

Contents

A.	Foreword by the MEC	2
B.	Message from Accounting Officer	3
C.	Senior Management Team	4-5
D.	Projects	6-7
E.	Structure of the Department	8
F.	General Information.....	9
	1. Submission of annual report to the executive authority	9
	2. Introduction by the head of the department	9-11
	3. Information on the Department	11
	4. Department's vision	12
	5. Department's mission	12
	6. Department's values	12
	7. Sectoral situation analysis	12
	8. Legislative framework & other mandates	13
G.	Programme Performance	14
	1. Voted funds	14
	2. Aim of the Vote	14
	3. Overview of the service delivery environment for 2004/2005	14-15
	4. Overview of the organizational environment for 2004/2005	15-16
	5. Strategic overview and key policy developments for 2004/2005	16-18
	6. Key measurable objectives	18-21
	7. Programmes	21
	8. Achievements	22-26
	9. Departmental revenue	26
	10. Departmental expenditure	26
	11. Programme performance	27-65
	12. Transfer payments	66
	13. Conditional grants	66
	14. Capital investment, maintenance and asset management plan	66
H.	HR Management	67-87
I.	Report of the Auditor General	89-91
J.	Report of the Audit Committee	92-93
K.	Annual Financial Statements	94-138

A. FOREWORD BY MEC

The 2004/2005 Annual Report puts forward the achievements, challenges, perspectives and activities of the Department of Public Works reconfigured by the Premier Honourable Ms. B.E.E. Molewa as part of the third democratic government of the North West Province.

The Annual Report provides us with yet another opportunity to account on the execution of the core functions of the Department of Public Works to the people of the North West through their assembly, i.e. the Provincial Legislature and its oversight structure.

Although the apartheid era left a legacy of social and economic infrastructure that is unintegrated, environmentally unsustainable, of poor quality and unequal distribution, the pace of delivery gained momentum during the period under review.

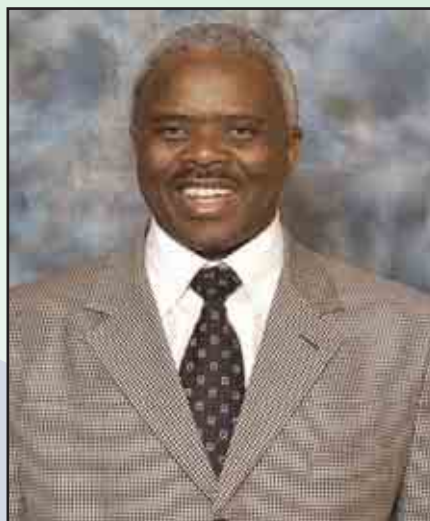
Even though we still face challenges in building a sustainable, competitive and transformed construction sector, we executed and delivered seventy one (71) projects on behalf of client departments and substantially increased the number of affirmative business enterprises participating in our programmes.

Sound and accessible infrastructure provides much needed access for people, particularly the poor and those in isolated areas or regions, to affordable and good quality services, facilities and opportunities. It also facilitates economic growth and diversification, and creates favourable conditions for improved production and increased consumption.

The test phases of the Modimola Expanded Public Works Programme Pilot Project and the Mmabatho Convention Centre Paving and Landscaping Project have provided us with learning experiences and valuable lessons.

The partnership we have established with stakeholders in the construction sector will enhance the implementation of the People's Contract to accelerate sustainable integrated public infrastructure.

As we build a South Africa that truly belongs to all, we commit ourselves to accelerate the mechanisms of delivery and visible impact on poverty, on the lives of women, youth, rural communities through better integration and improved coordination of our programme to create work and fight poverty.



HON. H. D. YAWA, MPL

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke at the end.

.....
Hon. H.D. Yawa, MPL

B. MESSAGE FROM THE ACCOUNTING OFFICER

This annual report is our attempt to account for the delivery of the strategic plan for 2004/05 financial year. For the financial year in report we experienced the splitting of the former Department of Roads and Public Works, where the component roads, got attached to the former Department of Transport.

The highlights for 2004/05 included among others the implementation of Performance Management Development System (PMDS). All workers in the Department developed individual performance plans from respective job descriptions. Furthermore some units started with service excellence awards on rotational basis. Here colleagues with outstanding efforts and performance are recognized on a monthly basis through letters of appreciation and/ or certificates.

This report is presented in compliance with section 40 of Public Finance Management Act 1 of 1999 as amended.



Dr. L.K. SEBEGO
ACCOUNTING OFFICER

A handwritten signature in black ink, appearing to read 'Dr. L.K. Sebego'.

Dr. L.K. SEBEGO
ACCOUNTING OFFICER

2.3 Resourcing the Business Process for Efficient Delivery

A clear analysis of what is required to resource and support the delivery process has been done. Each business plan indicates which infrastructure, equipment, IT applications and facilities need to be developed, procured, upgraded and maintained in order to realize the outputs which have been set for delivery.

2.4 Building Capacity within the Sector

One of the important contributions by the Department was to build capacity in the sector in partnership with the relevant SETA's for the benefit of small operators who were engaged in the delivery process with us specifically capacity was built in labour intensive provision of infrastructure with CETA. This ensured sustainability and quality improvement in the deliverables, which communities will inherit.

2.5 Revenue Collection

The Debtors management system has been developed and operationalized. We are in the process of cleaning up the data.

The asset register has also been installed. Preliminary training of users has taken place. The developers and central IT are in the process of loading same into the server.

2.6 Facilitating Economic and Social Development

We understand the importance of the buying power of Government and what impact it has on economic and social development. Our strategic plan takes into account the laws and regulations, which govern this important area of social discourse.

To this end, we have deliberately tasked each programme manager to generate a concept document to explain how they are going to achieve in this area and which target groups will benefit from these efforts.

The issues here are the President's challenge to all of us to lower input costs in the economy in order to raise the levels of competitiveness. He further set Key Performance Measures, which include, competitiveness, growth, employment and jobs, SMME's and empowerment of the previously marginalized.

The focus on social upliftment of rural communities through Expanded Public Works Programmes is considered strategic in this regard. Our strategic plan seeks to take this area of activity to new qualitative heights in order to achieve maximum social impact in line with the State President's pronouncements.

2.7 Lowering the Cost of the Department's Service to the Public: E-Government

We believe that through innovation, efficiency, effectiveness and concern for value for money, we can lower the cost of Government services to the public. Innovative applications of technologies will ensure that the public saves time, money and travelling

over long distances to access and benefit from the services of the Department. By re-engineering the business processes of the Department, we will bring new efficiencies to bear in our delivery. We will apply innovation to ensure that incomes of employees are safeguarded and that the re-engineering process should not result in wastefulness of human resources.

2.8 Human Resource Development

The investment in our human resources has received priority attention in our strategic plan. The changing trends in client needs require of us to upgrade on an unprecedented scale, the capacity of our employees as we render technical and professional services to them. The partnership with relevant SETAs and other institutions will assist us to achieve these goals.

The Strategic Plan has clear Outputs and Target Dates, which lends itself to effective measurement of performance and therefore valid and reliable assessment. We believe that with these strategic approaches we will contribute towards the wider pursuit of government to change the lives of citizens in the Province of the North West.

3. Information on the department

The department is responsible for provision and maintenance of the provincial infrastructure.

The key objectives are:

- ❖ Plan, design, construct and maintain public infrastructure.
- ❖ Maintain buildings and related services including amenities.
- ❖ Promote community based development projects.
- ❖ Provide and manage the required property services to the client Departments.
- ❖ To provide technical and administrative support services to the client departments.
- ❖ Create jobs, alleviate poverty and empower the communities and local authorities.

3.1 Institutions reporting to the Executive Authority

There are no institutions or public entities falling under the executive authority's control.

3.2 Bills submitted to the Legislature during the financial year

No bills were submitted to the legislature during the financial year in question.

3.3 Ministerial visits abroad

No overseas visits were undertaken by the executive authority during this financial year.

4. Department's Vision

Accelerated sustainable integrated public infrastructure.

5. Department's Mission

To provide a provincial management system towards improving public infrastructure in support of socio-economic development in the North West Province.

6. Department's values

The mission and vision statement are driven by the following set of delivery values:

- Client Focus
- Honesty and Integrity
- Commitment and Loyalty
- Accountability

Further more, the Department has developed a turnaround service delivery strategy sensitive to: -

- The needy
- Constructive criticism
- Integrated planning at all levels of governance
- Sustainability

The Batho Pele principles, Preferential Procurement Act and all government legislated directives are the driving force behind our service delivery strategy.

7. Sectoral situation analysis

The department is responsible for provision and maintenance of the provincial infrastructure.

This includes the building infrastructure as well as property and asset management in the province and are as follows:

- Residential properties
- Educational infrastructure (Budget at client department)
- Health infrastructure (Budget at client department)
- Office complexes
- Farms
- Vacant land
- Other

The capital and maintenance budget for schools and clinics resides with client departments, namely Education and Health respectively. The department is providing technical assistance until final construction stage of projects.

8. Legislative framework and other mandates

The constitution states that provincial governments are only responsible for the public works functions, which relate to provincial functions and provincial state property, hence National Department of 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 national of competence. In the North West Province the Premier has assigned Provincial building and maintenance of infrastructure to the Department of Public Works.

