

Foreword by the MEC

Foreword

During the financial year under review, I set my Department of Public Works as a champion and leader in creating employment and in leading a crusade against poverty by delivering effective and quality service in maintaining the government property and infrastructure. I also made sure that the department makes an important intervention in addressing the challenge of the Two Economies by making value addition to the current property portfolio of government and through the procurement system to realize the BEE objectives.

This goal setting was necessary for two reasons. Firstly that government has identified Expanded Public Works Programme as a key priority in creating jobs and fighting poverty. In this regard the main goal is to empower people with skills to be self-sufficient and to enable them to participate actively in the economic development programmes that include procurement processes.

And that there is a general perception that the Department of Public Works is incapable of delivering on its key mandate. This is an important challenge we have to address. In this regard we sought to build and improve capacity in our department more especially among the middle and lower ranks of workers who are responsible for the practical implementation and delivery of services and projects.

Another aspect we pursued very closely in making sure that we enable government to deliver services to the public was to develop a concept of entering into Service Level Agreement with other departments as part of our value addition strategic objective. To ensure that the property and infrastructure of government remains appreciative and competitive in a similar manner as the private sector property. The stages are advancing towards implementation of the Service Level Agreement.

Co-ordination of programmes in terms of implementation is key to the success of our strategic objectives for the eradication of poverty and creating a better life for all. It is in this connection that we are now leading a process of establishing strong working partnerships with the provincial departments and the local municipalities in making sure that there is an improved form of coordination for the building of capacity to implement Expanded Public Works Programme and Integrated Development Plans.

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My department is also working towards the realisation of the establishment of the provincial government administration in the regions, as a One Stop Centre, through Multi-Purpose Centres. In order to make government services more easily accessible to our people throughout every locality in the province.

During this financial year, we have established an EPWP Unit with the sole responsibility of identifying and monitoring the implementation of the labour intensive projects that will ensure that there is a significant absorption of unemployed people. And thus facilitate skills development.

In the following financial year, I am expecting an accelerated level of the implementation of EPWP programmes in a more focused and targeted manner that is characterised by efficiency and quality service delivery.

I have the privilege and pleasure of congratulating all hard working employees of my department, who ensured that we achieve significant progress in the various areas mentioned above. Their commitment has attracted national attention, to the effect that the Department of Public Works in Limpopo Province is regarded as a novel model for Gundo Lashu, Sakhasonke and Employee Wellness Programmes.

The highlights of this are numerous visits by members of the Standing Committees on Public Works from the National Assembly, Mpumalanga, Eastern Cape and Gauteng Provincial Legislatures. The culmination of the recognition of our good work was when the Department of Public Service and Administration send a group of high level delegation from the Office of the President of Sierra Leone to visit and examine our Department on a Study Tour related to Employee Wellness and HIV/AIDS.

We are looking forward to maximum co-operation with and support from our people in the province and the private sector in general.

T.A. Mufamadi

Member of the Executive Council (MEC)

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Departmental Core Functions

Building and Construction

Provision of building construction management, project management, contract management and building maintenance services to other provincial governments departments

Property Management and Land Administration

The management of property requirements for provincial departments, and management of the provincial property portfolio

Roads and Bridges

Maintenance of a sound and safe provincial road network

Part I: General Information

1.1 Introduction

As we review the progress made by our Department of Public Works during the 2004/2005 financial year, and as the Accounting Officer of the Department, I ensured that the Department implemented the Provincial Government policies in a professional manner.

Our Department ensured that there are procurement reforms and that the tendering procedures are aligned to the concept of Supply Chain Management. In line with these reforms, the Departmental Bid Committee had been established in all districts and head office.

The Department met most of the deadlines for compliance with the PFMA, Treasury Regulations and other financial transcripts. Furthermore activity based budgeting and costing improved in ensuring that all expenditures are allocated to the correct budget.

In aligning the Department's Information & Communication Technology strategy to the Department's objectives, the Master Systems Plan was successfully completed. The plan proposed a number of initiatives, some implemented and others to be evaluated. The Departmental Communication Strategy was developed and implemented.

In support of the President's call to engage in Public Private Partnership (PPP's), the Department implemented a Voluntary Counselling & Testing (VCT) Programme. This was achieved by linking with the Department of Health & Social Development, civil society, "People Living With AIDS" (PLWA) and other NGOs in a bid to effectively serve staff and their families.

Amongst other achievements, we managed to fast track the building of additional classrooms, repaired and renovated storm-damaged schools.

In order to highlight the progress made with regard to Property and Facilities Management, the Department disposed of redundant properties, which were sold to historically disadvantaged groups.

With the configuration of departments, resulting in the transfer of the Roads function to the Department of Roads and Transport, we are confident that we have successfully provided a sound and safe provincial road network.

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In conclusion it is with pride to report that we received the best performing awards of Premier's Excellence Awards. It was through good team spirit and dedication that we received the award. As the Department we ensured that we achieve all our intended objectives by effectively and efficiently managing the state property, maintaining roads and bridges, and offering project management services in the building construction industry.

We will continue to ensure that our Department of Public Works provides services of high quality to the people of this province.

1.2 Executive summary

1.2.1 Core functions

The Department provides the following core functions: Building and Construction; Property Management and Land Administration; and Roads and Bridges.

1.2.2 Vision and mission

Vision

Adequate and Reliable Integrated Public Infrastructure for Growth, Development and a Prosperous Provincial Economy

Mission

To facilitate the management of sustainable integrated Provincial Infrastructure by providing leadership in the planning, management and implementation of programmes through optimal utilization of resources for accountable and customer - oriented service delivery for a united, non - racial, non-sexist, democratic South Africa.

1.2.3 Legislative mandates

The Constitution states that provincial governments are only responsible for Public Works functions, which relate to provincial functions and provincial state property. Hence, National Public Works directly undertakes Public Works functions, which relate to national functions in the Province, such as the construction and maintenance of facilities and properties, which are a national competence.

The Premier has assigned Provincial Public Works functions to the Department of public works. (The Premier has included provincial roads in the provincial Public Works functions however due to the reconfiguration of provincial department, the Roads Functions has been transferred to the Department of Transport).

The operations of the Department are governed by the legislation governing the built environment professions, such as the Acts governing the Engineering, Quantity Surveying and Architecture professions. The Department has a large workforce engaged in building maintenance and properties facilities activities and therefore needs to take cognisance of the Occupational Health and Safety Act. Building construction activities are also governed by the relevant environmental legislation.

There is no legislation specific to Public Works, but there is a national White Paper on Public Works (Public Works Towards the 21st Century, 1997), and the Department endeavours to work within the policy framework set by the White Paper. In this regard, the Department

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endeavours to stimulate economic activity through job creation and empowerment of emerging entrepreneurs with particular bias towards previously disadvantaged individuals. In addition, the Department has adopted a matrix type of organisational structure, rather than a divisional organisational structure, in order to enable the adoption of project management techniques for the management of projects.

Like other departments, the Department is also guided by national policies aimed at transforming the public service, such as Batho Pele and the White Paper on Transformation of the Public Service. In addition, the Department is bound to work within the prevailing regulatory framework, including (inter alia) the Public Service Act and the new Public Service Regulations, Public Finance Management Act, New Treasury Regulations, and the Preferential Procurement Policy Framework Act.

1.2.4 Key deliverables

Building and Construction

The building programme is responsible for the provision of building construction management, project management, contract management and building maintenance services to other provincial governments departments.

Property Management and Land Administration

The property programme is responsible for providing the provincial government with its property requirements and facilities management. This involves the leasing, acquisition and disposal of properties.

Roads and Bridges

The overall objective of the roads and bridges programme is to maintain a sound and safe provincial road network in line with the Provincial Growth and Development Strategy (PGDS).

1.2.5 Management support and administration

Corporate Services

Corporate Services renders support to the Department through the provision of logistics and fleet management; procurement support, records management.

Financial Management

This section is responsible for budget planning and control; revenue and systems control; expenditure control; asset and inventory control; provisioning and risk management – within the framework of public finance management.

Government Information Technology Office

GITO is a support function, which is responsible for providing Information Technology, Information Management and Communication Services to the entire Department.

Human Resource Management

Policy and Human Resource Management is structured to leverage service delivery in the provision and development of human resources, it is further mandated to oversee human resources management systems, employee benefits and allowances, oversight of the performance management systems, workplace health and relations programmes within the Public Service regulations framework and applicable legislation.

Part II: Programme Performance**Voted Funds**

To be appropriated by Vote	R 1,517,363,000
Statutory appropriations	R 643,000
Responsible MEC	Mr. T. A. Mufumadi
Administering Department	Limpopo Provincial Government Department of Public Works
Accounting Officer	Mr. J. Rantete

Transfer payments

Name of Institution	Amount transferred
Roads Agency Limpopo (RAL)	R 650,250, 000
Waterberg District Municipality	R 490, 000
Bohlabela District Municipality	R 115, 000
Capricorn District Municipality	R 1305, 000
Mopani District Municipality	R 991, 000
Vhembe District Municipality	R 1040, 000
Sekhukhune District Municipality	R 828, 000
Total	R 655, 019, 000

Summary of Conditional Grants for 2004/05

Conditional Grant	Total allocation	Total transfers
TOTAL	R 237, 331, 000	R 237, 331, 000

Aim of the Vote

The Limpopo Department of Public Works is responsible for the management of provincial roads, buildings and properties through mobilisation and optimal utilisation of resources for efficient, accountable and customer-oriented service delivery.

Key objectives

The Department of Public Works identified the following as its key objectives:

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- Establishment and maintenance of a sound and safe provincial road network.
- Management of government properties
- Offering a building construction management, project management, contract management and building maintenance service to other provincial government departments.
- Contribute towards poverty alleviation and promotion of job creation in the Province.

Summary of programmes

The activities of the Department of Public Works are organised in the following programmes:

Programme 1: Management support and administration

- Corporate Services
- Financial Management
- Government Information Technology Office
- Human Resource Management

Programme 2: Building and Construction

Programme 3: Property Management and Land Administration

Programme 4: Roads and Bridges

PROGRAMME 1: ADMINISTRATION

1.1 Corporate Services

The primary function of this programme is to provide an enabling administrative support function to the core business Directorates of the Department in accordance with the Public Finance management Act (PFMA), Treasury Regulation, the PPPF Act and other statutes and regulation governing the public service.

Corporate Services is divided into the sub-programmes viz. Records Management, Transport, Auxiliary Services, Tenders and Shared Service.

One of the key focus areas of this programme was to ensure procurement reforms and align the tendering and procurement processes to the concept of Supply Chain Management.

This has been successfully achieved and Departmental Bid Committee had been established in all districts and Head Office. The organizational Structure in terms of procurement has been aligned to the SCM framework and draft policies, code of conduct of Departmental Bid Committee members in line with the SCM framework has been implemented.

Fleet management within the Department has improved tremendously with stricter internal control having been implemented during the financial year under review. The Department currently has 689 subsidised vehicles and 251 government vehicles. During the period under review only one case of misuse of government vehicles was referred to our Labour Relations Component for disciplinary action.

There has been a great improvement in records management within the Department. Strategies have been developed and implemented to allow for more integrated and co-ordinated storage, retrieval and accessibility of records.

The effective management of Shared Services in the region has allowed for a streamlining of processes and systems and has greatly assisted the core-directorates in achieving greater efficiencies.

There has been an organizational re-design of Corporate Services during the period under review to align it to the business strategies of the Department.

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This has resulted in effective management and has improved efficiencies.

Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance against target	
			Quantity	
			Target	Actual
Telecommunication infrastructure.	Improved communications	Effective communications	Undertake a needs analysis.	Completed
			Address all backlogs in the Regions in terms of ensuring telephone connectivity.	95 % completed
			Upgrade all switchboards in the Districts	70 % Completed
			Put in place control measures for effective payments of accounts and monitor expenditure.	On going

Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance against target	
			Quantity	
			Target	Actual
Transport	Improved Fleet Management	Improve control of vehicle to ensure effective fleet. management.	Do need analysis.	Completed.
		Reduction in expenditure on use of vehicles.	Put in place a replacement plan for vehicles.	Completed
			Reduce the abuse of government and subsidized motor vehicles by 95 %	Achieved
		A reliable asset registers for all government vehicles.	Monitor under utilization and over utilization of vehicles.	Completed
			Inspect all vehicles.	Completed
		Update and	Completed	

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Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance against target	
			Quantity	
			Target	Actual
			complete all asset registers on vehicles.	

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Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance against target	
			Quantity	
			Target	Actual
Shared Services	Co-ordinate and effectively manage Shared Services	Improved administrative support to core business.	Implement service delivery standards in respect of all administrative processes.	80 % Completed
			Analyse work methods and procedures.	Completed
			Implement internal controls in terms of financial management	Completed
			Improve efficiencies in the use of resources such as telephones / fax / labour saving devices vehicles and	Completed

Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance against target	
			Quantity	
			Target	Actual
			stationery.	

1.2 Financial Management

The core functions of this programme are to provide financial management support services to the Department as a whole. In accordance with the Public Finance Management Act (PFMA), Treasury Regulations and other statutes relating to financial management.

The programme is divided into the following sub-programmes:

Budget Planning and Control: collates and manages the financial information of the Department according to the strategic plans. The component has played an important role in liaising with Provincial Treasury for policy changes, reporting formats and requirements. Other duties include advice to management on cash flow projections and analysis of trends.

Revenue and Systems Control sub-programme manages and administers the efficiencies of the financial systems. It maintains the integrity of the information at both input and output levels for effective provision of reports. This section focuses on the optimisation of revenue collection, debt management and explores other areas where the Department can raise revenues.

Expenditure Management sub-programme designs, implements, and maintains effective management of the payment process of obligations. It also manages the financial implications emanating from the payroll.

Asset and Inventory Management sub-programme manages the inventory of the department. It also ensures that policy and procedures regarding best practices in asset management are utilized.

