-	5
Total	39	32	2	21.7





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Table 5.2 – Annual turnover rates by critical occupation for the period 1 April 2004 to 31 March 2005

Occupation:	Number of employees per occupation as on 1 April 2004	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related	2	2	-	-
Building and other property caretakers	-	-	-	-
Cleaners	2	-	-	-
Financial clerks	-	-	-	-
Human resource related	-	3	-	-
Light vehicle drivers	-	-	-	-
Messengers, porters	-	-	-	-
Other administration and related clerks	-	2	-	-
Other administrative policy and related officers	33	21	2	21.7
Other occupations	-	1	-	-
Secretaries	1	1	-	-
Senior managers	2	2	-	-
Total	39	32	2	21.7





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Table 5.3 – Reasons why staff are leaving the department

Termination Type	Number	% of total
Death, permanent	2	13.3
Total	2	13.3
Total number of employees who left as a % of the total employment		23.4

Table 5.4 – Promotions by critical occupation

Occupation	Employees as at 1 April 2004	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Administrative related	2	1	33.3	-	-
Building and other property caretakers	-	-	-	-	-
Cleaners	2	-	-	-	-
Financial clerks	-	3	-	-	-
Light vehicle drivers	-	-	-	-	-
Messengers, porters	-	-	-	-	-
Other administration and related clerks	-	-	-	1	100
Other administrative policy and related officers	-	-	-	1	5
Other occupations	33	1	4	-	-
Rank: Unknown	-	-	-	-	-
Secretaries and other	1	1	-	-	-
Senior managers	2	2	40	-	-
Total	39	8	11.6	2	2.9





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Table 5.5 – Promotions by salary band

Salary Band	Employees 1 April 2004	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	3	1	-	-	-
Skilled (Levels 3-5)	-	-	50	-	-
Highly skilled production (Levels 6-8)	25	4	16	2	8
Highly skilled supervision (Levels 9-12)	9	-	-	-	-
Senior management (Levels 13-16)	2	3	60	-	-
Total	39	8	11.6	2	2.9





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6. EMPLOYMENT EQUITY

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

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

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	1	-	-	1	-	-	1	-	3
Professionals	16	-	2	3	19	2	2	-	44
Clerks	3	-	1	1	3	1	4	1	14
Elementary occupations	3	-	-	-	4	-	-	-	7
Other, permanent	-	-	1	-	-	-	-	-	1
Total	23	-	4	5	26	3	7	1	69

There were no employees with disabilities





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

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	1	-	1	1	-	1	1	-	5
Professionally qualified and experienced specialists and mid-management	6	-	-	3	2	-	-	-	11
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	13	-	-	1	13	1	3	1	32
Semi-skilled and discretionary decision making	-	-	1	-	-	-	1	-	2
Unskilled and defined decision making	1	-	1	-	2	-	-	-	4
Contract (Skilled technical), permanent	2	-	1	-	2	-	-	-	5
Contract (semi-skilled), permanent	-	-	-	-	7	1	2	-	10
Total	23	-	4	5	26	3	7	1	69

There were no employees with disabilities.





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6.3 – Recruitment for the period 1 April 2004 to 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	-	1	1	2	1	2	-	8
Contract (Skilled technical), permanent	2	-	2	-	2	-	-	-	6
Contract (semi-skilled), permanent	-	-	-	-	7	1	2	-	10
Total	3	-	3	1	11	2	4	0	24

There were no employees with disabilities.

6.4 – Promotions for the period 1 April 2004 to 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	1	-	1
Senior Management	1	-	-	-	-	-	-	-	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	-	-	-	1	-	1	2	5
Semi-skilled and discretionary decision making	-	-	1	-	-	-	-	-	1
Total	2	-	1	0	3	-	2	2	7

There were no employees with disabilities.





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6.5 – Terminations for the period 1 April 2004 to 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management	1	-	-	-	-	-	-	-	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	-	-	-	-	-	-	-	1
Total	2	-	-	-	-	-	-	-	2

There were no employees with disabilities.

6.6 Disciplinary action for the period 1 April 2004 to 31 March 2005

There was no disciplinary action for the period under review.

6.7 Skills development for the period 1 April 2004 to 31 March 2005

The Department of Sport and Recreation is currently undertaking a skills audit, the results will be utilised to develop the Workplace Skills Plan.

6.8 Performance rewards

The 2004/2005 financial year was the first year of operation and the Department did not have an approved performance management system in place, no performance rewards were made.

6.9 Foreign workers

No foreign workers were appointed during the year under review.