The operations of the Department are governed by 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 the building maintenance activities and therefore needs to take cognizance of the Occupational Health and Safety Act. Building construction activities are also governed by the relevant environment legislation.

The Department endeavors to work within the policy framework set by the National White Paper on Public Works (Public works Towards the 21st Century, 1997). The Department endeavors 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 organizational structure, rather than a silo organizational structure, in order to enable the adoption of project management techniques for the management of the projects.

The following specific provincial legislation governs the activities of the Department:

The North West Land Administration Act of 2001 (no.4 of 2001) governs the acquisition of and disposal of immovable property/land in the Province. All procurement is done in line with the Tender Board Act, 1994 (No.3 of 1994), Public Finance Management Act, 1999 (No. 1 of 1999). The Preferential Procurement Policy Act (2000) and relevant circulars in this regard. These acts provide for the regulation of the procurement of supplies and services for the disposal of movable property, the hiring of or letting of anything or the acquisition or granting of any right for or on behalf of the Province and to define the functions of the Provincial Tender Board.

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 Regulations, and Provincial Tender Board Regulations. The Department is also bound by centrally negotiated agreements regarding conditions of service for its employees.

G. PROGRAMME PERFORMANCE

1. Voted Funds: R367,939,000

Appropriation R'000	Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	Over / Under Expenditure R'000
361,215	361,215	367,939	352,269	15,670
Responsible Minister	Hon. H.D. Yawa			
Administering Dept	Dept. of Public Works			
Accounting Officer	Dr L.K. Sebego			

2. Aim of the Vote

To provide accelerated delivery of sustainable, integrated building infrastructure services.

3. Overview of the service delivery environment for 2004/2005

Challenges can be summarized as follows: -

3.1 Internal challenges

Human Resources

- ☐ The inability of the department to compete with the private sector in the recruitment of professionals and technicians.
- ☐ Lack of adequate capacity in terms of professionals and technicians.
- ☐ The continuous resignation of technical staff

Finances

- ☐ The residing of budget for building infrastructure at the Departments of Education and Health and the physical work at Department of Public Works.
- ☐ Inadequate funding for maintenance, taking into account the huge backlog that exists.

Procurement procedures

- ☐ The difficult in prioritizing "long neglected maintenance" in the light for inadequate funding.

Heavy vehicles

- ☐ Inadequate functioning and the replacement of Trucks for Buildings in the Region.
- ☐ Inadequate numbers of heavy vehicles in the Regions.

Buildings

- ☐ The inability of the Department to maintain and recruit Technicians, registered professional Engineers, Quantity Surveyors and Architects.

3.2 External challenges

Buildings

- ☐ The Department of Public Works has contracts between various Contractors and Consultants to construct, upgrade and renovate various institutions for the main clients i.e. Department of Education and Department of Health.

The delay of payments by Clients Departments had a negative impact on the cash flow of various service providers indicated above which eventually led to the delayed physical construction progress on site.

- ☐ Inadequate financial support for emerging contractors by financial institutions led to cash flow challenges to emerging contractors.

Many cession agreements were therefore approved by the Department to reduce the burden on emerging contractors.

- ☐ Effective intervention with under-performance by some emerging contractors, whose services are engaged through targeted procurement.
- ☐ The need to meet the expectation of communities and client departments despite financial and technical constraints.
- ☐ Political environment - always taking into account political dictates.
- ☐ Depleted property market.
- ☐ Adherence to Environmental and other legislation.
- ☐ Availability of reliable and able contractors.
- ☐ Support for ABE's for example in terms of mentoring, financing and project management.
- ☐ The need to provide adequate training to all role-players.

The need to train and deliver in Expanded Public Works Programme mode.

4. Overview of the organizational environment for 2004/2005

The Department is made up of a Head Office component and four (4) Regional Offices for operational purposes and budget purposes. The re-alignment of regions was not only completed after the announcement of the split of the former department in April 2004.

These are in place as follows:

Bophirima Region	Vryburg
Central Region	Mafikeng
Bojanala Region	Ga-Rankuwa and Rustenburg
Southern Region	Potchefstroom

The organizational structure of the Department is based on a matrix model. The Head Office organization consists of a DDG as Head of the Department and Chief Directorates namely:

1. **Infrastructure**, which manages the Directorates for Buildings and Property Management.
2. **Corporate Support**, which manages the Directorates for Human Resource Management, Information Management, Legal Support Services, Financial Accounting and Planning as well as Financial Administration and Procurement.
3. **Regional Operations**, which manages the four (4) regions.

Four Regional Managers at Director level heads the combination of regions as follows: Southern Region; Bophirima Region; Central Region and Bojanala Region. These Regional Managers report to the Chief Director Regional Operations at Head Office.

The Director: Legal support services reports to the Chief Financial Officer and the Accounting Officer.

5. Strategic overview and key policy developments for 2004/2005 financial year

5.1 Strategic planning process

The compilation of the strategic plan was a transparent and participative process, which involved the key stakeholders and includes management and all sectional heads, regional and head office staff.

All directorates and Regions had a one-day workshop to include views of all staff, which should be included in the strategic plan. Senior and Executive Management including Regional Managers had a two-day workshop.

During the session the following had been agreed on:

Strategic framework including:

- ☐ Organizational definition
- ☐ Mission
- ☐ Vision
- ☐ Core Values
- ☐ Products / Services

- ☐ Stakeholder analysis
- ☐ Business Processes
- ☐ Strategic Goals

✱ **SWOT Analysis**

- ☐ External Analysis
- ☐ Internal Analysis

An operational framework including:

- ☐ Target Perspective
- ☐ Activity Perspective
- ☐ Budget Perspective Guidelines

5.2 Key policy development

5.2.1 Programme 01: Administration

To manage the Administration, Public Works and Regional Operations within the Department, the Department operates within the framework of the legislation, policies (internal as well as external) and guidelines listed below:

- ☐ Annual division of revenue act
- ☐ Preferential Procurement Policy Framework Act (no. 5 of 2000)
- ☐ Supply chain management
- ☐ Treasury Regulations
- ☐ Skills development
- ☐ Public Finance Management Act
- ☐ Public Service Act and Regulations
- ☐ PSCBC and GPSSBC resolutions
- ☐ Provincial Tender Board Act and Regulations
- ☐ Other financial prescripts
- ☐ Revenue and debtors collection policy
- ☐ Procurement policy
- ☐ Financial delegations (PFMA)
- ☐ Cell phones policy
- ☐ Subsidized vehicle policy
- ☐ Subsistence and Travel policy
- ☐ Disposal of obsolete, redundant and unserviceable assets policy
- ☐ Petty cash policy
- ☐ Resettlement policy
- ☐ HRM delegations - public service regulations

5.2.2 Programme 02 & 03: Public Works and Regional Operations

The department operates within the framework of the following policies and guidelines in order to ensure effectual implementation of CAPEX programmes and management of Provincial properties:

- ☐ Emerging Contractors Development Programme
- ☐ Broad-based Black Economic Empowerment, 2003 (No.53 of 2003)
- ☐ National Building Regulations
- ☐ The Acts of the Engineering Council of S.A, the Architect Council and the Quantity Surveyors
- ☐ North West Land Administration Act of 2001
- ☐ Policies initiated by the National Department of Public Works
- ☐ Policy on disposal of redundant state houses in the North West Province
- ☐ Policy Guidelines on vesting of State Land
- ☐ Policy on the disposal of state fixed properties
- ☐ Policy allocation of State Housing

6. Key measurable objectives

Programme 1: Administration	Purpose: <ul style="list-style-type: none"> - To provide leadership to the Department. - To ensure the effective implementation of the provincial strategic priorities. - To ensure that resources are utilized in the most economic way according to the provincial priorities and budget allocation. - To render effective administrative support to the Executing Authority of the Department. - To contribute towards optimal cooperative governance internally and externally. - To provide departmental strategic financial direction. - To synchronize departmental strategic plans with the Departmental MTEF cycle. - Development and co-ordination of precise and performance based Strategic Plans with clear time frames and measurable deliverable objectives. - To assist the Accounting Officer in discharging her duties as prescribed in the Public Finance Management Act, the Annual Division of Revenue Act, Treasury Regulations and other Financial Prescripts. - To build stakeholder network. - To implement performance management development systems. - To plan, guide administer and monitor the HRM functions in compliance with the relevant legislation, DPSA guidelines, bargaining council agreements/ resolutions and other prescripts. - To ensure skills development and capacity building in terms of the skills Development Act. - To build capacity for the Department in partnership with SETAS where necessary. - To provide Strategic leadership in the fight against HIV/AIDS pandemic - To provide strategic legal and labour relations advisory services to the Department. - To render information management and technological services to the Department.
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Measurable Objective:

1. Identification of strategic direction of the department.
2. Development of business plan in line with the strategic direction of the Department.
3. Reviewal, monitoring and evaluation of performance of the departmental activities against the business plan.
4. Alignment of Departmental priorities with Provincial strategic pillars such as provisioning and maintenance of infrastructure, job creation, poverty alleviation and empowerment of BEE.
5. Capacitate the targeted groups.
6. Realization of optimal distribution and utilization of financial, physical and human resources.
7. Development, implementation and monitoring of departmental policies.
8. Rendering of advisory, secretarial and support functions.
9. Ensure improved service delivery to clients.
10. Meet and liaise with public/private concerning queries/comments.
11. Responsive to the legislative requirements.
12. Timeous identification of deliverable objectives in line with Departmental Strategic Plans.
13. Costing of the deliverable objectives.
14. Informative budgeting process.
15. Development and co-ordination of precise and performance based Strategic Plans with clear time frames and measurable deliverable objectives.
16. Ensuring that Strategic Plans are costed in line with the MTEF budget.
17. Development of internal control policies and regulations.
18. Accessing financial regulations, policies, laws, etc.
19. Implementation of the Turn Around Strategy.
20. Provision of Financial advice.
21. Development of reporting tools.
22. Preparation of reports.
23. Prudent financial management.
24. Management of Assets.
25. Management of the Procurement processes.
26. Meeting continuously with officials of the Provincial Treasury, Provincial CFO's forum, and National Sector CFO's Forum, Consultant/Contractor association, office of the Auditor General, Provincial Internal Audit and any relevant stakeholders.
27. Complying with all National, Provincial and internal HRM directives.
28. Establish and review relevant policies, procedure manual and norms in respect of: Human Resource Development plan, Performance Management System, Organizational development. Monitor Performance Development System.
29. Provide & review the Departmental Workplace Skills Plan that will address the Departmental skills gaps.
30. Monitor the real development and capacity building of HR in line with the core business of the relevant units.
31. Identifying, analyze and evaluate the training needs of the personnel in line with the core business of the Directorates.
32. Updating of the skills development plan as and when required.
33. Using the Performance Management and Evaluation system as a management and development tool.
34. Generating and maintain Batho Pele standards of service delivery.
35. Using organizational development and reengineering principles to improve efficiency and effectiveness application and monitoring.
36. Ensure implementation of HIV/AIDS policy and programmes within the department.
37. Establish unambiguous policies, procedure manuals and norms in respect of Legal Services for the Department.
38. Advice HoD on legislation, litigation aspects and other administrative issues.
39. Review current legislation and identify possible needs for new legislation, in conjunction with the core functions of the Department.
40. Review, analyze and advice on all claims against the Department.
41. Provide communication plan for the Department.
42. Consult and communicate strategic direction and programme to clients.
43. Provide record management services to the Department.
44. Provide IT service to the Department.

Programme 2: Public Works	Purpose: <ul style="list-style-type: none"> - To create and maintain relevant building services. - To establish standards and policies for building services standards. - To plan and prepare projects in line with MTEF. - To execute projects and manage contracts > R500 000. - To ensure compliance with established regulatory framework. - To ensure customer satisfaction. - To implement the Performance Management Development System. - To better the lives of our communities through the successful implementation of the Expanded Public Works Programme. - To establish standards and policies for property management. - To provide and manage Provincial fixed properties. - To manage State Fixed Asset Register. - To ensure optimal utilization of State Properties. - To collect revenue.
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Measurable Objective:

1. Establish a library for product specifications.
2. Develop space norms and standards.
3. Develop quality standards for execution, monitoring and evaluation.
4. Prepare term contract specifications.
5. Develop a Project Plan for major CAPEX and renovations i.e. projects > R500 000.
6. Ensure project procurement documentation i.e. prepare drawings, prepare tenders, advertise and award tenders.
7. Establish budgetary needs for capital works for the next three years.
8. Prioritize and to register capital projects.
9. Ensure compliance with Preferential Procurement Policy Framework Act.
10. Train Emerging Contractors in the fulfillment of the requirements of PPPFA.
11. Ensure that all requirements for the Expanded Public Works Programme are included in procurement documentation for Class C projects.
12. Ensure project implementation as per specification.
13. Establish procedural manuals for consultants in all disciplines.
14. Monitor performance of consultants through compliance with procedural requirements.
15. Cost control of current year budget.
16. Review Service Level Agreement with the two main client departments.
17. Establish a programme for regular consultation with client departments.
18. Ensure the implementation of the Performance Management System in all sub-directorates.
19. Ensure continuation and intervention courses for all staff in the directorate, including Continuing Professional Development.
20. Ensure the registration of professionals and technologists with their respective professional bodies.
21. Implement a Skills Development Plan.
22. Alleviate poverty and create jobs within a shortest possible time by means of labour intensive methods.
23. Provide skills training to workers as well as entrepreneurship to SMME's through provision of infrastructure.
24. Advising, monitoring and evaluating reports on economic and social impact of projects implemented.
25. Develop or revise acts and regulations.
26. Develop or revise policies.
27. Draft or revise standard lease agreements.
28. Provide office accommodation to client departments.
29. Provide secure official residential accommodation to Political office bearers and Senior Officials.
30. Provide utilities to Department of Roads and Public Works and departments in shared accommodation.
31. Maintain and update the Fixed Asset Register.
32. Acquire the following fixed properties for the State.
33. Audit usage of State Properties.
34. Disposal of redundant State Properties.
35. Collect rent from residents in States House.
36. Charge National Departments for space occupied in Provincial Buildings.

Programme 3: Regional Operations:	Purpose: <ul style="list-style-type: none"> - To ensure efficient and effective implementation and maintenance of CAPEX projects. - To ensure effectual monitoring of Provincial public infrastructure. - To implement the performance and Development System. - To build stakeholder network and liaison. - To ensure internal regional performance excellence. - To better the lives of our communities through the successful implementation of the Expanded Public Works Programme.
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Measurable Objectives:

1. Monitor and evaluate the implementation of approved Capex Programme for Buildings.
2. Ensure effectual preventative maintenance of Buildings.
3. Ensure effective property management.
4. Monitor and evaluate provincial public infrastructure Capex projects.
5. Report on implementation progress and quality assurance.
6. Comply with all HRM, National and Provincial directives.
7. Liaise with all stakeholders and role players involved in the implementation of provincial public infrastructure programme (Capex Projects).
8. Comply with all legislative requirements and prescripts e.g. PFMA and PSA as amended.
9. Uphold quality regional performance at all times.
10. Provincial and internal HRM directives.
11. Alleviate poverty and create jobs within the shortest possible time by means of labour intensive methods.
12. Provide skills training to workers as well as entrepreneurship to SMME's through provision of infrastructure.
13. Advise, monitor and evaluate reports on economic and social impact of projects implemented.

7. Programmes

Programmes	Sub-Programmes
1. Administration	1.1 Office of the MEC 1.2 Executive Management 1.3 Financial Accounting & Planning 1.4 Financial Admin and Procurement 1.5 Human Resource Management 1.6 Legal Support 1.7 Information Management
2. Public Works	2.1 Buildings 2.2 Property Management
3. Regional Operations	3.1 Central Region 3.2 Bophirima Region 3.3 Bojanala Region 3.4 Southern Region

8. Achievements

8.1 Property Management

Asset Register

The Department has made a breakthrough in having the asset Register operational in that the following has been achieved:

- The Asset Register was completed and delivered; however some discrepancies were discovered during its implementation e.g.
- There was duplication of some of the properties, as well as incomplete information on some of the properties. The above have been addressed with the Service Provider, and the system has also been modified to be more user-friendly.
- Training has been offered to some of the officials operating the system, and that of the remaining officials is underway.

Disposal of redundant state-owned houses

- The Department has covered some milestones in the disposal of redundant state-owned houses despite some challenges, which have really retarded the process.

The following are our achievements in this regard:

- ▲ As reported previously, one of our challenges was to locate title deeds, which were never transferred to the North West Province from the erstwhile Bophuthatswana, the Northern Cape, the Transvaal Administration and the National Public Works.

The Department managed to locate some of these from the Regional Office of the National Department of Public Works

- ▲ The decision on this process was that the houses should be sold in batches, in order not to upset the market.

So far 381 houses have been advertised for sale in accordance with Section 3(a) of the North West Land Administration Act 4 of 2001,

- ▲ 5 houses have already been sold, and proceeds deposited with Provincial Revenue.

8.2 Building Services

Appointment letters for consultants have been revised to cover EPWP & BBBEE.

Expired term contracts renewed. Adjudication done in terms of departmental reorganization approach. Progress report on 2003 clinic & school building programme done.

Contracts for 3 clinics have been awarded. Tender for Moses Kotane Hospital has been awarded.

13 CAPEX schools advertised on 22 March 2005. In-house Engineering consultants appointed to assist in performance monitoring of the external engineering consultants.

All procurement documentation & adjudication on CAPEX Programme extended in terms of PPPFA.

Training of emerging contractors was done during compulsory pre-tender briefing. Consultants briefed about the inclusion of EPWP. Done according to target.

Manuals for Quantity Survey have been completed & distributed to appointed consultants. Bills of Quantities for CAPEX Programme has been compiled.

Bills of quantities for new projects submitted to the department for approval before tenders are invited to ensure compliance with departmental norms & standards. Processing & approval of certificates & fees is carried out in accordance with delegated authority by HoD.

VO's kept to a minimum on projects through proper scrutiny & application for additional work.

SLA (Service Level Agreements) with two main client departments done.