Purchases Management deals solely with administering the procedures of purchasing, after the procurement process has resulted in a contractual obligation. This involves the

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implementation of the financial delegations issued by the Accounting Officer and the procurement authority granted through the procurement system.

Other internal financial management programmes include:

- Rendering financial advice
- Development of financial managers
- Implementing financial norms and standards
- Ensuring implementation of PFMA
- Internal control and attend to audit queries

In the financial year 2004/05, the Department has spent R 1, 468,454,000 billion against its final budget of R 1, 518,006,000 billion resulting into an under expenditure of R49, 552 million. Due to the announcement to reconfigure departments, which effectively resulted in a moratorium on the filling of vacant posts until certainty was established regarding functions of the department; negotiations to buy land for the erection of houses at the parliamentary village could not be concluded before the end of the financial year; some contract files were submitted to the Special Investigating Unit of the NPA, and this resulted in delays on some capital projects; and the plans to refurbish houses in the parliamentary village could not be finalised before the end of the financial year and this resulted in under spending of funds set aside for this purpose.

Revenue collected amounted to R22, 946 million as against the revised budget of R14 million due to sale of houses, house rental recovered and tender documents.

The Department has been meeting most of the deadlines for compliance with the PFMA, Treasury regulations and other financial transcripts. The Department has furthermore improved on its Activity Based Budgeting and Costing and ensuring that all expenditures are allocated to the correct budgets. A major impediment to certain efficiencies on the financial activities was due to the poor functioning of the transversal financial systems, namely BAS and Finest.

The Department has improved its planning and alignment to the Medium Term Expenditure Framework (MTEF) for strategic plans and infrastructure projects. This approach was essential for the proper planning of projects, which resulted in the introduction of Materials Resource Planning (MRP) for the core functions, which include buildings, properties and roads.

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Through Activity Based Budgeting, the finance section has managed to foster a stronger role of accountability to all programme managers in their financial management activities.

The Risk and Security Management unit had the responsibility of implementing control measures and ensuring compliance to Departmental policies and corporate governance. This unit services the entire department for all issues of non-compliance. Their responsibilities are entrenched by the PFMA. Amongst their new responsibilities is the strong focus on the eradication of fraud and corruption in the Department's business processes. The other focus is to have a business risk assessment and security profile. The unit monitors adherence to the regulatory framework of the Department. It recommends controls and business re-engineering as per best practice standards, guided by legislation and industrial norms and standards. The unit further coordinates responses to the Auditor General's audit queries, and the implementation of corrective measures in response to these queries. In co-operating with the office of the Auditor General, the Department has experienced improved relations, which in turn, has added value to the audit exercise.

Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
BUDGET PLANNING AND CONTROL	Activity-based budget.	Balanced departmental budget segmented per activity.	Spending of budget starting from April 2004.	April 2004.
	Capturing and activation of budget and provide road shows to Head Office and Districts.	Spending of allocated budget.	Spending of budget starting from April 2004.	Achieved.

Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
	Financial reporting, Budget monitoring and provide financial support and advice to managers at Head Office and Districts.	Identification of under/over spending in main divisions and ensure that line managers are accountable and responsible for their budget.	Monthly.	Achieved.
	Compliance with Treasury regulations, PFMA and other financial transcripts.	Annual budgets compiled in terms of budget formats and other guidelines.	As per Treasury instructions	Achieved.
	Submission of monthly reports to the Executive Authority and Treasury.	Monthly closure of books and no forced closures.	Closure before the 7 th of each month.	Achieved.
	Cash flow projections.	Submission of monthly cash flow needs to Provincial Treasury.	3 days before each month end.	Achieved.
REVENUE AND SYSTEMS CONTROL				
	Revenue collection.	Collection, reporting and transferring of revenue to Provincial Treasury.	Collection : daily Transfers: weekly Reporting : monthly.	Achieved. Achieved Achieved

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Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
	Increased collection of revenue.	Achievement of higher percentage compared to previous years.	R14 million.	R22, 946 million.
	Capturing of receipts.	Reduction of fraud and exceptions.	Within 3 days of issuing of receipts.	Achieved.
	Effective bookkeeping.	Reduction of shortages and surpluses of cash on hand.	Daily	Achieved.
	Effective debt management.	Collection of outstanding debts.	Monthly	85% Achieved.
EXPENDITURE MANAGEMENT				
	Expenditure control	Spending within voted period and reduction of virements.	Monthly	90% Achieved.
	Accurate, timely and responsive reports	User friendly reports to managers.	7 th day of every month	85% Achieved.
	Reduced payment cycle	Age analysis cycle.	Monthly	90% Achieved.
	Safe custody of vouchers & face value documents	Reduction of audit queries, fraud and corruption	Monthly	85% Achieved.
	Payroll management	Statutory compliance and accurate management of third party obligations on payroll	Monthly	90% Achieved.

Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
ASSET AND INVENTORY MANAGEMENT				
	Restructuring of stores management	Effective inventory management.	31 st March 2005	Achieved
		Reduction of audit queries.	31 st March 2005	70% Achieved
		Automation of inventory management process.	31 st March 2005	0% Achieved
	Stock provision	Economic order quantities	Quarterly and annually	80% Achieved
	Disposal of obsolete and redundant moveable assets	Auction sale programme and inventory management asset register	Monthly review, 30 days after approval	Achieved
	Stores inspection	Loss reduction. Adherence to stores management systems	Monthly	Achieved
	Asset management	Asset register for the department Financial asset accounting.	All assets captured electronically Economic Value of assets.	Achieved 30% Achieved.

Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
PURCHASE MANAGEMENT				
	Purchases of goods and services in line with the Procurement Procedures Acts (PPPFA and PFMA).	Ensure that all purchases transactions are properly accounted for in the accounting records and in accordance with policies and procedures.	All transactions	99% Achieved.
	Order administration	Check orders and validation of the contract. Ensure that purchases allocations are correct and within the budget.	All transactions	Achieved.
	Establishment and maintenance of uniformity iro purchases operational standards.	Ensure that purchases allocations are correct and within the budget.	All transactions	Achieved.
	Eliminate audit queries, fraud and corruption.	Implementation of internal control measures.	All transactions	Achieved.
	Inspection of commitment register at Head Office and Districts.	Conduct inspection of commitment register at Districts and Head Office.	Monthly	80% Achieved.

1.3 GITO

In aligning the Department's Information & Communication Technology (ICT) strategy to the Department's objectives, the Master Systems Plan was successfully completed. The plan proposed a number of initiatives of which some have been implemented and others are being evaluated. One such initiative that the Department has embarked on is a project to address issues around integrated documents and records management. This project is in line with an initiative undertaken by the Office of the Premier to ensure effective records management of the Province.

The Communication Strategy was developed with the aim of putting in place mechanisms for better understanding of the Department's stakeholders needs, improving customer relationship and ensuring service delivery. The Directorate also publishes a quarterly newsletter, aimed at informing the public about services offered by the Department. In an attempt to clarify its role to the citizens, the Department publishes a quarterly newsletter, which aims at informing the public about services offered. The IT section continued to improve skills of users in the Department on an on-going basis.

Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
ICT Infrastructure	Network provision	Districts and cost centres cabled and systems installed	Develop structured cabling infrastructure in District Cost Centres	Lulekani, Tzaneen, Saikie Burger, Head Office, Capricorn, Modimolle
	Hardware acquisition	Cost effective hardware and related accessories for utilisation by users	To acquire 150 computers	Seven regional servers, 250 computers, 40 printers
	Software applications and database development	Reliable asset registers and database	To provide software applications to support	Architectural software, Cymap for electro-

Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
			Business units	mechanical, Butterworth for labour, Tender Database
Information Management	Production of Departmental Reports and publications	Continue to produce departmental reports, which were submitted on time.	Production of all Departmental reports as per schedule and on demand	Achieved
	Departmental Intranet	Keep on updating the content of Intranet with new information received from various directorates.	Functional and updated Intranet.	Ongoing
	Information Resource Centre	Setting up an Information Resource Centre	Information related to Departmental core functions available.	60% achieved

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Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
	Integrated Information Management		An electronic document management system project was initiated	Ongoing
Communication Services	Development of a Communication Strategy	Enhancement of communication between the Department, Government and stakeholders	To manage public perception	Communication strategy was developed, approved and circulated to different stakeholders
	Implementation Plan	To operationalise the implementation of the communication strategy	To facilitate the implementation of the communication strategy	60 % implemented
	Facilitation of Public Information Sessions on learnerships programmes	To inform the public, especially Women, Youth and people with Disabilities about the Department's programme offering Learnerships	To conduct public information sessions at six district municipalities	The learnerships programmes took place at four district municipalities, namely, Vhembe, Mopani, Sekhukhune, and Waterberg. The other

Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
				two districts municipalities of Bohlabela and Capricorn were not yet ready for the programmes

1.4 POLICY & HUMAN RESOURCE MANAGEMENT

The Policy and Human Resource Management Programme is responsible for the management of personnel within the framework of the Public Service Act and Public Service Regulations, as well as the oversight of the Batho Pele strategy. This includes human resource planning; interfacing with the job market to gain appropriate skills for the department; staff advisory services, and building capacity in the department. The Labour Relations component is responsible for the development and maintenance of sound labour practices as well as the democratisation of the work place. The Human Resource Development component is responsible for implementation of mandates of the Skills Development Act and Skills Levies Act, The Workplace Health Programme is responsible for the Employee Assistance Programme and Workplace Disease Management Services in terms of regulation V (E). It is also responsible for coordinating the departmental strategy in management of HIV-AIDS in the workplace as well as overseeing the implementation of the Occupational Health and Safety Act, which is integrated in the departmental strategy of Safety, Health, Environment, Risk and Quality (SHERQ) of work life for the employees. These efforts have led to the Department of Public Service Administration's HIV & AIDS Indaba commending us for being the best practice example in this regard.

In support of the President's call to engage in Public Private Partnership (PPP's), the Department implemented a Voluntary Counselling & Testing (VCT) Programme. This was achieved by linking with the Department of Health & Social Development, civil society, "People Living With AIDS" (PLWA) and other NGOs in a bid to effectively serve staff and their families.

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As a result, many staff members went for voluntary counselling and testing (VCT) after road shows conducted in district offices. People who discovered that they are HIV positive and who disclosed their status are benefiting from services such as receiving nutritional supplements, participation in support groups and EAP services for in-depth counselling for both themselves and their affected family members. This programme has been implemented as part of the Departmental HIV & AIDS Strategy for the Construction Industry.

In complying with the Occupational Health & Safety Act, regular safety audits at various works-sites, and a hazard identification exercise was completed. These assessments were followed by baseline medical examinations in three districts for employees in the high-risk categories with respect to occupational illnesses and diseases.

The Honourable Premier in his State of the Province address has highlighted the difficulty that many people face with regard to the management of their finances. There is an on-going programme in the Department that is focussing on educating staff on personal financial management. One of the problems being identified is that of a high number of garnishee orders served against employees.

The Department identified a high shortage of skills within the built-environment professions and has been unable to recruit suitably qualified personnel. It is therefore to intensify efforts to broaden the skill base in line with the National Skills Development Strategy. In this regard, the Department facilitated the participation of 317 learnerships in roads maintenance and building-related maintenance and construction. Furthermore 309 employees were trained in general skills through short courses, and provided 521 bursaries to serving staff and external students. It is worth noting that 23 external bursary holders in the fields of engineering and building science successfully completed their studies in the 2004/05 financial year and is currently placed with various institutions.

In the past, it was reported that the department was implementing the Adult Basic Education and Training (ABET) programme for most of our low-level workers. The main challenge faced was the inherent weakness in the structure of the programme in that it did not incorporate training. The department then redesigned the programme to be integrated into the learnership programme.

The recognition of prior learning (RPL) process will assist the staff that is without formal qualifications, to have their expertise assessed and recognized within the National Qualification Framework (NQF), thus enabling them to do further education and training.

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There is an increasing shortage of artisan skills in the Province to the extent that a significant portion of the construction work is being executed by artisans sourced from outside the province and in certain cases, from out of the country.

In the financial year under review, the department has met the transformation targets set with the Department of Labour in terms of Employment Equity; that is 2% for disability and 30% for gender.

Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
(A) Workplace Health Program	An effective and efficient EAP	% of staff utilizing benefits the EAP	8%	6,4%
	Occupational Health & Safety	Reduction in the number of IOD's	Increase accuracy of reporting in year 1 and thereafter reduce cases by 50% each year	16% increase in new cases
			50% of old cases to be finalized	60% of outstanding cases (from previous 4 years) finalized
	HIV & AIDS Management: HIV/AIDS Peer Education	No. of Peer Educators	640	320
	Prevention of HIV/AIDS	No. of Condoms distributed – Male & Female	Male= 25 000 Female: 12 000	Male condoms = 12 500 Female

Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
				Condoms = 8 000
	VCT Campaign	Number of Cost centers reached with Road shows	100%	100%
(B) Corporate Governance	Job Analysis and Evaluation	Number of Jobs analyzed and evaluated	100% of jobs analyzed and Evaluated	100% of all newly defined jobs analysed
	HR Planning	Integrated HR plan (Comprising of EE plan; Skills Development plan; Recruitment plan; Risk Management plan)	All plans in place and implemented	All plans in place and implemented and draft Risk Plan in place too
	Persal Administration	% of complete and updated fields on Persal	100 % completed fields	97% (3% of courses attended and misconduct cases outstanding)
	Employee Benefits and Allowances	Timelines in finalizing payroll queries % of payroll errors & queries	No more than 2% errors and queries	98% of transactions correctly done
	Reduce HR Personnel expenditure by 2%	% Reduction in overtime (of Dept.)	25% allowed by policy & Treasury	Policy & Monitoring mechanism in place

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Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
		% Reduction in non-essential posts to 0 %	0%	100% reduction of non-essential posts
	Eliminate Audit queries	% Reduction in audit queries	0%	98% reduction
	Eliminate backlogs in disciplinary cases	Number of cases finalized	100%	100 % achievement
	Performance Management	% compliance with PMS framework	100%	97%
	Policy Analysis and Development	Number of policies developed and reviewed	Review and develop at least two policies per quarter	Four new policies developed. 7 policies reviewed in line with legislative mandates
(C) Human Resource Development	Skills Development	No of staff trained No of training interventions	Short courses: 4032 Bursaries: 281 Learnerships: 400 Access Courses: 20	Short Courses: 6104 Bursaries: 281 Learnerships: 171 Access Courses: 20

Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
Financial Perspective				
Procurement Reform	Supply chain Management	Number of contracts awarded to BEE	5% external Therapists on roster	88% HDI external therapists on EAP roster
Internal & Organisation				
Service Delivery Improvement	Improve Performance of HR function in the Dept.	Timelines in response to client needs	100% compliance to Service Standards	97%

PROGRAMME 2: BUILDING AND CONSTRUCTION

The building construction industry is very large, diverse, and complex in nature and size of participating stakeholders and very important to the economy of the province. At the core of the sector's complexity, the Department of Public Works approaches these vast differences with an organized internal structure that caters for the following functions and activities:

- Provision and maintenance of mechanical and electrical installations in provincial buildings
- Routine, periodic and preventative maintenance of buildings
- Rehabilitation of buildings, construction of new buildings and project management
- Design of new buildings.