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**7. LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2004
TO 31 DECEMBER 2004**

All Leave files were not transferred to the Department of Sport & Recreation by the Department of Education. As a result of this the Department of Sport and Recreation was unable to verify and audit the leave records on PERSAL. The Auditor General has issued a qualified audit opinion on the lack of leave records. The information provided is as per PERSAL records, which were transferred from the Department of Education.

Table 7.1 – Sick leave, 1 January 2004 to 31 December 2004

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	2	-	2	-	1	-
Senior management (Levels 13-16)	-	-	-	-	-	-
Total	2	-	2	-	1	-

7.2 Disability leave (temporary and permanent), 1 January 2004 to 31 December 2004

No disability leave was taken during the year under review.





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Table 7.3 – Annual Leave, 1 January 2004 to 31 December 2004

Table 7.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	2	2
Skilled Levels 3-5)	-	-
Highly skilled production (Levels 6-8)	8	4
Highly skilled supervision (Levels 9-12)	-	-
Senior management (Levels 13-16)	-	-
Total	10	3

7.4 Capped leave, 1 January 2004 to 31 December 2004

No capped leave was utilised during the year under review.

Table 7.5 – Leave payouts for the period 1 April 2004 to 31 March 2005

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

Reason	Total Amount (R'000)	Number Of Employees	Average Payment Per Employee
Leave payout for 2004/05 due to non-utilisation of leave for the previous cycle	1	-	-
Capped leave payouts on termination of service for 2004/05	2	1	2
Current leave payout on termination of service for 2004/05			
Total	2	1	2





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8. HIV AND AIDS & HEALTH PROMOTION PROGRAMMES

Steps taken to reduce the risk of occupational exposure

The Department of Sport and Recreation is still to embark on this exercise. However, at the Women's' Day Workshop (22-23 August 2005) a presentation was done on the effects of HIV and Aids. A copy of the Ripple Magazine that provides articles on "Living with Aids" was given to each participant. The Department has also identified the Policy on HIV and AIDS as a priority for the next financial year.

Although no specific programmes have been formulated for Departmental Officials, the Department through the medium of sport and recreation has awareness programmes for the communities. For the year under review the following HIV and AIDS programmes were conducted:

- A community Sports Day was held at Ezakheni on 24 and 25 September, where the Department of Health presented the community with advice and awareness posters. The Masidlale Festival was held at the Ugu district together with a campaign on HIV and AIDS awareness. 4 Lovelife Games were held in Hlabisa, Vryheid, Ulundi, Pholela with a total of 1,240 participants.





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Table 8.1– Details of Health Promotion and HIV and AIDS Programmes

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Mrs A. Ally Manager: Human Resources
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		Mrs A. Ally Manager: Human Resources
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.		No	
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		No	
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		The Department is in the process of developing its own policies and procedures.
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.		No	
7. Does the Department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.		No	
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		No	





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9. LABOUR RELATIONS

9.1 Collective agreements, 1 April 2004 to 31 March 2005

There were no collective agreements for the year under review.

9.2 Misconduct and disciplinary hearings finalised, 1 April 2004 to 31 March 2005

There were no misconduct and no disciplinary hearings for the year under review.

9.3 Types of misconduct addressed at disciplinary hearings

There were no disciplinary hearings for the year under review.

9.4 Grievances lodged for the period 1 April 2004 to 31 March 2005

There were no grievances for the year under review.

9.5 Disputes lodged with Councils for the period 1 April 2004 to 31 March 2005

There were no disputes lodged with Councils for the year under review.

9.6 Strike actions for the period 1 April 2004 to 31 March 2005

There were no strike actions for the year under review.

9.7 Precautionary suspensions for the period 1 April 2004 to 31 March 2005

There were no precautionary suspensions for the year under review.





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10. SKILLS DEVELOPMENT

The Department was not fully established for the year under review in terms of its organisational structure, strategic planning, the placement of staff against the new organisational and the transfer of staff from the Department of Education to the Department of Sport and Recreation. Due to these reasons the Department only commenced a skills audit in July 2005 and the skills gap will be addressed through targeted training programmes in 2005/2006. Minimal training was conducted for officials during the year under review.

11. INJURY DUTY

There were no injuries on duty cases during the year under review.





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12. UTILISATION OF CONSULTANTS

Table 12.1 – 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
Acting Chief Financial Officer	1	760	436,000
Organisational Structure and Strategic Plan Facilitations	1	84	30,000
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
2	2		

Table 12.2 – Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Acting Chief Financial Officer	100%	100%	1
Organisational Structure and Strategic Plan Facilitations	0%	0%	0

12.3 Report on consultant appointments using Donor funds

No consultants have been appointed using Donor Funds.





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