Regular bi-monthly meetings held with client departments.

Job descriptions, operational plan & work plans are in place. Assessments done quarterly & appraisals annually.

Seminar on JBCC Principal Agreement attended by all staff members. The directorate has attended a seminar on construction Regulations & OHS.

One Quantity Surveying technician sat for the professional registration examination.

Two officials attended a workshop on continuing professional development, others attended workshop on project registration.

All major CAPEX (class C) projects include procurement requirements for EPWP. Consultants have been briefed to include EPWP directives on all procurement documents.

25 unskilled individuals have received training in selected trades.

80 unskilled individuals employed for the paving of CBD in Mmabatho. Training in kerbing, paving & brick making is done.

8.3 Human Resource Management

Development of the organizational structure

The organizational structure of the Department had to be reviewed following the split of the Roads component from Public Works. This has had a negative impact on the timely filling of posts. The Employment Equity Plan was developed.

Recruitment

Key vacant posts have been filled. Notable is that the department operated with a full complement of the SMS level. It should also be notable that the department faced serious challenges in having to recruit the human resource in the technological/engineering field.

Conditions of service and Remunerative practices

There has been an improvement on the current pensions withdrawals of employees whose service is terminated due to retirement, resignation, death and dismissal. A small figure of the old pensions that still define a backlog are being prioritized as they are a cause for concern. Much as the figure is small, the negative impact each of them has on the beneficiaries cannot be belittled. Through the reconciliation of the payroll, care is taken to ensure that salaries are paid to people actually employed by this Department. Benefits, and performance rewards have been administered to employees where there have been no irregularities to be sorted out. Where there are those identified to have not been paid, a follow-up on such cases is being done.

Employee Development

Through the Work Place Skills plan, the training needs of employees have been identified and training and development has been carried out against the limited budget. While the sub-heading refers to employee development, development of the human resource has included the youth who have completed Degrees and National Diplomas but could not find jobs due to lack of work experience. The internship programme in the field of Public Sector Accounting, Supply Chain Management, Labour Relations, Information Technology and Communication that has targeted forty (40) unemployed youth was implemented despite budgetary constraints. Around this area of human resource development, much work has been done in preparation to register internships in the coming financial year.

8.4 Information Management

ACHIEVEMENTS

Management Information Systems

Development of Rental Administration Solution: The system is loaded on departmental server. Data verification to continue into the new financial year. The department is currently busy with data collection.

Acquired the Budget Management Application for programme managers and departmental users.

Departmental Website is complete. Updates will be uploaded on a monthly basis as from the new financial year.

Communications

Departmental communications strategy is approved and will be implemented in the new financial year.

Department was able to project a positive image through departmental promotional material which includes posters, fliers, banners, regular publications of Ditiro Internal Newsletter, active participation during provincial and national events.

Information Technology

Department provided with necessary IT equipment.

One hundred and twenty seven (127) computers, seventy four (74) mono printers, seven (7) LaserJet colour printers, four (4) data projectors, and eight (8) note book computers were procured and distributed to the relevant officials.

two hundred (200) memory sticks for Head office; Regional offices and District offices.

Upgrade of telkom data line speed for Bophirima regional office (from 64k to 128k).

Cabled the following sites:

Prestige & Accommodation - Live on the network.

Southern regional office - Live on the network.

Taung District office - Awaiting the installation of a Telkom data line to go live.

Molopo District office - Awaiting the installation of a Telkom data line to go live.

Minimum Information Security Standards

Records Management

Records Survey completed.

Control Registers completed.

Development of General File Plan is completed. The General File Plan however has to be approved by the National Archives.

First Draft Departmental File Plan is completed.

Minimum Information Security Standards

Security Awareness, vetting and declaration of confidentiality conducted for Secretaries and personnel in the Office of the MEC, Office of the Head of the Department, Human Resource Management, Information Management, Office of the Chief Financial Officer, Financial Accounting and Planning and Legal Support.

9. Departmental revenue

	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	% deviation from target
Tax revenue	-	-	-	-	-	-
(Specify)						
Non-tax revenue	100	2,307	6,040	-	1,458	100
Other revenue	100	2,307	6,040	-	1,458	100
Sales of capital assets (Capital Revenue)		-	-	7,420	60	(99)
Sales of government houses				7,420	60	(99)
(Specify) Rental Accom.	78	4,323	4,735	4,736	5,515	16
Financial transactions (Recovery of loans and advances)				-		
Total Departmental Receipts	178	6,630	10,775	12,156	7,033	(42)

10. Departmental expenditure

Programmes	Voted for 2004/05	Rollovers and adjustments	Virements	Total voted	Actual Expendi ture	Variance
1. Administration	68,650	702	(6,242)	63,110	61,228	1,882
2. Public Works	83,869	4,412	750	89,031	84,467	4,564
3. Regional Operations	208,696	1,610	5,492	215,798	206,574	9,224
Total	361,215	6,724	0	367,939	352,269	15,670

11. Programme performance

Programme 01: Administration

Sub-programme 01: Office of MEC

Strategic goal 3: To ensure that resources are utilized in the most economic way according to the provincial priorities and budget allocation.

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
1. Realization of optimal distribution and utilization of financial, physical and human resources.	Fair distribution and utilization of resources.	Well distributed financial human & physical resources & satisfied labour force.	Done according to the MTEF budget allocation, dept. organizational structure & physical resources needs.
2. Lowering of the cost of the department's services to the public.	Cost effective services.	"Doing more with less."	Done by doing more with scarce/limited dept. resources allocation.
3. Development, implementation and monitoring of departmental policies.	Sound and responsive departmental policies.	Development & reviewed policies.	Eight (8) dept policies have been reviewed & drafted for the period under reviewed.

Strategic goal 4: To render effective and efficient administrative support to the Executing Authority of the Department

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
1. Rendering of advisory, secretarial support functions.	Alignment of activities between political direction and administrative function.	Good proactive advice & secretarial support.	Monitoring & evaluation of activities between political direction & administrative done officially & effectively & timeously to ensure the correct implementation of political priorities.

Strategic goal 5: To contribute towards optimal cooperative governance internally and externally.

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
1. Ensure improved service delivery to clients.	Quarterly assessment of departmental performance, financial and non-financial through reports.	Quarterly till 2006/07.	Quarterly financial & non-financial monitoring of performance & taking of corrective measure for poor performance done.
2. Meet and liaise with public/private concerning queries/comments.	Satisfied public & private concerns.	Quarterly till 2006/07.	Held regular meetings with consultants & contractors to attend to queries & concerns.
3. Responsive to the legislative requirements.	Satisfied political priorities.	Dept. priorities aligned to the political priorities.	Responded satisfactorily to questions raised by SCOPA.

Strategic goal 6: To provide departmental strategic financial direction

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
1. Timeous identification of deliverable objectives in line with Departmental Strategic Plans.	Utilization of financial resources in an appropriate and value driven manner for the satisfaction of service delivery to the recipients.	March every year until 2006/07.	Done according to Dept. priorities based on political direction.
2. Costing of the deliverable objectives	Economically and correctly costed deliverable objectives.	March every year until 2006/07.	Done based on the strategic plan for the entire MTEF period.
3. Informative budgeting Process.	Identification of over or under expenditure on the budget and advising of virement for maximization of resources.	31 st August every year until 2006/07.	Monitored the budget v/s deliverable objective on a monthly basis & took corrective action/measure for poor performance.

Strategic goal 10: To build a stakeholder network.

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
1. Meeting continuously with officials of the Provincial Treasury, Provincial CFO's Forum, and National Sector CFO's Forum, Consultant/Contract or association, office of the Auditor General, Provincial Internal Audit and any relevant stakeholders.	Improved service delivery levels. Kept abreast of developments within and outside the area of operation.	Regularly till 2006/07 Regularly till 2006/07	The said meetings were held as scheduled. These meetings helped to improve service delivery. The department was kept abreast with developments within & outside the area of operation by attending these meetings.

Strategic goal 11: To implement performance management development systems.

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
1. Complying with all National, Provincial and internal HRM directives.	Well managed human capital. High performance workforce. Improved service delivery levels.	1 st April every year. Ongoing till 2006/07. Quarterly service delivery.	Job descriptions and work plans in place. Assessment of personnel done quarterly & appraisals of personnel done annually.

Strategic goal 13: To ensure skills development and capacity building in terms of the Skills Development Act.

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
1. Provide and review the Departmental Workplace Skills Plan that will address the Departmental skills gaps.	Trained personnel.	Annually.	Done according to target.
2. Monitor the real development and capacity building of HR in line with the core business of the relevant units.	High performance workforce.	Quarterly	Done according to target.

Programme 01: Administration

Sub-programme 02: Executive Management

Strategic goal 1: To provide leadership to the Department

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
1. Identification of strategic direction of the department.	Enhance economic and social development.	February every year.	Done in line with departmental policies, priorities, standards & time frames.
2. Development of business plan in line with the strategic direction of the Department.	Compliance with regulatory framework.	March every year.	Done as informed by strategic plan, pinpointing activities, outputs/outcomes & time frames.
3. Reviewal, monitoring and evaluation of the performance of the departmental activities against the business plan.	Effective and efficient delivery of services.	Monthly until 2006/07	Done monthly for 2004/05 financial year according to chief directorates/ directorates/ sub-directorates & corrective measure taken where targets are not met.