The main aim of program is the provisioning and maintaining of infrastructure within the built environment that strengthens the modern human efforts, economic growth and social development through the management of provincial buildings through mobilization and optimal utilization of resources for efficient, accountable and customer-oriented service delivery.

Departmental Infrastructure profile

There are a variety of requests in infrastructure needs and priorities in terms of provisioning, project management, construction management and maintenance. In this financial year the Building Directorate has managed to handle a total of R453 904 171.57 worth of infrastructure projects. In the execution of these services the unit utilises different professionals, inter-governmental relations, a variety of policies and regulatory frameworks, which govern the various sub-sectors such as Civil, Buildings, Architectural and Quantity Surveying.

Directorate's development process

Three years ago the management of this department, recognised the demands of the future, and embarked on an ambitious path of transition and transformation to ensure greater effectiveness and contributions towards the provincial priorities. These were in the form of SDI processes developed for the maintenance units and construction teams. The transition is complete, and has resulted in the Department being prepared for a period of sustained expansion and evolution of the most identified maintenance needs of infrastructure in the province.

During the past year the directorate was faced with numerous challenges in its endeavour to retain the professional personnel and laying the operational infrastructure, while sustaining its strategic objectives and contributing to the industry growth. As a result the department has over the past financial year continued to put special emphasis on improving the capacity of the building capital works management section with the aim of increasing the capacity to spend funds both quantitatively and qualitatively.

Despite these challenges that the daunting process in achieving all the building targets, the directorate has performed extremely well and has achieved 97.1% of its targets.

Project management

During the financial year under review the Department received requests for the construction of schools, renovations, provision of ablution facilities in different schools, et cetera.

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Service Level Agreements (SLAs) were formalized and implemented between the Departments of Health and Education. The SLAs stipulates division of responsibilities on both the client department and the implementing agent.

Quality provision of infrastructure

The following quality assurance measures have been put in place by the department regarding service delivery.

- Single point accountability of project management, appointment of professional consultants from the industry, appointment of CIDB registered contractors.
- Appointment of CSIR for building related research
- Certification of projects at practical and final delivery to the end user.
- Monitoring of service providers
- Project tracking and reporting

A synopsis of Achievements

To date the following social infrastructure has been provided as follows:

Construction management

School Building Programme (Additional Classrooms)	1536
Repair & Renovations to storm-damaged school	167
Multipurpose Centres	13
Special School	1
Technical Colleges	2
Fencing Projects	27
Hospital Revitalisation and Rehabilitation Programme	3
Electrification of Clinics	36
Electrification of Hospitals	2
Environmental Affairs Office	1
Road Camps	145

Maintenance

Replacement of concrete panels and falling brickwork cladding at Lebowakgomo	1
Special maintenance programme: e.g. leaking roofs, emergency structural problems, etc	5
Completion of new clubhouse at parliamentary village	1

Maintenance of Two-Way Radio Communication Equipment	15
Contractual maintenance of lifts by manufacturers	11
Completion of Refurbishment of major Air-conditioning equipment at Giyani Govt. Complex	4
Installation of new air-conditioners at Thohoyandou Govt. Complex	4
Refurbishment of air-conditioners at Lebowakgomo Govt. Complex	3
Electrical and security light upgrades at Thohoyandou, Sibasa & Makwarela	3
Electrical and security light upgrades at Giyani Govt. Complex & Mopani C/Centres	1
Installation of new standby generator sets at Thohoyandou complex & Makwarela	3
Upgrading of Water Supply for Lebowakgomo Government Complex	1
Completion of construction work at Block 4 (New Premiers' & Speakers office in the Lebowakgomo government complex	2

Industry Development

Emerging Contractor Development Programme: Sakhasonke

Faced with the challenges of uplifting the communities and people of the Limpopo province, the Department has endeavoured towards developing a skilled and motivated construction SME sector, whose skills are recognized and valued in the country.

A partnership between the Department, DTI, CETA and the financial institutions is an essential component in the drive to bridge the gap within the building construction industry.

SMME development is a central focus of the Sakhasonke Emerging Contractor Development Programme. In this financial year the department trained eighty contractors (80). Sixty-two of these contractors were awarded projects by the department of Public Works while eighteen (18) were already attached to the Department of Local Government and Housing.

Construction Industry Development Board (CIDB)

As part of the transformation in the construction industry the CIDB engaged the vital process to regulate the industry's growth and performance. The CIDBs mandate is to provide strategic leadership, promote sustainable growth, promote improved performance and best practice, promote improved procurement and delivery management, and develop methods for monitoring and regulating the performance and registration of projects and contractors. The directorate participated in the CIDB registers of contractors and projects. The department was one of the first to participate as a pilot and compulsory phase of the registers within the CIDB registers at different grades and specialty areas including the building, electrical, mechanical and others. All projects awarded within the period of 2004/05 were allocated to contractors registered with the CIDB. These benefited the Department in reducing the risk relating to projects being allocated to contractors without capacity.

Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
Project Management of Education Projects	Renovations Provincially funded–	Planning is completed three months prior to implementation. Design takes up to one month depending on the complexities of the project. Construction takes between one to five months. Performance is measured in terms of quality workmanship, timeframes, budgets and compliance to specifications	167 schools at a budget of R160 mil	99% of renovations completed. Expenditure = R141 mil

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Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
	Four classroom blocks and additional toilet blocks	<p>Planning is completed three months prior to implementation. Design takes up to one month depending on the complexities of the project. Construction takes between one to three months.</p> <p>Performance is measured in terms of quality workmanship, timeframes, budgets and compliance to specifications</p>	1536 classrooms planned at a budget of R166.2mil	1536 classrooms constructed and 99% Total expenditure = R111.3mil

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Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
		Projects carried-over from previous financial year		40% of carried-over projects reached completion stage 22% of carried-over projects above 80% progress on site 38% of carried-over projects at 60% progress on site Total Expenditure = R70.2mil
	Ablution blocks	Planning is completed one month prior to implementation. Design takes up to one month depending on the complexities of the	141 Enviroloo Toilets implemented a budget of R13mil	100% progress on construction. R13 mil expenditure.

Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
		project. Construction takes between one to three months. Performance is measured in terms of quality workmanship, timeframes, budgets and compliance to specifications	29 Waterborne toilets at a budget of R2.3mil	100% progress on construction R2.3mil expenditure
Japanese Funded schools	Fencing Projects	Planning is completed one month prior to implementation. Design takes up to one month depending on the complexities of the project. Construction takes between one to three months. Performance is measured in terms of quality workmanship, timeframes, budgets and compliance to specifications	27 schools planned at a budget of R2.5mil	All 27 projects completed. Expenditure = R1.9 mil
	Multipurpose Centres	Planning is completed one month prior to implementation. Design takes up to one month depending on the complexities of the project. Construction takes between one to three months. Performance is	13 projects at a budget of R3mil	13 projects completed. Expenditure = R3mil

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Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
		measured in terms of quality workmanship, timeframes, budgets and compliance to specifications		
	Special Schools	<p>Planning is completed one month prior to implementation. Design takes up to one month depending on the complexities of the project. Construction takes between one to three months.</p> <p>Performance is measured in terms of quality workmanship, timeframes, budgets and compliance to specifications</p>	2 projects at a budget of R5.8mil	Projects at planning stage
	Upgrading of technical colleges	<p>Planning is completed three months prior to implementation. Design takes up to one month depending on the complexities of the project. Construction takes between three to twelve months.</p> <p>Performance is measured in terms of quality workmanship, timeframes, budgets and compliance to</p>	Second phase of two technical colleges budget of R2m	Both first and second phases of the projects have to be completed soon.

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Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
		specifications		
Project Management (Health & Welfare)	Clinics	<p>Planning is completed three months prior to implementation. Design takes one to three months depending on the complexities of the project. Construction takes between one to three months.</p> <p>Performance is measured in terms of quality workmanship, timeframes, budgets and compliance to specifications</p>	Audited 223 clinics for electrification planned at a budget of R9.5mil	36 Clinics continuing
	Hospital	<p>Planning is completed six months prior to implementation. Design takes one to three months depending on the complexities of the project. Construction takes between three to twenty four months.</p> <p>Performance is measured in terms of quality workmanship, timeframes, budgets and compliance to specifications</p>	New projects at 2 hospitals Ongoing projects at 14 hospitals Budget allocated =R56.3mil	95% of budget spent. Projects ongoing.
			Electrification of 2 hospitals at a budget of R1.3mil	97% of budget spent. Projects ongoing.
Project	K 53 testing	Planning is completed	Upgrading	

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Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
management (Transport)	facilities	six months prior to implementation. Design takes one to three months depending on the complexities of the project. Construction takes between three to twelve months. Performance is measured in terms of quality workmanship, timeframes, budgets and compliance to specifications	of K53 facilities. 2 projects ongoing at a budget of R1.2mil	
Rehabilitation & Construction of government buildings	Premier's Guest House		Renovation. Allocated budget = R3.2mil	
Project Management (Environmental Affairs)	Construction of Office Block	Planning is completed three months prior to implementation. Design takes one to three months depending on the complexities of the project. Construction takes between three to twelve four months. Performance is measured in terms of quality workmanship, timeframes, budgets and compliance to specifications	Construction of Office Block Budget allocated = R7.5m	Project ongoing.

Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
Maintenance of buildings	Refurbishment, upgrading & maintenance of road camps	Maintenance is done proactively following the inspection teams and inspection reports	5 projects planned at a budget of R20mil	3 projects ongoing R1.5mil expenditure
	Refurbishment, upgrading & maintenance of government offices	Maintenance is done proactively following the inspection teams and inspection reports	5 projects planned at a budget of R6.9mil	4 projects ongoing
	Refurbishment, upgrading & maintenance of equipments	Maintenance is done proactively following the inspection teams and inspection reports	20 projects planned at a budget of R25.2	10 projects ongoing

PROGRAMME 3: PROPERTY MANAGEMENT AND LAND ADMINISTRATION

1. Lease Management

This section is responsible to manage the Provincial Property Portfolio, as well as provisioning office accommodation for Provincial government departments in the form of facilitating rentals of private properties. This section is also responsible for rental collection from the lease of state owned properties. The rental collection for 2004/2005 financial year resulted in rental revenue of **R9 225 678,00**. Directorate managed to collect arrear rental to the amount of **R1 004 868.00**. Another focus area of this section was the rationalisation of offices with the goal of achieving effective and efficient utilisation of available office space in both government – owned and rented buildings. Furthermore, the focus was to acquire some of the rented office buildings, and to that effect the directorate has successfully acquired six buildings in Polokwane CBD totalling approximately 21 000m².

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Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
Lease Management				
Rental Collection	Management of state-owned residential & commercial buildings.	Amount of money received from rentals.	R 2 700 000,00	R9 225 678,00
Arrear Rental collection	Improving revenue collection	Recovery of 25% of total owed	R 750 000.00	R1 004 869.00
Management & Administration of Provincial Property Portfolio	Timeous renewal and termination of lease agreement. Optimal Utilisation of space.	- % of up to date leases duly signed. - % of occupancy level	100% 100% occupancy	95 % 95%
Acquisition of properties.	Provisioning of office accommodation.	Production of Title Deeds.	6 properties	6 properties

2. Land Administration

The land management section is responsible for the disposal and vesting of Provincial state properties. This includes the compilation and management of Provincial fixed-property asset register. The key focus area of this section was among other things; transfer of fixed-property assets to municipalities, disposal of redundant properties and compilation of comprehensive asset register.

Sub-programs	Outputs	Output Performance Measures/Services Delivery Indicators	Actual performance Against target	
			Quantity	
			Target	Actual
Land Administration				
	Disposal of redundant properties	Number and value of properties sold	220	45, some still caught up in various stages of disposal.
	Transfer of State Properties to municipalities	No of R293 towns transferred to relevant municipalities	197	159
	* Vesting of State Properties	Production of Item 28(1) certificates and/or title deeds.	254	40 submitted to Minister of Land Affairs.

* The programme was derailed because of a joint venture initiative that was arranged between National Department of Public Works, National Department of Land Affairs and Provincial Departments. The initiative was that vesting should be done nationally under the auspices of National Department of Public Works.

* Currently 679 properties were declared redundant, out of which 422 are still caught up at various stages of disposal process. The programme of disposal has been suspended so as to cater for accommodation needs of officials rendering essential services.

PROGRAMME 4: ROADS AND BRIDGES

Service Delivery Improvement

There is a great general improvement in routine maintenance of roads. SDI unit embarked on programmes and initiatives to assist district managers and supervisors on how to improve service delivery. A great emphasis was placed on the way district personnel operate. SDI put together a communication strategy and monitoring systems to measure performance. SDI completed the finalisation of a study to improve the road maintenance. They completed plant replacement documentation, drafted plans for road coordination body in Limpopo province, which will be reporting to national. As part of the service delivery programme tar-cutters and grass cutters were purchased to improve efficiency.