Strategic goal 2: To ensure the effective implementation of the provincial strategic priorities.

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
1. Alignment of Departmental priorities with Provincial strategic pillars such as provisioning and Maintenance of infrastructure, job creation, poverty alleviation and empowerment of BEE.	Improved customer satisfaction.	Continuously till 2006/07.	Done as informed by the President's state of the nation address, the Premier's state of the Province address & the 2004 to 2014 Provincial Growth & Development Strategy.
	Implementation of expanded public works programme.	According to National & Provincial guidelines.	Done in accordance with the guidelines of the National & Provincial Expanded Public Works Programme.
2. Capacitate of the targeted groups.	Reduction of unemployment levels in the Province.	According to BEE & EPWP policies.	Done in line with the employment targets set for the provincial expanded Public Works Programme & Departmental Organizational structure as approved.

Strategic goal 3: To ensure that resources are utilized in the most economic way According to the provincial priorities and budget allocation.

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
4. Realization of optimal distribution and utilization of financial, physical and human resources.	Fair distribution and utilization of resources.	Well distributed financial human & physical resources & satisfied labour force.	Done according to the MTEF budget allocation, dept. organizational structure & physical resources needs.
5. Lowering of the cost of the department's services to the public.	Cost effective services.	"Doing more with less."	Done by doing more with scarce/limited dept. resources allocation.
6. Development, implementation and monitoring of departmental policies.	Sound and responsive departmental policies.	Development & reviewed policies.	Eight (8) dept policies have been reviewed & drafted for the period under reviewed.

Strategic goal 5 To contribute towards optimal cooperative governance internally and externally.

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
1. Ensure improved service delivery to clients.	Quarterly assessment of departmental performance, financial and non-financial through reports.	Quarterly till 2006/07.	Quarterly financial & non-financial monitoring of performance & taking of corrective measure for poor performance done.
2. Meet and liaise with public/private concerning queries/comments.	Satisfied public & private concerns.	Quarterly till 2006/07.	Held regular meetings with consultants & contractors to attend to queries & concerns.
3. Responsive to the legislative requirements.	Satisfied political priorities.	Dept. priorities aligned to the political priorities.	Responded satisfactorily to questions raised by SCOPA.

Strategic goal 6: To provide departmental strategic financial direction

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
1. Timeous identification of deliverable objectives in line with Departmental Strategic Plans.	Utilization of financial resources in an appropriate and value driven manner for the satisfaction of service delivery to the recipients.	March every year until 2006/07.	Done according to Dept. priorities based on political direction.
2. Costing of the deliverable objectives	Economically and correctly costed deliverable objectives.	March every year until 2006/07.	Done based on the strategic plan for the entire MTEF period.
3. Informative budgeting Process.	Identification of over or under expenditure on the budget and advising of virement for maximization of resources.	31 st August every year until 2006/07.	Monitored the budget v/s deliverable objective on a monthly basis & took corrective action/measure for poor performance.

Strategic goal 7: To synchronize departmental strategic plans with the Departmental MTEF cycle

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
1. Development and co-ordination of precise and performance based Strategic Plans with clear time frames and measurable deliverable objectives.	Quarterly assessment of departmental performance, financial and non-financial through reports.	Quarterly from April 2004 until 2006/07.	Quarterly assessment financial & non-financial performance done & corrective measure implemented for poor performance.
2. Ensuring that Strategic Plans are costed in line with the MTEF budget.	Taking remedial action where appropriate.	Annually until 2006/07.	Strategic Plan correctly costed in line with the MTEF budget & adjustments done for unforeseen & unavoidable circumstances.

Strategic goal 8: Development and co-ordination of precise and performance based Strategic Plans with clear-time frames and measurable deliverable objectives.

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
1. Development of internal control policies and regulations.	Adherence to laws, regulations and policies.	Regularly till 2006/07.	Done on an ongoing basis.
2. Accessing financial regulations policies & laws, etc.	Advising the Accounting Officer to take appropriate action.	Deliverable objectives compliant with laws, policies & regulations.	Developed internal control procedures & gave regular legal advise to the Accounting Officer.

Strategic goal 9: To assist the Accounting Officer in discharging her duties as prescribed in the Public Financial Management Act, the Annual Division of Revenue Act, Treasury Regulations and other Financial Prescripts.

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
1. Provision of Financial advice.	Align MTEF budget to Strategic plans. Clean, free financial management.	1 st April each year	Done correctly in line with the strategic plan.
2. Development of reporting tools	Compliant budget	1 st April each year	Good budget v/s expenditure tool developed.
3. Preparation of reports	Audited Financial statements Annual report	31 st August every year & 30 Sept every year	Compiled with standards & time frames set.
4. Prudent financial management.	Monthly and quarterly reports.	Monthly & quarterly till 2006/07	Good monthly & quarterly reports produced.
5. Management of Assets	Updated asset register	Monthly/quarterly till 2006/07	Asset register up dated on a monthly basis.
6. Management of the Procurement processes	Corrupt free and regulation compliant procurement processes. Timeous payment of service providers.	Daily till 2006/07	Payments done with some external constraints beyond our control to meet the 30 day target.

Strategic goal 10: To build a stakeholder network.

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
2. Meeting continuously with officials of the Provincial Treasury, Provincial CFO's Forum, and National Sector CFO's Forum, Consultant/Contract or association, office of the Auditor General, Provincial Internal Audit and any relevant stakeholders.	Improved service delivery levels. Kept abreast of developments within and outside the area of operation.	Regularly till 2006/07 Regularly till 2006/07	The said meetings were held as scheduled. These meetings helped to improve service delivery. The department was kept abreast with developments within & outside the area of operation by attending these meetings.

Strategic goal 11: To implement performance management development systems.

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
1. Complying with all National, Provincial and internal HRM directives.	Well managed human capital. High performance workforce. Improved service delivery levels.	1 st April every year. Ongoing till 2006/07. Quarterly service delivery.	Job descriptions and work plans in place. Assessment of personnel done quarterly & appraisals of personnel done annually.

Strategic goal 13: To ensure skills development and capacity building in terms of the Skills Development Act.

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
3. Provide and review the Departmental Workplace Skills Plan that will address the Departmental skills gaps.	Trained personnel.	Annually.	Done according to target.
4. Monitor the real development and capacity building of HR in line with the core business of the relevant units.	High performance workforce.	Quarterly.	Done according to target.

Programme 01: Administration

Sub-programme 03: Financial Accounting and Planning

Strategic goal 5: To contribute towards optimal cooperative governance internally and externally.

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
1. Ensure improved service delivery to clients.	Quarterly assessment of departmental performance, financial and non-financial through reports.	Quarterly till 2006/07.	Quarterly financial & non-financial monitoring of performance & taking of corrective measure for poor performance done.
2. Meet and liaise with public/private concerning queries/comments.	Satisfied public & private concerns.	Quarterly till 2006/07.	Held regular meetings with consultants & contractors to attend to queries & concerns.
3. Responsive to the legislative requirements.	Satisfied political priorities.	Dept. priorities aligned to the political priorities.	Responded satisfactorily to questions raised by SCOPA.

Strategic goal 6: To provide departmental strategic financial direction

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
1. Timeous identification of deliverable objectives in line with Departmental Strategic Plans.	Utilization of financial resources in an appropriate and value driven manner for the satisfaction of service delivery to the recipients.	March every year until 2006/07.	Done according to Dept. priorities based on political direction.
2. Costing of the deliverable objectives	Economically and correctly costed deliverable objectives.	March every year until 2006/07.	Done based on the strategic plan for the entire MTEF period.
3. Informative budgeting Process.	Identification of over or under expenditure on the budget and advising of virement for maximization of resources.	31 st August every year until 2006/07.	Monitored the budget v/s deliverable objective on a monthly basis & took corrective action/measure for poor performance.

Strategic goal 7: To synchronize departmental strategic plans with the Departmental MTEF cycle

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
1. Development and co-ordination of precise and performance based Strategic Plans with clear time frames and measurable deliverable objectives.	Quarterly assessment of departmental performance, financial and non-financial through reports.	Quarterly from April 2004 until 2006/07.	Quarterly assessment financial & non-financial performance done & corrective measure implemented for poor performance.
3. Ensuring that Strategic Plans are costed in line with the MTEF budget.	Taking remedial action where appropriate.	Annually until 2006/07.	Strategic Plan correctly costed in line with the MTEF budget & adjustments done for unforeseen & unavoidable circumstances.

Strategic goal 8: Development and co-ordination of precise and performance based Strategic Plans with clear-time frames and measurable deliverable objectives.

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
1. Development of internal control policies and regulations.	Adherence to laws, regulations and policies.	Regularly till 2006/07.	Done on an ongoing basis.
2. Accessing financial regulations policies & laws, etc.	Advising the Accounting Officer to take appropriate action.	Deliverable objectives compliant with laws, policies & regulations.	Developed internal control procedures & gave regular legal advice to the Accounting Officer.

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Strategic goal 13: To ensure skills development and capacity building in terms of the Skills Development Act.