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Two Letsema projects were carried out, one in Vhembe district and one in Waterberg district to strengthen the relationship between municipalities and the department. The honourable MEC took part in the programme as well as municipal managers and mayors. Many borrow pits were identified and formal applications were placed with the department of Minerals and Energy to comply with environmental legislation.

All activities were achieved way beyond targeted output. The only targets, which were not met or exceeded, are the ones, which require heavy plant. To achieve them we need machines to be 87% available but we can only have them available for 60% on average for the financial year. Plant takes more time to be repaired due to unavailability of spares and some plants are very old and it is difficult to get spares.

2004/2005 was a better year compared to the 2003/2004 financial year, there was a great improvement in the operational maintenance.

Maintenance

Measurable Objective	Planned Output	Actual Output	Actual performance Against target	
			Percentages	
			Achieved	Deviation
ROAD MAINTENANCE				
Surfacing	39,727.37	55,526.853	140%	40%
Potholes	2,391.21	2,885.147	122%	22%
Edgebreaks	2,139.275	1,912.146	89%	(11%)
Total Potholes	4,530.485	4,797.293	106%	6%
Cracks-Linear	194; 845.22	247,773.7	127%	27%
Cracks-Croc	22,979.9	24,290.88	106%	6%
Blading	795,072.87	543,529.94	68%	(32%)
Clean Exist	25,449	26,964	106%	6%
Repair Drift	0	0	0	
Install 600&900	327	212	65%	(35%)
Wing Walls	728.5	755.6	104%	4%
Bush-L	35,892,108	49,010,064	137%	37%
Bush-M	14,059,972	21,389,285	152%	52%
Bush-H	6,977,003.2	8,270,142.4	119%	19%
Bush-Mach	5,534,754	6,961,686	126%	26%

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Measurable Objective	Planned Output	Actual Output	Actual performance Against target	
			Percentages	
			Achieved	Deviation
Bushclearing				
Total	62,463,836	85,631,178	137%	37%
Grass mach	23,371,653	29,755,287	127%	27%
Grass hand	3,163,169.7	4,595,794.8	145%	45%
Chevron	13,729	11,691	85%	(15%)
Single Pole	12,484	12,521	101%	1%
Double Pole	4,413.8	4,983	112%	12%
Roadsign				
Total	30,626.8	29,195	95%	(5%)
Paint poles	8,435.8	8,619.57	102%	2%
Fence	9	103.01	1146%	(1046%)
Shape Formation	364.29	312.29	86%	(14%)
Regravel	337.154	286.339	85%	(15%)
Shoulder	2,435.7	2,603.24	107%	7%
Dig, Load & Haul	386,936	337,566.5	87%	(13%)

PART III REPORT OF THE AUDIT COMMITTEE

TO PUT SCANNED REPORT

PART IV ANNUAL FINANCIAL STATEMENTS

**DEPARTMENT OF PUBLIC WORKS
MANAGEMENT REPORT
For the year ended 31 March 2005.**

Report of the Accounting Officer to the Executive Authority and parliament of the Republic of South Africa [TR 18.4].

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

Policy changes and effects

Following the risk assessment review that took place in 2003/04 the lack of a strategy to deal with HIV and Aids in the work place was attended to. The management of the HIV-AIDS in the workplace as well as the implementation of the Occupational Health and Safety Act were integrated in the departmental strategy of Safety, Health, Environment, Risk and Quality (SHERQ) of work of life for the employees. These efforts have led to the Department of Public Service Administration's HIV & AIDS Indaba commending us for being a best practice example in this regard.

The implementation of the EPWP and the co-coordinating role that has been assigned to this department has led to the review of the structure. It was decided that since this programme forms a major part of the government's plan to eradicate poverty, the department requires a distinctive component from other programmes to ensure that this programme gets the necessary attention.

Significant events for the department were as follows:

- ❖ The Extended Public Works Programme (EPWP)'s launch in the country took place in this province with the Gundo-Lashu project at Mopani.

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- ❖ The department participated in the CIDB's programme. The department was one of the first to participate as a pilot and compulsory phase of the registers within the CIDB registers at different grades and speciality areas in the built industry.
- ❖ The emerging contractor development programme that was launched in the 2003/04 financial year has managed to train 80 contractors. 62 were awarded projects by Public Works while 18 were already attached to Department of Local Government and Housing. This programme is set up according to the principles of the Expanded Public works programme.
- ❖ The SDI programme continued to show gains for the core directorates. This is observed on the implementation of the improved work methods and the management and supervision thereof. Details are contained in the programmes report.
- ❖ Full implementation and adherence to the Performance management system, of the balanced score card, improvements are being made for aligning the Performance system to the quarterly reporting according to Treasury regulations and guidelines.
- ❖ SLA's were formalized and implemented the departments of Health & Welfare and Education where the department provides project management functions on their projects. The SLA's stipulates division of responsibilities on both the client department and the implementing agent.

The major projects undertaken by the department during 2004/05 were as follows:

- ❖ The second phase of the building maintenance programme on major renovations, upgrading and refurbishment of the 3 (Lebowakgomo; Giyani; Thohoyandou) major government complexes were undertaken.
- ❖ Completion of a new clubhouse at the parliamentary village.
- ❖ Completion of the construction of the Premier's Guest House.
- ❖ Project management for the construction of office block for the Department of Environmental Affairs and Tourism.
- ❖ The facilitation of property acquisitions for functional use, for the following departments: - (details on programme information)
 - Transport
 - Health

SPENDING TRENDS

The Departmental vote for the financial year 2004/05 was an amount of R1, 333,743,000, which was adjusted to R1, 518,006,000. The adjustments were due to the allocation of the roads infrastructure amounting to R 120,000,000, R 30,000,000 was allocated to Gundo-Lashu projects, R 19,500,000 was allocated to buildings capital projects, R 9,300,000 was for the purchase of land to erect houses at parliamentary village, R 2,500,000 to acquire furniture and fittings for the parliamentary village and an amount of R 2,963,000 for improvement of conditions of service.

The problems that were encountered in the previous year regarding the interfacing of insurance premiums for subsidised vehicles were averted. However, the result is that the funding set aside for this purpose in the 2004/05 financial year was not spent. The total spending for the year was R 1,468,454,000 resulting in an under spending of R49, 552,000, which is 3,3% of the budget. The under spending occurred as follows: Compensation to Employees (R14, 930,000); Goods & Services (R 3,345,000), Buildings & other Fixed Structures (R 23,417,000) and Machinery & Equipment (R7, 850,000).

The reasons for under spending are as follows:

- ❖ The announcement to reconfigure departments effectively resulted in a moratorium on the filling of vacant post until certainty was established regarding functions of the department.
- ❖ Negotiations to buy land for the erection of houses at the parliamentary village could not be concluded before the end of the financial year.
- ❖ Some contract files were submitted to the Special Investigating Unit of the NPA, and this resulted in delays on some capital projects.
- ❖ The plans to refurbish houses in the parliamentary village could not be finalised before the end of the financial year and this resulted in under spending of funds set aside for this purpose.

The financial performance continues to improve, in the core functions. The infrastructure grants that were received were transferred to the Roads Agency, for road construction, heavy rehabilitation and upgrading, and flood reconstruction projects. These funds as well as other sources of income to the Agency were fully spent. Details are reflected on the Agency's report, which is an addendum to the departmental report.

2. SERVICES RENDERED BY THE DEPARTMENT

2.1 Services Rendered

The Department of Public Works continues to work with and for client Departments such as Education and Health & Welfare, as per the mandate of the department, which is the provision and maintenance of infrastructure. The relationship between the Public Works department and the client departments was reduced to writing, as a service level agreement that presents clear lines of responsibilities and accountability.

The services provided by the department are:

- ❖ Project management for capital projects
- ❖ Provision of facilities management at shared government institutions
- ❖ Road construction and maintenance
- ❖ Building maintenance
- ❖ Management of immovable state property

Details under the Building Maintenance programme.

2.2 TARIFF POLICY

The Department has a tariff policy in line with the Provincial Treasury policy, and as per EXCO resolution on market related rentals. The rental tariff policy is based on the market related price less twenty five percent, as approved by the Executive Council. Rental tariffs were increased by 5% after the Provincial Treasury granted approval. A tariff register is kept and reviewed annually, in consensus with the Treasury. The road maintenance team has tariffs based on the fuel price, maintenance rates of machinery, and type of machinery, and these are also reviewed annually.

2.3 FREE SERVICES

The Department engages in project management services and other administration work of procuring services for the client departments according to the requirements made in their business plans. The personnel related costs of the services are not attributed to the projects implemented by the Department of Public Works on behalf of the clients. This results in the cost component being borne by the department hence the client technically receives administrative and project management expertise at no direct cost to the project.

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Other minor services, provided on an ad-hoc basis:

- ❖ Opening access ways to grave yards in communities;
- ❖ Clearing land for school playgrounds;
- ❖ Services for government occasions e.g. pitching tents, clearing the land;
- ❖ Accident scenes where there are no recovery trucks and public works equipment is utilized;
- ❖ Transportation of community properties to areas of safety during disasters;
- ❖ Water transportation on behalf of municipalities for social gatherings, where they are unable to provide the service.

The programme of reconfiguring departments resulted in the transfer of Roads & Bridges programme to the Department of Roads and Transport. This decision was effectively implemented on the 1st April 2005. Transfer of resources like the budget, personnel and assets accompanied the transfer of this function.

The effect of the transfer is a reduction of the 2005/06 budget by 61%, the staff complement is reduced by 46% to be ± 3800.

3. CAPACITY CONSTRAINTS

All capacity constraints are currently being dealt with successfully, to mention but a few:

- ❖ Recruitment of skilled professional, managerial and technical staff;
- ❖ Improving skills base, by prioritizing the training of ABET and other managerial skills, and providing on the job training through the service delivery improvement programme;
- ❖ Financial systems, the province has procured and is in the process of implementing a financial system solution – FINEST;
- ❖ Recruitment of women in managerial, professional and technical positions has improved.

4. UTILISATION OF DONOR FUNDS

The Department of Public Works received donor funding indirectly through the Integrated Provincial Support Programme (IPSP), for its service delivery improvement programme.

5. TRADING ENTITIES/ PUBLIC ENTITIES

Roads Agency Limpopo is a schedule 3C company. This entity was created under the Limpopo Roads Agency and Provincial Roads Act of 1998. The functions of the Agency are to carry out the mandate of the department on road construction, rehabilitation, upgrading and capital/major maintenance of the provincial road and bridge network. Accountability arrangements of the Agency are as follows:

- ❖ The shareholder is the MEC of the Department of Public Works on behalf of the state.
- ❖ Reporting to the MEC is a board of directors, nominated and appointed according to the Northern Province Roads Agency and Provincial Roads Act (1998). The board has a shareholders compact, which is an agreement according to the Treasury Regulations, on how the board must relate to/with the MEC.
- ❖ The board appoints the Chief Executive Officer, who in turn appoints the relevant staff to assist him/her in running the institution. Due to the fact that the Agency receives transfers from the department there is a reporting arrangement that ensures that the department is at all times aware of the manner in which funds are utilized in the Agency.

The impact of the financial performance of the Agency is such that Limpopo has been able to spend all its infrastructure allocations on roads. This (product) roads has been independently tested for quality by the CSIR and it has been confirmed that the funds have been spent legitimately, effectively and efficiently. The clean bill of financial health issued by the Auditor General in this report and for previous years, also confirms that the province has received value for money.

6. OTHER ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

The structure that receive transfers from the department is:

- ❖ The Northern Province Roads Agency

Reporting requirements as above on 5.

7. PUBLIC/PRIVATE PARTNERSHIPS (PPP)

The department currently does not have any PPP's.

8. CORPORATE GOVERNANCE ARRANGEMENTS

The department finally got a Risk and Security component, headed by a senior manager. This unit spearheaded the risk strategy and implementation of internal controls. Due to the concepts of risk management being new in the public sector therefore the challenges were greater. But there has been progress with regards to standards policies and guidelines for business processes.

The changes in the skills profile of the department of Public Works is also enabling change, it has been one characterized by a high number of unskilled workers and few skilled staff, to one characterized by fewer unskilled workers and more skilled staff.

The fraud prevention policy has been effective and zero tolerance to fraud and corruption was continued through out the department. With regard to the PFMA, the department has been meeting the regulatory requirements of the sections of the PFMA that are now due. The procurement system of the department has been restructured to comply with the requirements of Supply Chain Management and Preferential Procurement Policy Framework Act (PPPFA).

9. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

The process of reconfiguring departments has resulted in the Roads & Bridges programme to be transferred to the Department of Roads & Transport.

10. NEW/ PROPOSED ACTIVITIES

There are no new or proposed activities.

11. EVENTS AFTER THE REPORTING DATE

There were no major activities after the reporting date. Except facing the challenges of service delivery with the new Chart of Accounts.

12. FINANCIAL MANAGEMENT IMPROVEMENTS

- ❖ Despite the fact that the department recruited sufficiently skilled personnel in the area of financial management, the rate of staff turnover destabilizes the team, especially with the introduction of changes in a number of financial operations. The strong support provided by activities of service

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delivery improvement on material requirement planning (MRP) has lent a positive effect on the departmental management of stores; logistics of demand, supply, disposal & warehousing and scheduling of acquisitions has resulted in budget transparency and the sharing of resources.

- ❖ The financial performance of the department indicated a link between strategic plans and budgetary planning, within the single point accountability focus. Managers have satisfactorily accepted budget management in their area of responsibility and this has contributed to the progress on changing to the sector specific generic strategic formats, although there is room for improvement in the area of dealing with budgets.
- ❖ The strategy on the collection of revenue has yielded efficiencies in managing the collection and paying over to Treasury.
- ❖ The process of implementing activity based costing and budgeting, in the department continues with the assistance of the service delivery improvement programme (SDI).