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
5. Provide and review the Departmental Workplace Skills Plan that will address the Departmental skills gaps.	Trained personnel.	Annually	Done according to target
6. Monitor the real development and capacity building of HR in line with the core business of the relevant units.	High performance workforce.	Quarterly and ongoing.	Done according to target

Programme 01: Administration

Sub-programme 04: Financial Admin and Procurement

Strategic goal 5: To contribute towards optimal cooperative governance internally and externally.

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
1. Ensure improved service delivery to clients.	Quarterly assessment of departmental performance, financial and non-financial through reports.	Quarterly till 2006/07.	Quarterly financial & non-financial monitoring of performance & taking of corrective measure for poor performance done.
2. Meet and liaise with public/private concerning queries/comments.	Satisfied public & private concerns.	Quarterly till 2006/07.	Held regular meetings with consultants & contractors to attend to queries & concerns.
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Strategic goal 6: To provide departmental strategic financial direction

Strategic objectives	Outputs	Output performance measure/Service delivery indicators	Actual performance against target
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2. Costing of the deliverable objectives	Economically and correctly costed deliverable objectives.	March every year until 2006/07.	Done based on the strategic plan for the entire MTEF period.
3. Informative budgeting Process.	Identification of over or under expenditure on the budget and advising of virement for maximization of resources.	31 st August every year until 2006/07.	Monitored the budget v/s deliverable objective on a monthly basis & took corrective action/measure for poor performance.

**DEPARTMENT OF PUBLIC WORKS
VOTE 11**

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

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 Regulations, and Provincial Tender Board Regulations. The Department is also bound by centrally negotiated agreements regarding conditions of service for its employees.

Finally the call to create and maintain a caring public services underpins the culture of department.

1.11 Revenue collection

The department is in the process of installing an IT system to facilitate the collection and reconciliation of revenue.

The operationalization of the Asset Register is an ongoing process and is taking more time than anticipated. To address some of these deficiencies a housing database was developed. This is the system that is assisting us to identify assets that may not be on the asset register. Ever since this was introduced we have registered positive results.

The process of Assets Identification includes the following:

- Visits to Municipalities and Deed Offices
- Comparison with Persal data
- Comparison of house files with the database

1.12 Significant events

1.12.1 Stakeholder outreach programme

The department successfully coordinated Regional meetings with contractors and suppliers under the theme “Strengthening partnership for a People’s Contract and accelerated sustainable integrated public infrastructure” as part of the MEC’s Stakeholder outreach programme.

During this outreach programme, the MEC met and interacted with 683 Contractors as follows:

- 122 in the Southern Region
- 143 in Bophirima Region
- 134 in the Central Region
- 284 in the Bojanala Region

A meeting with consultants will be arranged in order to engage them on departmental expectations and some of the issues raised by contractors, i.e. contractor support, coaching and mentoring.

**DEPARTMENT OF PUBLIC WORKS
VOTE 11**

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

**1.12.2 Construction sector broad based black economic empowerment charter:
provincial hearings**

As a contribution towards transformation of the construction sector the department mobilized contractors and consultants towards a successful Provincial Charter Public hearing in Rustenburg towards the end of the financial year. Close to four hundred sectoral representatives attended the public hearing.

As a follow-up to the Public hearing, 1500 Copies of the 1st Draft CSBBBEE Charter were developed and distributed.

1.12.3 Launch of the Modimola Expanded Public Works Project

The launch of the Modimola Expanded Public Works Programme was done on the 16th September 2004. This programme was presented to the Honorable Minister S. Sigcau on the day of the launch.

This is a labour intensive execution of routine road maintenance activities by small emerging contractors and local communities on the section of road between Mafikeng and Setlagoli, including route patrols on the road between Mafikeng and Taung.

The establishment of an agricultural project in Modimola, where small emerging farmers from the village can produce cash crops for own consumption and commercial purposes under irrigation, with water from the Molopo river, downstream of Setumo Dam.

Labour intensive construction of internal village roads in the target village of Modimola and the labour intensive construction of the infrastructure for the farming project.

1.13 Service improvement strategy

With the empowerment of the Regional Management at Directorate level, the department has ensured that financial management and expenditure accountability have filtered down to regional level. All levels of financial management in the Department have been improved in line with the following Departmental strategic objectives:

- Development and review of eight (8) financial and supply chain management policies.
- Improved financial management and expenditure accountability.
- Improved expenditure patterns.
- Increased levels of financial control.
- Development of procedure manuals and policies as per Treasury Regulations.
- Implementation of the Public Finance Management Act.
- Improved debt management and revenue collection.
- Reconciliation and clearance of suspense accounts.
- Improved management of the Departmental Tender Committee.
- Monthly verification and certification of the payroll.
- Establishment of the Budget Advisory Committee.
- Acquiring the rental administration software to reconcile rental on government property.

DEPARTMENT OF PUBLIC WORKS
VOTE 11

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

1.14 Major projects undertaken

The following projects were either renovated or upgraded:

- Renovation of Garona Office Building.
- Renovation of Gaabomotho Office Building
- Renovation of Old Parliament Office Building.
- Renovation of Mmabatho Civic Centre.
- Renovation of Geo-Science Building.
- Renovation of Tirelo Office Building.
- Renovation of Ramosa Rikert.
- Renovation of Barnard Security Building.
- Upgrading of Garona air conditioners.
- Electrical Reticulation of Rustenburg Houses.
- Upgrading lift at Gaabomotho.
- Upgrading 7 lifts at Garona
- Renovation of Taung Mechanical Workshop

2. Service rendered by the Department

2.1 The Department of Public Works renders its services as mandated by various legislative instruments, provincial priorities, etc, through the following main divisions:

Core functions	Support functions
1. Public Works 2. Regional Operations	1. Administration

2.2 Tariff policy

Tariffs charged by the department are as set out by National Policies, Provincial Circulars, Prescripts and any other government legislation as prescribed and amended.

2.3 Free services

It's the opinion of the department that the mounting of podia, which are the property of the Department, provision of free parking space to client departments, staff and/or community is an unexploited revenue item. However, a thorough investigation of all services rendered by our department will be reviewed, analyzed and interrogated to find out as to whether there are any other free services rendered by the department that would have yielded significant revenue and a tariff been charged.

**DEPARTMENT OF PUBLIC WORKS
VOTE 11**

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

2.4 Inventories

Inventories on hand at year end were as follows:

i. Parts and other maintenance	R7,266m
ii. Fuel , oil and gas	R141,000
iii. Stationery and printing	R210,000
iv. Domestic consumables	R338,000
TOTAL	<u>R7,955M</u>

3. Under-spending

There is no significant under spending, only 4.3% which is as a result of infrastructural projects spilling over to the following financial year and committed funds that could not be paid before the end of the financial year.

Please refer to material variances from amount voted in pages 28 to 29 of the Appropriation Statement.

4. Capacity constrains

Most of the vacant posts have been filled after the department completed the restructuring process as well as the placing and matching of employees according to Resolution 7. The few critical vacant posts are now being filled.

5. Utilization of donor funds

The department did not get any donor funding for the period in question.

6. Trading and public entities

The department did not have any trading or public entities.

7. Other organizations to whom transfer payments have been made

There are no organizations to whom transfer payments have been made.

8. Public private partnerships (PPP)

The department did not have any public private partnership (PPP).

9. Corporate governance arrangement

Financial and Human Resource delegations of authority have been prepared as well as the Fraud Prevention Plan. A close monitoring of the implementation and compliance of the said delegations will be done.

Risk identification and internal control procedures based on the internal and external auditors reports has been compiled and the observance thereof will be closely monitored.

A code of conduct has been made available to all the employees of the department.

DEPARTMENT OF PUBLIC WORKS
VOTE 11

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

10. Discontinued activities /activities to be discontinued

The department went through a restructuring process whereby one of the core functions, the Roads Main Division was relocated to the Department of Transport. Some of the administrative support staff ($\pm 60\%$) had to go along with this component.

11. New/proposed activities

A new programme, i.e. Community Based Programme was introduced (Expanded Public Works Programme). The department is responsible for the direction, implementation, monitoring and coordination of the said programme.

12. Events after the reporting date

The department is not aware of any matter or circumstances arising since the end of the financial year, not otherwise dealt with in the annual financial statement, which significantly affect the financial position of the department or the results of the operation.

13. Performance information

The department has compiled the Strategic Plan for the MTEF period 2005 to 2010 as required.

The budget has been compiled based on the Strategic Plan for the MTEF period 2005 to 2010.

Senior Management will draft the work plan or operational plans based on the strategic plan for the same MTEF period, and this will be worked down to their managed at the lower levels.

Monthly reports based on the operational plans will be compiled, reviewed, analyzed and evaluated on a quarterly basis and corrective measures applied where necessary.

Quarterly performance evaluation of all employees, including senior management will be done using the performance assessment tool.

**DEPARTMENT OF PUBLIC WORKS
VOTE 11**

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

14. Scopa resolutions

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
<p>EMPHASIS OF MATTER Resolution 6: Audit report 2004: Paragraph 4.1,4.2 &4.3</p> <p>Scopa Resolution – 6 Report, 2003 on 2002 (Paragraph 5)</p> <p>Resolution – 6 Report, 2004 on 2003 (Paragraph 1,2 &3)</p>	<p>Identification of all government houses in the province. Incomplete rental income. Material misallocation among various standard items.</p> <p>The asset register in respect of properties owned by the state was not properly maintained.</p> <p>Substantive documentation supporting receivables could not be submitted. Non-compliance with section 40(3)(b).</p>	<p>The operationalization of the Asset Register is an ongoing process and is taking more time than anticipated. To address some of these deficiencies a housing database was developed. This is the system that is assisting us to identify assets that may not be on the asset register. Ever since this was introduced we have registered positive results.</p> <p>The process of Asset Identification included the following:</p> <ul style="list-style-type: none"> ➤ Visitation to Municipalities and Deed Offices. ➤ Comparison with Persal data. ➤ Comparison of house files with the database. <p>Expenses were allocated incorrectly between various standard items due to cash flow problems. Nevertheless, these wrong allocations are immediately corrected through adjustment/journal entries when the cash flow is available.</p> <p>The internal control procedure is in place to ensure the accuracy of expenditure allocation to programmes or main divisions.</p>

DEPARTMENT OF PUBLIC WORKS
VOTE 11

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

Reference to previous audit report and SCOPA resolutions	Subject	Findings
		<p>The allocation of payments and revenue is reviewed by a senior official, i.e. programme managers in head office and regions (chief user clerks).</p> <p>The province implements a new asset management system. The Department of Finance is the custodian of the system. During the financial year 2003/04 the system had been implemented in the Department of Roads and Public Works. The verification of assets had been done as part of the implementation of the asset management system.</p> <p>The department is constantly sending letters to remind rental defaulters on the outstanding payments as and when they fall into arrears.</p> <p>The Department has developed a Database that will assist in identifying defaulters and provide debtors' age analysis and further it will assist in the following: - Rental Reconciliation. Provide a report per department per tenant showing monthly payment to date as well as rent sub-totals per department.</p> <p>Rental Payments. Keep track of payments received from customers, issuing of statements data, age analysis, list of defaulting tenants including rental amount owed and outstanding payment collection.</p>

DEPARTMENT OF PUBLIC WORKS
VOTE 11

ACCOUNTING POLICIES
for the year ended 31 March 2005

Reference to previous audit report and SCOPA resolutions	Subject	Findings
		<p>A Debtors Collection Policy will be put in place before the end of December 2004. Monthly invoices and statements will be sent to all debtors.</p> <p>A Debtors Sub-system has been put in place. Long outstanding debtors will be handed over to the State Attorney, where economical, legal demand and possible legal proceeding will be considered in a court of law.</p> <p>Interest will be charged on all overdue debts to the State in terms of the Departmental Debtor's Collection Policy.</p>

Approval

The annual financial statements set out on pages 94 to 138 have been approved by the Accounting Officer.



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Dr L.K. SEBEGO
ACCOUNTING OFFICER

29 JULY 2005

DEPARTMENT OF PUBLIC WORKS
VOTE 11

ACCOUNTING POLICIES
for the year ended 31 March 2005

The Annual Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Annual Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2004. The following issued, but not yet effective Standards of Generally Recognised Accounting Practice have not been fully complied with in the Annual Financial Statements: GRAP 1, 2 and 3.

1. Basis of preparation

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

2. Revenue

Appropriated funds

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

Departmental revenue

Tax revenue

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

Sale of goods and services other than capital assets

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

Fines, penalties and forfeits

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

DEPARTMENT OF PUBLIC WORKS
VOTE 11

ACCOUNTING POLICIES
for the year ended 31 March 2005

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.

DEPARTMENT OF PUBLIC WORKS
VOTE 11

ACCOUNTING POLICIES
for the year ended 31 March 2005

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.

DEPARTMENT OF PUBLIC WORKS
VOTE 11

ACCOUNTING POLICIES
for the year ended 31 March 2005

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.

DEPARTMENT OF PUBLIC WORKS
VOTE 11

ACCOUNTING POLICIES
for the year ended 31 March 2005

Financial transactions in assets and liabilities

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

Unauthorised expenditure

Unauthorised expenditure, is defined as:

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

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

Irregular expenditure

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

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

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

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.

DEPARTMENT OF PUBLIC WORKS
VOTE 11

ACCOUNTING POLICIES
for the year ended 31 March 2005

10. Lease commitments

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

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

11. Accruals

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

12. Contingent liability

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

- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.
- Contingent liabilities are not recognised in the Statement of Financial position, but the information is disclosed as part of the disclosure notes.

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.

DEPARTMENT OF PUBLIC WORKS
VOTE 11

ACCOUNTING POLICIES
for the year ended 31 March 2005

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.

K. ANNUAL FINANCIAL STATEMENTS

North West - Department of Public Works

Appropriation Statement for the year ended 31 March 2005

Appropriation per Programme									
	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. ADMINISTRATION									
Current payment	55,915	-	-1,009	54,906	53,275	1,631	97.0%	113,231	111,499
Transfers and subsidies	1,289	-	243	1,532	1,732	-200	113.1%	-	-
Expenditure for capital assets	6,656	-	16	6,672	6,221	451	93.2%	8,553	7,589
2. PUBLIC WORKS									
Current payment	61,473	-	1,396	62,869	62,106	763	98.8%	150,535	152,221
Transfers and subsidies	200	-	-179	21	24	-3	114.3%	94,871	88,823
Expenditure for capital assets	26,608	-	-467	26,141	22,337	3,804	85.4%	10,152	7,876
3. REGIONAL OPERATIONS									
Current payment	213,403	-	55	213,458	204,222	9,236	95.7%	-	-
Transfers and subsidies	1,704	-	-	1,704	1,927	-223	113.1%	-	-
Expenditure for capital assets	691	-	-55	636	425	211	66.8%	-	-
4. Current payment	-	-	-	-	-	-	0.0%	-	9,774
Subtotal	367,939	-	-	367,939	352,269	15,670	95.7%	377,342	377,782
Statutory Appropriation									
Current payments		702		-		-	0.0%		
Total	367,939	702	-	367,939	352,269	15,670	95.7%	377,342	377,782
Prior year unauthorised expenditure approved with funding				-				9,774	
Departmental receipts				-				8,470	
Actual amounts per Statement of Financial Performance (Total Revenue)				367,939				395,586	
Actual amounts per Statement of Financial Performance Expenditure					352,269				377,782



APPROPRIATION STATEMENT
for the year ended 31 March 2005

Appropriation per Economic classification									
	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current payments									
Compensation to employees	208,515	-	-	208,515	206,544	1,971	99.1%	234,584	235,362
Goods and services	122,278	-	442	122,718	113,058	9,660	92.1%	124,113	126,955
Transfers & subsidies									
Households	3,193	-	64	3,257	3,684	-427	113.1%	-	-
Payment on capital assets									
Buildings & other fixed structures	24,648	-	-	24,648	20,868	3,780	84.7%	5,000	3,353
Machinery & equipment	9,307	-	-506	8,801	8,115	686	92.2%	13,645	12,112
Total	367,939	-	-	367,939	352,269	15,670	95.7%	377,342	377,782

Statutory Appropriation									
Direct charge against Provincial Revenue Fund	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Member of executive committee/parliamentary officers	702			702	558	144	79.5%		
Total	702	-	-	702	558	144	79.5%	-	-



DEPARTMENT OF PUBLIC WORKS ANNUAL REPORT 2004 / 2005

Detail per programme 1 - ADMINISTRATION for the year ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
1.1 OFFICE OF THE MEC									
Current payment	3,538	-	-100	3,438	3,341	97	97.2%	2,474	3,285
Transfers and subsidies	10			10	11	-1	110.0%	-	-
Expenditure for capital assets	437			437	436	1	99.8%	-	-
1.2 EXECUTIVE MANAGEMENT									
Current payment	6,306		-400	5,906	5,481	425	92.8%	13,262	12,164
Transfers and subsidies	26			26	29	-3	111.5%	-	-
Expenditure for capital assets	148			148	71	77	48.0%	-	-
1.3 FINANCIAL ACCOUNTING AND PLANNING									
Current payment	6,625		-143	6,482	6,382	100	98.5%	7,441	-89,133
Transfers and subsidies	549		-243	792	876	-86	110.9%	-	-
1.4 FINANCIAL ADMINISTRATION AND PROCUREMENT									
Current payment	15,362		-	15,362	15,113	249	98.4%	42,513	139,025
Transfers and subsidies	260			260	312	-52	120.0%	-	-
Expenditure for capital assets	4,497			4,497	4,344	153	96.6%	7,277	6,508
1.5 HUMAN RESOURCE MANAGEMENT									
Current payment	14,391		-16	14,375	14,103	272	98.1%	35,831	36,182
Transfers and subsidies	427			427	463	-36	113.1%	-	-
Expenditure for capital assets	25		16	41	25	16	61.0%	-	-
1.6 INFORMATION MANAGEMENT									
Current payment	7,364		-350	7,014	6,756	258	96.3%	6,897	6,597
Transfers and subsidies	15			15	17	-2	113.3%	-	-
Expenditure for capital assets	1,549			1,549	1,345	204	86.8%	1,276	1,083
1.7 LEGAL SERVICES									
Current payment	2,329		-	2,329	2,099	230	90.1%	2,635	2,466
Transfers and subsidies	2			2	2	-	100.0%	-	-
Community Based Public Works Programme									
Current payment				-			0.0%		913
Total	63,880	-	-750	63,110	61,228	1,882	97.0%	121,784	119,088