13. PERFORMANCE INFORMATION

The department continued to engage on service delivery improvements on work methods, which addresses the matter of efficient, effective and economical allocation of resources. The processes have improved the measurement of performance throughout the institution resulting in a motivated workforce can analyze their contribution and understand the difference between input and output. The integration of risk management in all work activity is still an issue, but we are confident that in time the concept of risk and quality will be enshrined.

Approval

The Accounting Officer has approved the attached annual financial statements set out on the following pages.

Mr. Johannes Rantete
Head of Department
31 MAY 2005



**REPORT OF THE AUDITOR-GENERAL TO THE LIMPOPO PROVINCIAL LEGISLATURE
ON THE FINANCIAL STATEMENTS OF VOTE 9 – DEPARTMENT OF PUBLIC WORKS
FOR THE YEAR ENDED 31 MARCH 2005**

1. AUDIT ASSIGNMENT

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

2. NATURE AND SCOPE

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

An audit includes:

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

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

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

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

3. AUDIT OPINION

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

4. EMPHASIS OF MATTER

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

4.1 Matters in the public interest

An under-spending of 3.23% on the total budget amounting to R 49 552 000.00 occurred, due to various planned projects not been completed

4.2 Weaknesses in internal control

4.2.1 Capital Projects

Certain controls over capital projects were found to be inadequate due to the appointment of incompetent contractors as well as a lack of proper supervision by the department.

4.2.2 Employee Cost

Failure by the department to ensure that an official was not receiving any other means of income from the State when appointed, resulted in an employee receiving a disability grant amounting to R 11 220.00 while employed by the department.

4.2.3 Procurement

The department failed to meet the deadline set by Preferential Procurement Policy Framework Act, 2000, to have a Supply Chain Management Policy in place by 5 December 2003. At the time of the audit the policy was still in draft form and was not yet approved by the management of the Department.

4.2.4 Revenue

It appears that the methods used by the department to recover outstanding rent are ineffective as the outstanding amount increased with R 1,782,195.49 in the six months between our interim and final audit.

4.2.5 Financial Statements

Control over the compilation of the financial statements was not quite adequate due to the following weaknesses:

The amount disclosed for housing guarantees in annexure 3 to the financial statements is overstated with R995, 036.30, when compared with the supporting documentation;

and

Included in the financial statements is an amount of R 140,741,000.00, which is shown as unauthorised expenditure. The expenditure originated in the 1999/2000 financial year and since then, no action has been taken to recover or authorise the amount as required by Treasury Regulation 12.2

5. Performance audit

A performance audit on the leasing of buildings and properties was conducted during the 2004-2005 financial year. The following findings were made:

5.1 In various instances the Department of Public Works (department) could not submit lease agreements. It was therefore not possible to ascertain the terms and conditions of lease agreements, such as the period of lease, initial rental payments and terms of rental payments, and monthly payments could also not be verified as correct.

5.2 Payments by user departments were not always made according to the stipulations of lease agreements. A reconciliation between payments made for the period 1 April 2001 to 31 March 2004, and payments according to the lease agreements, revealed that payments in excess of lease agreement stipulations amounted to R1, 8 million. In addition, user departments owed landlords R3, 4

million due to incorrect payments.

- 5.3 In various instances the space needs analyses that have to be completed before leasing properties or renewing lease agreements, could not be submitted.
- 5.4 Various buildings were not fully utilised and user departments were still paying rent for up to 15 months after the buildings were vacated. Payments amounting to R281 419 were made for three buildings that were vacant.
- 5.5 User departments did not inspect leased properties on a regular basis to ensure that maintenance was properly done. Various maintenance problems were identified at properties, which included cracks in walls, leaking roofs, buildings that need to be painted, and loose electrical wiring.

Comments of the accounting officer

- (a) In the 2005-06 financial year a verification exercise will be undertaken to ensure that all lease files are in place. Consultants will be appointed to evaluate the entire lease management unit, including the analysis of processes, formulation of guidelines, capacity, best practice and implementation of service level agreements with user departments. An electronic filing system will be put in place to avoid misfiling or misplacement of lease files.
- (b) Landlords and user departments will be contacted to ensure that valid lease agreements are in place. User departments will also be urged to comply with the three-month renewal period as stipulated in the lease agreement to avoid late signing of lease agreements.
- (c) The user departments are billed directly by landlords, and the correctness of the invoices is therefore the responsibility of those processing these accounts. Rentals that are not paid in accordance with the stipulations of lease agreements will be communicated and conveyed to the respective user departments for corrective action to be taken. To assist user departments, the department will allocate a client accounts manager to each user department to ensure that correct payments are made and escalations are affected accordingly by conducting bi-annual inspections and by sending timely reminders to the user departments.

- (d) The department admits to conducting the space needs analysis only for properties being leased for the first time or when additional space is required. In future, space needs analysis will be done in respect of all leasing requests.
- (e) Under-utilisation occurs when the space needs analysis is done based on a structure that is not completely filled or is in the process of being filled. In some instances the department is compelled to take whatever is available regardless of the area needed. User departments also have a tendency to review their structure on a regular basis. However, the department will try to develop some mechanism to take cognisance of the structure, and current and future needs of user departments when performing a space needs analysis.
- (f) The department will develop an inspection programme to conduct maintenance inspection on behalf of user departments and prepare recommendations.

6. APPRECIATION

The assistance rendered by management and the staff of the Limpopo Provincial Department of Public Works during the audit is sincerely appreciated.

A.N Dzuguda

For: Auditor-General

Polokwane

29 July 2005

**LIMPOPO – DEPARTMENT OF PUBLIC WORKS
VOTE NO. 9**

**ACCOUNTING POLICIES AND RELATED MATTERS
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 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2004. The following issued, but not yet effective Standards of Generally Recognised Accounting Practice have not been fully complied with in the Annual Financial Statements: GRAP 1, 2 and 3.

1. Basis of preparation

The Annual Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

2. Revenue

Appropriated funds

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

Departmental revenue

❖ ***Tax revenue***

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

❖ ***Sale of goods and services other than capital assets***

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

❖ ***Fines, penalties and forfeits***

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

❖ ***Interest, dividends and rent on land***

Interest and dividends received are recognised upon receipt of the funds, and no provision is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They are recognised as revenue in the Statement of Financial Performance of the department and then transferred to the National/Provincial Revenue Fund.

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

❖ ***Sale of capital assets***

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

❖ ***Financial transactions in assets and liabilities***

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

❖ ***Local and foreign aid assistance***

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

3. Expenditure

Compensation of employees

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

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

Short-term employee benefits

The cost of short-term employee benefits is expensed in the Statement of Financial Performance in the reporting period when the final authorisation for payment is effected on the system. Short-term employee benefits, that give rise to a present legal or constructive

obligation are disclosed as a disclosure note to the Annual Financial Statements and are not recognised in the Statement of Financial Performance.

Long-term employee benefits and other post employment benefits

Termination benefits

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

Medical benefits

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

Post employment retirement benefits

The department provides retirement benefits for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the fund is effected on the system. No provision is made for retirement benefits in the Annual Financial Statements of the department. Any potential liabilities are disclosed in the Annual Financial Statements of the National/Provincial Revenue Fund and not in the Annual Financial Statements of the employer department.

Other employee benefits

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

Goods and services

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

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 under spending 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.

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

Fruitless and wasteful expenditure

Fruitless and wasteful expenditure, is defined as:

Expenditure that was made in vain and would have been avoided had reasonable care been exercised, therefore it must be recovered from a responsible official (a debtor account should be raised), or the vote. (If responsibility cannot be determined.)

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

4. Transfers and subsidies

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

5. Expenditure for capital assets

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

6. Investments

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

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

7. Receivables

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

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

8. Cash and cash equivalents

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

9. Payables

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

10. Lease commitments

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

Operating lease expenditure is expensed when the payment is made.

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

11. Accruals

This amount represents goods/services that have been received, but no invoice has been received from the supplier at the reporting date, OR an invoice has been received but final authorisation for payment has not been effected on the system. These amounts are not recognised in the Statement of Financial Position as a liability or as expenditure in the

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Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

12. Contingent liability

This is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or

a present obligation that arises from past events but is not recognised because:

- ❖ It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- ❖ The amount of the obligation cannot be measured with sufficient reliability

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

13. Commitments

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

14. Capitalisation reserve

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

15. Recoverable revenue

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

16. Comparative figures

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

Limpopo - Department of Public Works Appropriation Statement for the year ended 31 March 2005

Appropriation per Programme									
	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	156,953	-	-4,107	152,846	144,458	8,388	94.5%	136,392	
Transfers and subsidies	636	-	-	636	626	10	98.4%	-	
Expenditure for capital assets	16,498	-	1,607	18,105	17,699	406	97.8%	16,972	
2. Public Works									
Current payment	300,738	-	4,509	305,247	295,363	9,884	96.8%	293,962	
Transfers and subsidies	6,989	-	-2,009	4,980	4,980	-	100.0%	-	
Expenditure for capital assets	83,100	-	-	83,100	52,241	30,859	62.9%	37,467	
3. Roads Infrastructure									
Current payment	300,790	-	-11	300,779	300,779	-	100.0%	285,193	
Transfers and subsidies	651,659	-	11	651,670	651,670	-	100.0%	539,000	
Expenditure for capital assets	-	-	-	-	-	-	0.0%	4,497	
4. C.B.W.P.									
Current payment	-	-	-	-	-	-	0.0%	-	
Transfers and subsidies	-	-	-	-	-	-	0.0%	5,000	
Expenditure for capital assets	-	-	-	-	-	-	0.0%	-	
Subtotal	1,517,363	-	-	1,517,363	1,467,816	49,547	96.7%	1,318,483	
Statutory Appropriation									
Current payments	643	-	-	643	638	5	99.2%	607	
Total	1,518,006	-	-	1,518,006	1,468,454	49,552	96.7%	1,319,090	
Reconciliation with Statement of Financial Performance									
Prior year unauthorised expenditure approved with funding				-				-	
Departmental receipts				8,822				28,314	
Local and foreign aid assistance				-				-	
Actual amounts per Statement of Financial Performance (Total Revenue)				1,526,828				1,347,404	
Actual amounts per Statement of Financial Performance Expenditure					1,468,454				

**APPROPRIATION STATEMENT
for the year ended 31 March 2005**

Appropriation per Economic classification									
	2004/05							2003/0	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	
Current payments									
Compensation to employees	528,222	-	-	528,222	513,297	14,925	97.2%	502,779	
Goods and services	222,851	-	391	223,242	219,897	3,345	98.5%	212,770	
Transfers & subsidies									
Provinces & municipalities	7,743	-	-2,964	4,779	4,769	10	99.8%	5,000	
Departmental agencies & accounts	650,250	-	-	650,250	650,250	-	100.0%	539,000	
Households	7,800	-	955	8,755	8,755	-	100.0%	-	
Payment on capital assets									
Buildings & other fixed structures	72,300	-	-	72,300	48,883	23,417	67.6%	10,897	
Machinery & equipment	28,197	-	1,618	29,815	21,965	7,850	73.7%	24,250	
Land & subsoil assets	-	-	-	-	-	-	0.0%	23,787	
Total	1,517,363	-	-	1,517,363	1,467,816	49,547	96.7%	1,318,483	
Statutory Appropriation									
Direct charge against Provincial Revenue Fund	2004/05							2003/0	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	
Member of executive committee/parliamentary officers	643			643	638	5	99.2%	607	
Total	643	-	-	643	638	5	99.2%	607	

**Detail per programme 1 – Administration
for the year ended 31 March 2005**

Programme per subprogramme	2004/05							2003/0	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	
1.1 Statutory Payments									
1.2 Management									
Current payment	12,791	-	-	12,791	7,074	5,717	55.3%	9,073	
Transfers and subsidies	9	-	-	9	9	-	100.0%	-	
1.3 Corporate Support									
Current payment	59,272	-	-407	58,865	58,875	-10	100.0%	81,317	
Transfers and subsidies	101	-	-	101	91	10	90.1%	-	
Expenditure for capital assets	9,900	-	407	10,307	9,901	406	96.1%	5,580	
1.4 Financial Management									
Current payment	34,807	-	-	34,807	34,785	22	99.9%	7,629	
Transfers and subsidies	170	-	-	170	170	-	100.0%	-	
1.5 Human Resources									
Current payment	28,633	-	-	28,633	28,605	28	99.9%	27,146	
Transfers and subsidies	344	-	-	344	344	-	100.0%	-	
1.6 GITO									
Current payment	21,450	-	-3,700	17,750	15,119	2,631	85.2%	11,227	
Transfers and subsidies	12	-	-	12	12	-	100.0%	-	
Expenditure for capital assets	6,598	-	1,200	7,798	7,798	-	100.0%	11,392	
Total	174,087	-	-2,500	171,587	162,783	8,804	94.9%	153,364	
Economic classification	2004/05							2003/0	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	
Current payments									
Compensation to employees	93,438	-	-	93,438	87,679	5,759	93.8%	83,717	
Goods and services	56,107	-	-4,107	52,000	49,373	2,627	94.9%	52,677	
Transfers & subsidies									
Provinces & municipalities	245	-	-	245	235	10	95.9%		
Households	7,800	-	-	7,800	7,800	-	100.0%		
Payments for capital assets									
Machinery & equipment	16,497	-	1,607	18,104	17,696	408	97.7%	16,970	
Total	174,087	-	-2,500	171,587	162,783	8,804	94.9%	153,364	

**Detail per programme 2 – Public Works
for the year ended 31 March 2005**

Programme per sub programme	2004/05							2003/0	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	
2.1 Other Infrastructure									
Current payment	200,198	-	-	200,198	190,325	9,873	95.1%	200,442	
Transfers and subsidies	1,435	-	-	1,435	1,435	-	100.0%	-	
Expenditure for capital assets	79,500	-	-	79,500	51,420	28,080	64.7%	36,646	
2.2 Properties and Facilities Management									
Current payment	100,540	-	4,509	105,049	105,038	11	100.0%	93,520	
Transfers and subsidies	5,554	-	-2,009	3,545	3,545	-	100.0%	-	
Expenditure for capital assets	3,600	-	-	3,600	821	2,779	22.8%	821	
Total	390,827	-	2,500	393,327	352,584	40,743	89.6%	331,429	
Economic classification	2004/05							2003/0	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	
Current									
Compensation to employees	249,180	-	-	249,180	240,014	9,166	96.3%	241,355	
Goods and services	51,558	-	4,509	56,067	55,349	718	98.7%	52,607	
Transfers & subsidies									
Provinces & municipalities	6,989	-	-2,964	4,025	4,025	-	100.0%		
Households	-	-	955	955	955	-	100.0%		
Capital									
Buildings & other fixed structures	72,300	-	-	72,300	48,883	23,417	67.6%	10,897	
Machinery & equipment	10,800	-	-	10,800	3,358	7,442	31.1%	2,783	
Land & subsoil assets							0.0%	23,787	
Total	390,827	-	2,500	393,327	352,584	40,743	89.6%	331,429	

**Detail per programme 3 – Roads infrastructure
for the year ended 31 March 2005**

Programme per sub programme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Planning and Design									
Current payment	-	-	-	-	-	-	0.0%	-	-
Transfers and subsidies	650,759	-	-	650,759	650,759	-	100.0%	539,000	-
Expenditure for capital assets	-	-	-	-	-	-	0.0%	-	-
3.2 Maintenance Management									
Current payment	300,790	-	-11	300,779	300,779	-	100.0%	285,193	-
Transfers and subsidies	900	-	11	911	911	-	100.0%	-	-
Expenditure for capital assets	-	-	-	-	-	-	0.0%	4,497	-
Total	952,449	-	-	952,449	952,449	-	100.0%	828,690	-
Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation to employees	185,604	-	-	185,604	185,604	-	100.0%	177,707	-
Goods and services	115,186	-	-11	115,175	115,175	-	100.0%	107,486	-
Interest and rent on land	-	-	-	-	-	-	0.0%	-	-
Transfers & subsidies									
Provinces & municipalities	509	-	-	509	509	-	100.0%	-	-
Dept agencies & accounts	650,250	-	-	650,250	650,250	-	100.0%	539,000	-
Machinery & equipment	900	-	11	911	911	-	100.0%	4,497	-
Total	952,449	-	-	952,449	952,449	-	100.0%	828,690	-

**Detail per programme 4 – C.B.P.W.P
for the year ended 31 March 2005**

Programme per sub programme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1									
Current payment	-	-	-	-	-	-	0.0%	5000	
Transfers and subsidies	-	-	-						
Expenditure for capital assets	-	-	-						
4.2 Maintenance Management									
Current payment									
Transfers and subsidies									
Expenditure for capital assets	-	-	-						
Total		-	-				0.0%	5000	
Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation to employees									
Goods and services									
Interest and rent on land				-		-			
Transfers & subsidies									
Provinces & municipalities								5000	
Dept agencies & accounts									
Machinery & equipment									
Total						-	100.0%	5000	

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Limpopo - Department of Public Works
Notes to the Appropriation Statement
for the year ended 31 March 2005

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

Detail of these transactions can be viewed in note 11 (Transfers and subsidies) and Annexure 1 (A-K) to the annual financial statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the annual financial statements.

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 8 (Details of special functions (theft and losses)) to the annual financial statements.

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

4.1 Per programme:

	Voted Funds after virement	Actual Expenditure	R'000	%
Administration	172,230	163,421	8,809	94.89
The under-spending is a result of terminations and transfers of personnel. The Department was affected by the reconfiguration and restructuring of The provincial departments whereby Roads program & its function were Transferred to the Department of Transport.				
Public Works	393,327	352,584	40,743	89.64
The under-spending is due to the fact that projects that were supposed to Be undertaken were not commenced due to a protracted negotiations and Delays in finalising the contract for the construction of parliamentary village. NPA Special Investigation Team took contract files for these capital projects And it resulted into delays in awarding tenders and processing of payments Certificate.				

(In the case of surpluses on programmes, a detailed explanation must be given as to whether it is as a result of a saving or under spending.)

4.2

Per economic classification:

Current expenditure

Compensation of employees
Goods and services

Transfers and subsidies

Departmental agencies and accounts
Households

Payments for capital assets

Buildings and other fixed structures
Machinery and equipment
Land and sub soil assets

Reconciliation of appropriation statement to the statement of financial position:

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Total revenue per income statement

Less: Other receipts

Total expenditure per income statement

Actual expenditure per appropriation statement

**Limpopo – Department of Public Works
Statement of Financial Performance
For the year ended 31 March 2005**

REVENUE

Annual appropriation
Statutory appropriation
Departmental revenue

TOTAL REVENUE

EXPENDITURE

Current expenditure

Compensation of employees
Goods and services
Unauthorised expenditure approved

Total current expenditure

Transfers and subsidies

Expenditure for capital assets

Buildings and other fixed structures
Machinery and Equipment
Land and subsoil assets
Unauthorised expenditure approved

Total expenditure for capital assets

TOTAL EXPENDITURE

NET SURPLUS/(DEFICIT)

Add back unauthorised expenditure

NET SURPLUS/(DEFICIT) FOR THE YEAR

Reconciliation of Net Surplus/(Deficit) for the year

Voted Funds to be surrendered to the Revenue Fund

Departmental revenue to be surrendered to revenue fund

NET SURPLUS/(DEFICIT) FOR THE YEAR

**Limpopo – Department of Public Works
Statement of Financial Position
For the year ended 31 March 2005**

ASSETS

Current assets

Unauthorised expenditure

Cash and cash equivalents

Receivables

Local and foreign aid assistance receivable

TOTAL ASSETS

LIABILITIES

Current liabilities

Voted funds to be surrendered to the Revenue Fund

Departmental revenue to be surrendered to
The Revenue Fund

Bank overdraft

Payables

Local and foreign aid assistance unutilised
Non-current liabilities
 Payables
TOTAL LIABILITIES

TOTAL

**Limpopo - Department of Public Works
 Statement of Changes in Net Assets
 for the year ended 31 March 2005**

	<i>Note</i>	2004/05 R'000
Capitalisation reserve		
Opening balance	-	-
Transfers	-	-
Closing balance	-	-
Recoverable revenue		
Opening balance	-	-
Debts written off	8.6	-
Debts recovered (included in departmental receipts)	-	-
Debts raised	-	-
Prior year adjustment		
Closing balance	-	-
TOTAL		

**Limpopo - Department of Public Works
Cash Flow Statement
For the year ended 31 March 20**

Note

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts	
Annual appropriated funds received	
Statutory appropriated funds received	
Appropriation for unauthorised expenditure received	9.
Departmental revenue received	
Net (increase)/decrease in working capital	
Surrendered to Revenue Fund	
Current payments	
Transfers and subsidies paid	
Net cash flow available from operating activities	23.

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for capital assets	
Proceeds from sale of capital assets	3.
(Increase)/ decrease in loans granted	
Net cash flows from investing activities	

CASH FLOWS FROM FINANCING ACTIVITIES

Increase/(decrease) in loans received	
Net cash flows from financing activities	

Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at beginning of period

Cash and cash equivalents at end of period

**Limpopo – Department of Public Works
Notes to the Annual Financial Statement
for the year ended 31 March 2005**

1. Annual Appropriation

1.1 Annual Appropriation

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

	Final Appropriation R'000	Actual Funds Received R'000
Administration	171,587	162,783
Public Works	393,327	352,584
Roads Infrastructure	952,449	952,449
C.B.W.P.	-	-
Total	1,517,363	1,467,816

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

The under-spending is due to terminations and transfers of personnel. The Department was furthermore affected by the reconfiguration and restructuring of provincial departments whereby Roads program and its function were transferred to the Department of Transport. The projects that were supposed to be undertaken were not commenced due to a protracted negotiations and delays in finalising and approving the contract for the construction of parliamentary village and a submission has been done to request for roll over of this budget and the project in 2005/06. The other reason for the under-spending was that NPA Special Investigation Team took contract files for these capital projects and resulted into delays in awarding tenders and processing payment certificate on those tenders that were already awarded.

1.2 Conditional grants

Total grants received

Note

[ANNEXURE 1A](#)

(* It should be noted that the Conditional grants are included in the amounts per the Total

Appropriation in Note 1.1)

[Redacted content]

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2. Statutory Appropriation

Minister and deputy ministers salaries

3. Departmental revenue to be surrendered to revenue fund

Description

Sales of goods and services other than capital assets

Interest, dividends and rent on land

Sales of capital assets

Financial transactions in assets and liabilities

Gifts, donations and sponsorships received

3.1

ANNEXURE 1J

Other transfers

-

Total revenue collected

Less: Departmental revenue budgeted *

19

Departmental revenue collected

[Redacted]

* Please note that departmental revenue budgeted applies to provincial departments. This must equal the amount received in the appropriation. Only if the department has under-collected on budgeted revenue, then the amount collected should be inserted in the budgeted revenue line. This will result in a zero balance for departmental revenue on the face of the Income Statement.

3.1 Financial transactions in assets and liabilities

Nature of loss recovered

Cheques written back

Other

5.

Compensation of employees

5.1

Salaries and wages

- Basic salary
- Performance award
- Service Based
- Periodic payments
- Other non-pensionable allowances

5.2

Social contributions

5.2.1 Short term employee benefits

- Pension
- Medical
- UIF
- Bargain council

Total compensation of employees

Average number of employees

Note

6.

Goods and services

- Advertising
- Bursaries (employees)
- Communication
- Computer services

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Consultants, contractors and special services

Entertainment

Equipment less than R5 000

Inventory

[6.2](#)

Maintenance, repair and running costs

Medical services

Operating leases

Printing and publications

Professional bodies and membership fees

Resettlement costs

Road worthy tests

Owned and leasehold property expenditure

Travel and subsistence

[6.3](#)

Protective, special clothing & uniforms

Training & staff development

-

[6.2](#)

Inventory

Other inventory

Domestic Consumables

Food and Food supplies

Fuel, oil and gas

Other consumables

Parts and other maint mat

Stationery and Printing

Road construction and supplies

Medical Supplies

Total Inventory

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6.3	Travel and subsistence	
	Local	
	Foreign	
	Total travel and subsistence	
9.	Unauthorised expenditure	
	Reconciliation of unauthorised expenditure	
9.1	Opening balance	
	Unauthorised expenditure – current year	
	Unauthorised expenditure awaiting authorisation	
11.	Transfers and subsidies	Note
	Provinces and municipalities	ANNEXURE 1B & 1C
	Departmental agencies and accounts	ANNEXURE 1D
	Households	ANNEXURE 1I
12.	Expenditure for capital assets	
	Buildings and other fixed structures	ANNEXURE 4
	Machinery and equipment	ANNEXURE 4
	Land and subsoil assets	ANNEXURE 4
	Total	
13.	Cash and cash equivalents	

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		Consolidated Paymaster General Account		
		Cash receipts		
		Disbursements		
<u>16.</u>	Receivables			One to three years Tot
		Amounts owing by other entities	ANNEXURE 6	
		Staff debtors	16.1	294
		Other debtors	16.3	1,680
				<hr/> 1,974
	16.1	Staff debtors (Group major categories, but list material items)		
		Personal deduction Disallowance		
		Disallowance: Workers Uniform		
	16.3	Other debtors Nature of advances (Group major categories, but list material items)		
		Debt Account		
		Department of Education		
		Eskom		
		Cancel cheques/Re-issue		
		Dishonoured cheques		
<u>18.</u>	Voted Funds to be surrendered to the Revenue Fund			
		Opening balance		
		Transfer from Statement of Financial Performance		
		Closing balance		

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<u>19.</u>	Departmental revenue to be surrendered to revenue fund	Opening balance Transfer from Statement of Financial Performance Departmental revenue budgeted * 3 Paid during the year Closing balance	
<u>20.</u>	Bank overdraft	Paymaster General Account	
<u>21.</u>	Payables – current	Description Clearing accounts 21.2 Other payables 21.3	30+Days <hr/> 86,539 <hr/> 86,539
	<u>21.3</u>	Other payables Outstanding payments Excellence Award Premier's Excellence Awards Exchequer grants Other payables	
<u>23.</u>	Reconciliation of net cash flow from operating activities	To surplus/(deficit) Net surplus/(deficit) as per Statement of Financial Performance	Note

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		(Increase)/decrease in receivables – current
		Increase/(decrease) in payables – current
		Proceeds from sale of equipment
		Surrenders
		Capital expenditure
		Departmental revenue budgeted
		Net cash flow generated by operating activities
	Appropriated funds and departmental revenue surrendered	
24.		
		Appropriated funds surrendered
		Departmental revenue surrendered

**Limpopo – Department of Public Works
Disclosure Notes to the Annual Financial Statement for the year ended 31 March 20**

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

25.	Contingent liabilities	Liable to	Nature	Note
		Housing loan guarantees	Employees	ANNEXURE 3
		Claims		
		Other departments (unconfirmed balances)		ANNEXURE 7
		Capped Leave Commitments		
		Other		
<hr/>				
26.	Commitments	Current expenditure		
		Approved and contracted		
		Approved but not yet contracted		
		Capital expenditure		
		Approved and contracted		
		Approved but not yet contracted		
<hr/>				
27.	Accruals	By economic classification	30 Days	30+ Days
		Compensation of employees	302	-
		Goods and services	4,051	-
		Buildings and other fixed structures	2	-
		Machinery and Equipment		-

		Listed by programme level		
		Program 1 - Administration		
		Program 2 - Public Works		
		Program 3 - Roads Infrastructure		
28.	Employee benefits			
		Leave entitlement		
		Thirteenth cheque		
		Performance awards		
29.	Leases			
	29.1	Operating leases	Buildings & other fixed structures	Machinery and equipment
		Not later than 1 year		29,345
		Later than 1 year and not later than 3 years		-
		Later than three years	49,000	
		Total present value of lease liabilities	49,000	29,345
		Total present value of lease liabilities	49,000	29,345
30.	Receivables for service delivered			
		Building of Seroka School for Eskom		

Building of 4 Classroom blocks for Dept. of Education

31.

Irregular expenditure

31.2

Irregular expenditure

Incident	Disciplinary steps taken/criminal proceedings
Misuse of State Vehicle-9	Referred to Risk Management
Fraud - 1	Dismissal
Falsifying of records -1	Withdrawn
Exchange of petrol cards-1	Referred to Risk Management
Misuse of petrol cards-1	Referred to Risk Management
Fraud Garnish orders -1	Referred to Risk Management
Damage State Property - 1	Referred to Risk Management
Caravan Waterberg	
Damage State Vehicle-1	Disciplinary actions in process

32.

Related party transactions

Nature of the relationship.

The Road Agency Limpopo (R.A.L) is a parastatal whose shareholding is 100% Owned by the Department of Public Works Limpopo. The financial reports for the Road Agency Limpopo is attached as it reports separately from the department.

Type of Transactions

The department has transferred funding to the R.A.L amounting to R 650,250 Million. This amount includes Conditional Grants received by the department as per Annexure 1A.

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33.

Senior management personnel

	No.
M.E.C., Senior General Manager	2
General Manager	7

Limpopo - Department of Public Works

**Annexures to the Annual Financial Statements
for the year ended 31 March 2005**

ANNEXURE 1C

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		Amount received by municipality R'000
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Waterberg Distr Municipality	490	-	-	490	490	100.0%	490
Bohlabela Distr Municipality	115	-	-	115	115	100.0%	115
Capricorn Distr Municipality	1,305	-	-	1,305	1,305	100.0%	1,305
Mopani District Municipality	991	-	-	991	991	100.0%	991
Vhembe District Municipality	1,040	-	-	1,040	1,040	100.0%	1,040
Sekhukhune District Municipality	828	-	-	828	828	100.0%	828
	4,769	-	-	4,769	4,769		4,769

Limpopo - Department of Public Works
Annexures to the Annual Financial Statements
for the year ended 31 March 2005

ANNEXURE 1I**STATEMENT OF TRANSFERS/SUBSIDIES TO HOUSEHOLDS**

2. NO N PROFIT ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE	
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Transferred %
Transfers						
Colleges	181			181	181	100.0%
Technical Colleges	117			117	117	100.0%
Universities	1,008			1,008	1,008	100.0%
Technikons	675			675	675	100.0%
Various Institutions	6,774			6,774	6,774	100.0%
				-		0.0%
				-		0.0%
				-		0.0%
				-		0.0%
	8,755	-	-	8,755	8,755	
Subsidies						
				-		0.0%
				-		0.0%
				-		0.0%

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

Guarantor institution	Guarantee in respect of	Original Guaranteed Capital Amount R'000	Opening Balance 01/04/2004 R'000	Guarantees issued during the year R'000	Guarantees Released the year R'000
	Motor Vehicles				
		-	-	-	-
	Housing				
Standard Bank	Housing loan	308	383	-	54
Nedbank Limited	Housing loan	119	926	42	-
FirstRand Bank Limited (FNB)	Housing loan	125	180	92	132
ABSA	Housing loan	1,627	2,166	121	179
Company Unique Finance	Housing loan	98	-	-	32
Peoples Bank Ltd (FBC)	Housing loan	86	115	-	-
Peoples Bank Ltd Incorporation	Housing loan	68	85	-	-
First Rand Bank Ltd (FNB)	Housing loan	187	180	-	-
Old Mutual Bank Div -Nedbank	Housing loan	600	-34	-	15
VBS Mutual Bank	Housing loan	272	293	30	-
N.P.D.C.	Housing loan	335	384	101	45
African Bank	Housing loan	-	124	-	-
Boe Bank	Housing loan	-	18	-	-
		3,825	4,820	386	457

**Limpopo - Department of Public Works
Annexures to the Annual Financial Statements
for the year ended 31 March 2005**

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ANNEXURE 4

PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2005

	Opening Balance	Additions	Disposals	Transfers in	Transfers out
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	9,217	48,883	4,344	-	7,217
Dwellings	2,000	48,883	4,344		
Non-residential buildings	-				
Investment properties	-				
Other structures (Infrastructure assets)	-				
Capital work in progress	7,217				7,217
Heritage assets	-				
MACHINERY AND EQUIPMENT	43,440	21,965	6,207	-	1,000
Computer equipment	18,829	11,353			
Furniture and office equipment	3,436	2,316			
Other machinery and equipment	2,813	3	6,207		
Specialised military assets	-				
Transport assets	18,362	8,293			
BIOLOGICAL OR CULTIVATED ASSETS	-				
LAND AND SUBSOIL ASSETS	23,787	-	-	-	1,000
Land	23,787				
Mineral and other non regenerative assets	-				
	76,444	70,848	10,551	-	7,217

ANNEXURE 4 (continued)**PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2004**

	Opening Balance	Additions	Disposals	Transfers in	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	10,966	10,897	12,646	-	-	9,217
Dwellings	3,749	10,897	12,646			2,000
Non-residential buildings						-
Investment properties						-
Other structures (Infrastructure assets)						-
Capital work in progress	7,217					7,217
Heritage assets						-
MACHINERY AND EQUIPMENT	19,190	24,250	-	-	-	43,440
Computer equipment	7,403	11,426				18,829
Furniture and office equipment	1,105	2,331				3,436
Other machinery and equipment	251	2,562				2,813
Specialised military assets						-
Transport assets	10,431	7,931				18,362
BIOLOGICAL OR CULTIVATED ASSETS						-

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**LAND AND SUBSOIL
ASSETS**

	-	23,787	-	-	-	23,787
Land		23,787				23,787
Mineral and other non regenerative assets						-
	30,156	58,934	12,646	-	-	76,444

This is a movement schedule as at 1 March 2003

Disposals only relate to amounts included in the opening balances and the additions columns. If you have a disposal, amount written off should be equivalent to the carrying value of the asset.

Limpopo - Department of Public Works
Annexures to the Annual Financial Statements
for the year ended 31 March 2005

ANNEXURE 6**INTER-GOVERNMENTAL RECEIVABLES**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005	31/03/2004	31/03/2005	31/03/2004
	R'000	R'000	R'000	R'000
Department				
Department of Transport	-	-	52	-
Department of Health & Welfare	-	-	48	-
South African Police Services	-	-	1	-
Department of Public Enterprises	-	-	21	-
Office of the Premier	-	-	18	-
Department of Local Government & Housing	-	-	22	-
Office of the Public Service Commission	-	-	1	-
Department of Education	-	-	10	-
	-	-	173	-
Other Government Entities				
	-	-	-	-
TOTAL	-	-	173	-

Include all amounts owing by National and Provincial Departments as well as all Public Entities,

Constitutional Institutions and Trading Entities

**Limpopo - Department of Public Works
Annexures to the Annual Financial Statements
for the year ended 31 March 2005**

ANNEXURE 7**INTER-DEPARTMENTAL PAYABLES – CURRENT**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005	31/03/2004	31/03/2005	31/03/2004
	R'000	R'000	R'000	R'000

Department

Amounts not included in Statement of financial position

Current

South African Police Services	-	-	28	8
Department of Labour	-	-	22	-
Department of Minerals & Energy	-	-	45	-
Department of National Public Works	-	-	20	-
Department of Public Works - Kwazulu Natal Province	-	-	19	-
Office of the Premier	-	-	37	2
Department of Justice	-	-	4	8
Department of Agriculture	-	-	4	-
Gauteng Shared Services	-	-	1	-
Department of Home Affairs	-	-	22	17
Department of Water Affairs	-	-	6	-
Department of Correctional Services	-	-	11	11
Subtotal	-	-	219	46

Non-current

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Subtotal	-	-	-	-
Total	-	-	219	46

**DEPARTMENT OF PUBLIC WORKS
C.B.P.W.P
APPROPRIATION STATEMENT
for the year ended 31 March 2005**

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Programme						
	2004/05					
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings / (Under spend) (Excess)	Exp re
	R'000	R'000	R'000	R'000	R'000	
1. Programme 4	735	0	735	76	659	
Current	735	0	735	76	659	
Total	735	0	735	76	659	
Reconciliation with income statement						
Less: Fruitless and wasteful expenditure						
Actual amounts per Income Statement						
			735	76		

APPROPRIATION STATEMENT

for the year ended 31 March 2005

Direct charge against the National Revenue Fund	2004/05					
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings (Excess)	Exp re
	R'000	R'000	R'000	R'000	R'000	
List all charges against the National Revenue Fund						
Total	0	0	0	0	0	

Economic classification	2004/05					
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings (Excess)	Exp re
	R'000	R'000	R'000	R'000	R'000	
Current	735	0	735	76	659	
Compensation of employees						
Goods & services	735	0	735	76	659	
Capital						
Acquisition of capital assets	109					
Total 1	735	0	735	76	659	

**DEPARTMENT OF PUBLIC WORKS
C.B.P.W.P
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 MARCH 2005**

1 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.

2 Explanations of material variances from Amounts Voted (after virement):

**2.1 Per programme:
Programme 4: C.B.P.W.P.**

Funding is from National Department of Public Works amounted to R 735,000 to enable the The Department - Provincial Co-ordinating Committee (C.B.P.W.P) to run the provincial office and Catering for committee meetings. During the year, the department has relocated the Community Development unit within Programme 2 since their activities are linked. Therefore some activities were performed as part of this programme.

	1	
Annual Appropriation		
Unauthorised Expenditure Recovered		
<hr/>		
TOTAL REVENUE		
EXPENDITURE		
Current		
Goods & Services		
TOTAL CURRENT EXPENDITURE		
TOTAL EXPENDITURE		
<hr/>		
NET SURPLUS /(DEFICIT)		(
Add back unauthorised and fruitless and wasteful expenditure disallowed	2	
<hr/>		
NET SURPLUS /(DEFICIT) FOR THE YEAR		(
<hr/> <hr/>		
Reconciliation of Net Surplus / (Deficit) for the year		
Voted Funds to be surrendered to the Revenue Fund	4	(
<hr/>		
NET SURPLUS /(DEFICIT) FOR THE YEAR		(
<hr/> <hr/>		

**DEPARTMENT OF PUBLIC WORKS
C.B.P.W.P.
CASH FLOW STATEMENT
for the year ended 31 March 2005**

	Note	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash flow generated by operating activities	6	
Cash generated / (utilised) to (increase)/decrease working capital	7	
Unauthorised expenditure approved	8	
Local and foreign aid assistance (including RDP funds)		
<hr/>		
Net cash flow available from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
<hr/>		
Net cash flows from operating and investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
<hr/>		
Net increase/(decrease) in cash and cash equivalents		
Cash and cash equivalents at beginning of period		
Cash and cash equivalents at end of period	3	
<hr/> <hr/>		

**DEPARTMENT OF PUBLIC WORKS
C.B.P.W.P.
BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
at 31 March 2005**

**DEPARTMENT OF PUBLIC WORKS
NOTES TO THE ANNUAL FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31 MARCH 2005.**

ASSETS

Current assets

Unauthorised and fruitless and wasteful expenditure
Cash and cash equivalents

TOTAL ASSETS

LIABILITIES

Current liabilities

Voted funds to be surrendered to the Revenue Fund
Payables

Non-current liabilities

TOTAL LIABILITIES

NET ASSETS/LIABILITIES

**DEPARTMENT OF PUBLIC WORKS
MECHANICAL TRADING ACCOUNT
APPROPRIATION STATEMENT
for the year ended 31 March 2003**

Programme	Adjustment estimate 2004/05	Virement 2004/05	Amount Voted 2004/05	Expenditure 2004/05
	R'000	R'000	R'000	R'000
3. ROADS & BRIDGES	-	-	6,609	6,602
Total	-	-	6,609	6,602
Economic classification - Actual expenditure	Adjustment estimate 2002/03	Virement 2002/03	Amount Voted 2002/03	Expenditure 2002/03
Current			6,609	6,602
Other	-	-	-	
Capital				
Total	-	-	6,609	6,602
Standard items - actual expenditure	Adjustment estimate 2002/03	Virement 2002/03	Amount Voted 2002/03	Expenditure 2002/03
Inventories		-	-	6,602
Professional and special services			6,609	
Total	-	-	6,609	6,602

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

1. Explanations of material variances from Amount voted (after Virement):

1.1 Per programme

PROGRAMME 3 - Orders were issued for amounts not exceeding proceeds from auctions and the surplus was for surrender to the Revenue fund

2. Reconciliation of appropriation statement to income statement:

Total revenue per income statement

Less: Other receipts

Total expenditure per income statement

Actual expenditure per appropriation statement

2004/05
R'000

2003/04
R'000

6,609

6,602

7

6,602

6,602

**DEPARTMENT OF PUBLIC WORKS
MECHANICAL TRADING ACCOUNT
INCOME STATEMENT (STATEMENT OF FINANCIAL PERFORMANCE)
for the year ended 31 March 2005**

REVENUE	Note	2004/05	2003/04
		(R'000)	(R'000)
Voted Funds			
- Other receipts	1	6,609	-
TOTAL REVENUE		<u>6,609</u>	<u>-</u>
EXPENDITURE			
Inventory			-
Professional and special services	2	6,602	-
TOTAL EXPENDITURE		<u>6,602</u>	<u>-</u>
NET SURPLUS/(DEFICIT)		<u>7</u>	<u>-</u>
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u>7</u>	<u>-</u>
ANALYSIS OF NET SURPLUS FOR THE YEAR			
Voted funds to be surrendered to Revenue Fund			
Revenue surrendered or to be surrendered to Revenue Fund	5	7	-
Local and foreign aid assistance (including RDP Funds)			

7	-
---	---

**DEPARTMENT OF PUBLIC WORKS
MECHANICAL TRADING ACCOUNT
BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
As at 31 March 2005**

ASSETS	Note	2004/05 R'000	2003/04 R'000
Current assets		<u>7</u>	<u>-</u>
Cash and cash equivalents	3	7	-
Total assets		<u><u>7</u></u>	<u><u>-</u></u>
LIABILITIES			
Current liabilities		<u>7</u>	<u>-</u>
Revenue to be surrendered	4	7	-
Payables	5		
Total liabilities		<u><u>7</u></u>	<u><u>-</u></u>
NET ASSET/EQUITY			

**DEPARTMENT OF PUBLIC WORKS
MECHANICAL TRADING ACCOUNT
CASH FLOW STATEMENT
for the year ended 31 March 2005**

	Note	2004/05 R'000	2003/04 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flow generated by operating activities	6	(6,602)	-
Cash required/utilised to increase decrease working capital	7	-	-
Voted funds and Revenue funds surrendered		-	
Local and foreign aid assistance (including RDP funds) repaid			
Net cash flow available from operating activities		(6,602)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of equipment	6	6,602	-
Net cash flows from operating and investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of period	3	7	-
Cash and cash equivalents at end of period	3	7	-

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**DEPARTMENT OF PUBLIC WORKS
MECHANICAL TRADING ACCOUNT
NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

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For the year ended 31 March 2005

1	Other receipts	Notes	2004/05
	Descriptions		R'000
	(Specify material amounts separately)		
	Proceeds from sale of equipment		6,609
			6,609
2	Professional and special services	Current expenditure	Capital expenditure
	Other	6,609	-
		6,609	-
3	Cash and cash equivalents		2004/05
			R'000
	Cash with commercial banks		7
			7
4	Revenue funds to be surrendered	Note	2004/05
			R'000
	Opening balance		7
	Transfer from income statement for revenue to be surrendered		-
	Closing balance		7
5	Payables - Current	Notes	2004/05
	Description		R'000
	Other payables	5.1	-
			-
5.1	Other payables		2004/05
	Identify major categories but list material items		
	Orders that have not been paid	120	-
			-
6	Net cash flow generated by operating activities	Notes	2004/05

PART V

HR OVERSIGHT - APRIL 2005 to JUNE 2005 - Limpopo - Public Works

TABLE 1.1 - Personnel costs by Programme

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Programme	Total Voted Expenditure (R'000)	Compensation of Employees (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)
Pr1: administration	21,843	13,092	405	121	59.9	
Pr2: public works	56,473	41,835	685	0	74.1	
Pr3: road infrastructure	265	30	0	0	11.2	
Z=Total as on Financial Systems (BAS)	78,581	54,957	1,090	121	69.9	

TABLE 1.2 - Personnel costs by Salary band

Salary Bands	Compensation of Employees (R'000)	Percentage of Total Personnel Cost	Average Compensation Cost per Employee (R)	Total Personnel Cost (R'000)	Number of Employees
Lower skilled (Levels 1-2)	15,227	28.1	7,985	54,194	1907
Skilled (Levels 3-5)	6,394	11.8	11,257	54,194	568
Highly skilled production (Levels 6-8)	18,509	34.2	22,517	54,194	822
Highly skilled supervision (Levels 9-12)	8,763	16.2	41,729	54,194	210
Senior management (Levels 13-16)	2,290	4.2	78,966	54,194	29
TOTAL	51183	94.4	14475	54194	3536

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

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost
Pr1: administration**old	10488	67.7	59	0.4	117	
Pr1: administration	0	0	0	0	0	
Pr2: public works (building and property & fa**old	27083	70.4	141	0.4	137	
Pr3: road infrastructure**old	34	16.1	0	0	0	
TOTAL	37605	69.4	200	0.4	254	

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

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost
Lower skilled (Levels 1-2)	12028	76.9	67	0.4	48	
Skilled (Levels 3-5)	5067	77.6	32	0.5	19	
Highly skilled production (Levels 6-8)	13104	65.3	72	0.4	119	
Highly skilled supervision (Levels 9-12)	6035	63.1	28	0.3	68	
Senior management (Levels 13-16)	1372	57.1	0	0	0	
TOTAL	37606	69.4	199	0.4	254	

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

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Pr1: administration, Permanent	788	628	20.3	
Pr2: government buildings, Permanent	3726	2881	22.7	
TOTAL	4514	3509	22.3	

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

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	2100	2072	1.3	
Skilled (Levels 3-5), Permanent	421	407	3.3	
Highly skilled production (Levels 6-8), Permanent	846	816	3.5	
Highly skilled supervision (Levels 9-12), Permanent	232	207	10.8	
Senior management (Levels 13-16), Permanent	31	28	9.7	
TOTAL	3630	3530	2.8	

TABLE 3.1 - Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded
Lower skilled (Levels 1-2)	0	0	0	
Skilled (Levels 3-5)	0	0	0	
Highly skilled production (Levels 6-8)	0	0	0	
Highly skilled supervision (Levels 9-12)	0	0	0	
Senior Management Service Band A	0	0	0	
Senior Management Service Band B	0	0	0	
Senior Management Service Band C	0	0	0	
TOTAL	0	0	0	

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

Beneficiaries	African	Asian	Coloured	White
Female	0	0	0	
Male	0	0	0	
Total	0	0	0	
Employees with a Disability	0	0	0	

TABLE 3.3 - Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviat
xxx	0			
xxx	0			
Total	0			
Percentage of Total Employment	0			

TABLE 3.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White
Female	0	0	0	
Male	0	0	0	
Total	0	0	0	
Employees with a Disability	0	0	0	

TABLE 4.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period	Appointments	Terminations
Lower skilled (Levels 1-2), Permanent	1907	27	
Skilled (Levels 3-5), Permanent	568	1	
Highly skilled production (Levels 6-8), Permanent	822	1	
Highly skilled supervision (Levels 9-12), Permanent	210	2	
Senior Management Service Band A, Permanent	18	0	
Senior Management Service Band B, Permanent	10	0	
Senior Management Service Band C, Permanent	1	0	
TOTAL	3536	31	

TABLE 4.2 - Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment
Death, Permanent	10	20.8	
Resignation, Permanent	8	16.7	
Dismissal-operational changes, Permanent	1	2.1	
Discharged due to ill health, Permanent	10	20.8	
Contact expired	2	4.2	
Transfer	12	25	
Retirement, Permanent	5	10.4	
TOTAL	48	100	

Resignations as % of Employment

1.4

TABLE 4.3 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment
Lower skilled (Levels 1-2), Permanent	0	0	
Skilled (Levels 3-5), Permanent	0	0	
Highly skilled production (Levels 6-8), Permanent	0	0	
Highly skilled supervision (Levels 9-12), Permanent	0	0	
Senior management (Levels 13-16), Permanent	0	0	
TOTAL	125	0	

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

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, White	F, African
Legislators, senior officials and managers, Permanent	11	0	1	0	
Professionals, Permanent	290	2	3	2	1
Clerks, Permanent	149	0	0	1	1
Service and sales workers, Permanent	148	0	0	0	2
Craft and related trades workers, Permanent	542	0	0	20	5
Plant and machine operators and assemblers, Permanent	98	0	0	2	
Elementary occupations, Permanent	1017	0	0	1	7
TOTAL	2255	2	4	26	12

	Male, African	Male, Coloured	Male, Indian	Male, White	F, African
Employees with disabilities	41	1	1	0	

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

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, White	F, African
Top Management, Permanent	1	0	0	0	
Senior Management, Permanent	16	0	3	0	
Professionally qualified and experienced specialists and mid-management, Permanent	191	1	1	4	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	526	1	0	18	19
Semi-skilled and discretionary decision making	599	0	0	4	25
Unskilled and defined decision making, Permanent	922	0	0	0	63
TOTAL	2255	2	4	26	12

TABLE 5.3 - Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, White	F, African
Professionally qualified/specialists and mid-management	2	0	0	0	
Skilled technical/academically qualified workers, junior	1	0	0	0	
Semi-skilled and discretionary decision making, Permanent	1	0	0	0	
Unskilled and defined decision making, Permanent	19	0	0	0	
TOTAL	23	0	0	0	0

TABLE 5.4 - Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, White	F, African
TOTAL	0	0	0	0	0

TABLE 5.5 - Terminations

--	--	--	--	--	--

TABLE 6.1 - Performance Rewards by Race, Gender and Disability

	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Beneficiaries
African, Female	0	0	0	0	
African, Male	0	0	0	0	
Asian, Female	0	0	0	0	
Asian, Male	0	0	0	0	
Coloured, Female	0	0	0	0	
Coloured, Male	0	0	0	0	
Total Blacks, Female	0	0	0	0	
Total Blacks, Male	0	0	0	0	
White, Female	0	0	0	0	
White, Male	0	0	0	0	
Employees with a disability	0	0	0	0	
TOTAL	0	0	0	0	

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

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Beneficiaries
Lower skilled (Levels 1-2)	0	0	0	0	
Skilled (Levels 3-5)	0	0	0	0	
Highly skilled production (Levels 6-8)	0	0	0	0	
Highly skilled supervision (Levels 9-12)	0	0	0	0	
TOTAL	0	0	0	0	

TABLE 6.3 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

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SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Beneficiaries
Band A	0	0	0	0	
Band B	0	0	0	0	
Band C	0	0	0	0	
TOTAL	0	0	0	0	

TABLE 7.1 - Foreign Workers by Salary Band

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total
Senior management (Levels 13-16)	1	100	1	100	0	0
TOTAL	1	100	1	100	0	0

TABLE 7.2 - Foreign Workers by Major Occupation

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

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TABLE 8.1 - Sick Leave for Jan 2005 to Dec 2005

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estim (
Lower skilled (Levels 1-2)	1136	1.7	243	13	4.67	
Skilled (Levels 3-5)	451	1	109	19	4.14	
Highly skilled production (Levels 6-8)	706	1	194	24	3.64	
Highly skilled supervision (Levels 9-12)	180	1	52	25	3.64	
Senior management (Levels 13-16)	13	0	3	10	4.33	
TOTAL	2486	4.7	601	17	4.14	

TABLE 8.2 - Disability Leave (Temporary and Permanent) for Jan 2005 to Dec 2005

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estim
Lower skilled (Levels 1-2)	7	100	1	0.05	7	
Highly skilled supervision (Levels 9-12)	6	100	1	0.05	6	
TOTAL	13	100	2	0.003		

TABLE 8.3 - Annual Leave for Jan 2005 to Dec 2005

Salary Band	Total Days Taken	Average per Employee	Employment
Lower skilled (Levels 1-2)	13407	7.03	1907
Skilled (Levels 3-5)	4115	7.24	568
Highly skilled production (Levels 6-8)	5489	6.68	822
Highly skilled supervision (Levels 9-12)	1056	5.03	210
Senior management (Levels 13-16)	96	3.3	29
TOTAL	24163	6.83	3536

TABLE 8.4 - Leave Payouts

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Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Capped leave payouts on termination of service for 2005/06	772	35	22057
Current leave payout on termination of service for 2005/06	66	28	2357
TOTAL	838	63	13302

TABLE 9.1 - Collective Agreements

Subject Matter	Date
None	

TABLE 9.2 - Misconduct and Discipline Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total	Total
Written warning	1	0.14	1
Final written warning	3	0.42	3
Suspended without pay	1	0.14	1
Dismissal	4	0.56	4
Not guilty	1	0.14	1
Case withdrawn	2	0.28	2
Cases referred to Roads & Transport	2	0.28	2
TOTAL	14	100	14

TABLE 9.3 - Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	% of total
Abscondment	3	0.42
Theft, Fraud & Corruption	5	0.7
Assault	1	0.14

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Abuse/Damage to State Property	1	0.14
Insubordination & Insolence	1	0.14
Absenteeism	3	21.4
Total	14	

TABLE 9.4 - Grievances Lodged

Number of grievances addressed	Number	% of total
Resolved	9	24.3
Not resolved	28	75.7
Total	37	

TABLE 9.5 - Disputes Lodged

Number of disputes addressed	Number	% of total
Upheld	0	0
Dismissed	0	0
Total	2	

TABLE 9.6 - Strike Actions

Strike Actions	
	-
Total number of person working days lost	1
Total cost (R'000) of working days lost	8
Amount (R'000) recovered as a result of no work no pay	0

TABLE 9.7 - Precautionary Suspensions

Precautionary Suspensions	
	-
Number of people suspended	0

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

TABLE 10.1 - Training Needs identified

Occupational Categories	Gender	Employment	Learnerships	Skills Program other short cou
Legislators, senior officials and managers	Female	75	0	
	Male	159	0	
Professionals	Female	30	0	
	Male	40	0	
Technicians and associate professionals	Female	44	0	
	Male	124	0	
Clerks	Female	170	0	
	Male	475	0	
Service and sales workers	Female	0	0	
	Male	0	0	
Skilled agriculture and fishery workers	Female	0	0	
	Male	0	0	
Craft and related trades workers	Female	302	0	
	Male	143	0	
Plant and machine operators and assemblers	Female	399	0	
	Male	591	0	
Elementary occupations	Female	398	153	
	Male	586	99	
Gender sub totals	Female	1418	153	
	Male	2118	99	
Total		3536	252	

TABLE 10.2 - Training Provided

Occupational Categories	Gender	Employment	Learnerships	Skills Program other short cou
Legislators, senior officials and managers	Female	75	0	
	Male	159	0	
Professionals	Female	30	0	
	Male	40	0	
Technicians and associate professionals	Female	44	0	
	Male	124	0	
Clerks	Female	170	0	
	Male	475	0	
Service and sales workers	Female	0	0	
	Male	0	0	
Skilled agriculture and fishery workers	Female	0	0	
	Male	0	0	
Craft and related trades workers	Female	302	0	
	Male	143	0	
Plant and machine operators and assemblers	Female	399	0	
	Male	591	0	
Elementary occupations	Female	398	43	
	Male	586	0	
Gender sub totals	Female	1418	43	
	Male	2118	0	
Total		3536	43	

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TABLE 11.1 - Injury on Duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	9	100
Permanent Disablement	0	0
Fatal	0	0
Total	9	