1.8 Economic classification	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current payments									
Compensation to employees	33,620	-	-	33,620	33,592	28	99.9%	84,049	83,141
Goods and services	22,295		-1,009	21,286	19,682	1,604	92.5%	29,242	28,358
Transfers & subsidies									
Households	1,289		243	1,532	1,733	-201	113.1%	-	-
Payments for capital assets									
Machinery & equipment	6,656		16	6,672	6,221	451	93.2%	8,493	7,589
Total	63,860	-	-750	63,110	61,228	1,882	97.0%	121,784	119,088

Detail per programme 2 - PUBLIC WORKS for the year ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
2.1 BUILDING SERVICES									
Current payment	25,351		17	25,368	25,622	-254	101.0%	106,916	106,113
Transfers and subsidies	-			-	-	-	0.0%	32,900	29,280
Expenditure for capital assets	25,908		-17	25,891	22,110	3,781	85.4%	10,152	7,676
2.2 PROPERTY MANAGEMENT									
Current payment	36,122		1,379	37,501	36,484	1,017	97.3%	43,619	44,108
Transfers and subsidies	200		-179	21	24	-3	114.3%	61,971	59,543
Expenditure for capital assets	700		-450	250	227	23	90.8%	-	-
Total	88,281	-	750	89,031	84,467	4,564	94.9%	255,558	248,920

Economic classification	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current									
Compensation to employees	12,366			12,366	12,221	145	98.8%	150,535	152,221
Goods and services	49,107		1,396	50,503	49,885	618	98.8%	94,871	88,823
Transfers & subsidies									
Households	200		-179	21	24	-3	114.3%	-	-
Capital									
Buildings & other fixed structures	24,648		-	24,648	20,668	3,780	84.7%	5,000	3,353
Machinery & equipment	1,860		-467	1,493	1,469	24	98.4%	5,152	4,523
Total	88,281	-	750	89,031	84,467	4,564	94.9%	255,558	248,920

Detail per programme 3 - REGIONAL OPERATIONS
for the year ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
3.1 CENTRAL REGION									
Current payment	83,310		1,055	84,365	82,407	1,958	97.7%	-	-
Transfers and subsidies	450			450	509	-59	113.1%	-	-
Expenditure for capital assets	599		-55	544	373	171	68.6%	-	-
3.2 BOPHIRIMA REGION									
Current payment	33,806		630	34,436	32,146	2,290	93.3%	-	-
Transfers and subsidies	450			450	509	-59	113.1%	-	-
3.3 BOJANALA 1 REGION									
Current payment	31,779		-630	31,149	29,087	2,062	93.4%	-	-
Transfers and subsidies	158			158	179	-21	113.3%	-	-
Expenditure for capital assets	21			21	20	1	95.2%	-	-
3.4 BOJANALA 11 REGION									
Current payment	34,408		-1,000	33,408	32,110	1,298	96.1%	-	-
Transfers and subsidies	196			196	221	-25	112.6%	-	-
Expenditure for capital assets	48			48	29	19	60.4%	-	-
3.5 SOUTHERN REGION									
Current payment	30,100		-	30,100	28,472	1,628	94.6%	-	-
Transfers and subsidies	450			450	509	-59	113.1%	-	-
Expenditure for capital assets	23			23	3	20	13.0%	-	-
Total	215,798	-	-	215,798	206,574	9,224	95.7%	-	-
Economic classification	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current									
Compensation to employees	162,529			162,529	160,731	1,798	98.9%		
Goods and services	50,874		55	50,929	43,491	7,438	85.4%		
Transfers & subsidies	1,704		-	1,704	1,927	-223	113.1%		
Households									
Capital									
Machinery & equipment	691		-55	636	425	211	66.8%		
Total	215,798	-	-	215,798	206,574	9,224	95.7%	-	-
4.1 Unauthorised Expenditure Approved									
Current payment				-		-	0.0%		9,774
Current				-		-	0.0%		9,774
Goods and services				-		-	0.0%		9,774
Total	-	-	-	-	-	-	0.0%	-	9,774



North West - 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:

4.1.1 Programme 2: Public Works

This programme realised a savings of R4, 564m, i.e. 5.1% of the total revised allocation. The bulk of the savings is for head office government building and major renovations of Tirelo building. The head office building is a fast tracked project whose construction design drawings could not be in place at the beginning of the project. An ABE contractor was awarded the project to comply with PPPFA and the BBBEE. The rainy weather condition too caused a lot of stoppages.

4.2 Per standard item:

4.2.1 Transfer payments current

This classification realised an over spending of R427,973, which is 13,1% of the total revised allocation. This is a new standard item which came into being due to the reclassification of the budget. The bulk of this excess is for regional council levy paid to municipalities and leave gratuities paid to employees who left the department. It is very difficult to estimate the number and amount of employees who are going to leave the department and paid leave gratuities, hence this excess.

4.2.2 Administrative expenditure

This classification realised an under spending of R774,367, i.e. 5,2% of the total revised allocation. This savings was indirectly caused by vacant posts that could not be filled during the financial year, i.e. the administrative costs that could not be expended upon due to the said vacant posts.

4.2.3 Inventory

The same applies here as in 4.2.2 above when this classification realizes a savings of R6,346m which is 29.1% of the total revised allocation. Vacant posts not yet filled had an indirect bearing on the purchases of consumable stores items.

4.2.4 Machinery and equipment

This classification realised a savings of R685,807 which is 7.8% of the total revised allocation. Again one must refer to vacant posts which could not be filled during this financial year as this has also an indirect bearing on the purchases of machinery and equipment like computers, fax machines, photostat machines, subsidized motor vehicles, etc.

4.2.5 Land and buildings

The total under spending is R3,780m which is 15.3% of the total allocation. The bulk of this savings was for the head office government building, whose construction design drawings could not be in place at the beginning of the project. An ABE contractor was awarded this project to comply with PPPFA and the BBBEE. The rainy weather condition too caused a lot of stoppages.

	Voted Funds after virement	Actual Expenditure	R'000	%
ADMINISTRATION	63110	61228	1882	3
	63.110	61228	1882	3
PUBLIC WORKS	89031	84467	4564	5.1
	89031	84467	4564	5.1
REGIONAL	215798	206574	9224	4.2
	215798	206574	9224	4.2
STATUTORY	- 702			
	702			

(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 underspending.)

4.2 Per economic classification:

R'000

Current expenditure

Compensation of employees	206544
Goods and services	112948
Interest and rent on land	
Financial transactions in assets and liabilities	28983
Unauthorised expenditure approved	

Transfers and subsidies

Provinces and municipalities	1184
Departmental agencies and accounts	
Universities and technikons	
Public corporations and private enterprises	
Foreign governments and international organisations	
Non-profit institutions	
Households	2500

Payments for capital assets

Buildings and other fixed structures	20868
Machinery and equipment	8115
Heritage assets	
Biological assets	
Software and other intangible assets	110
Land and sub soil assets	

North West - Department of Public Works

Statement of Financial Performance
for the year ended 31 March 2005

	Note	2004/05 R'000	2003/04 R'000
REVENUE			
Annual appropriation	1.	367,939	377,342
Appropriation for unauthorised expenditure approved		-	9,774
Departmental revenue	2.	-	8,470
TOTAL REVENUE		367,939	395,586
EXPENDITURE			
Current expenditure			
Compensation of employees	3.	206,544	235,362
Goods and services	4.	113,058	126,955
Total current expenditure		319,602	362,317
Transfers and subsidies	7.	3,684	-
Expenditure for capital assets			
Buildings and other fixed structures	8.	20,868	3,353
Machinery and Equipment	8.	8,115	12,112
Total expenditure for capital assets		28,983	15,465
TOTAL EXPENDITURE		352,269	377,782
NET SURPLUS/(DEFICIT)		15,670	17,804
NET SURPLUS/(DEFICIT) FOR THE YEAR		15,670	17,804
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds to be surrendered to the Revenue Fund	10.	15,670	9,334
Departmental revenue to be surrendered to revenue fund	11.	-	8,470
NET SURPLUS/(DEFICIT) FOR THE YEAR		15,670	17,804

North West - Department of Public Works

Statement of Financial Position
as at 31 March 2005

	<i>Note</i>	2004/05 R'000	2003/04 R'000
ASSETS			
Current assets		72,401	72,553
Unauthorised expenditure	5.	72,280	72,280
Receivables	9.	121	273
TOTAL ASSETS		72,401	72,553
LIABILITIES			
Current liabilities		72,401	72,553
Voted funds to be surrendered to the Revenue Fund	10.	15,670	19,926
Bank overdraft	12.	56,731	52,016
Payables	13.	-	611
Non-current liabilities			
TOTAL LIABILITIES		72,401	72,553
Represented by:			



North West - Department of Public Works

Statement of Changes in Net Assets
for the year ended 31 March 2005

	<i>Note</i>	2004/05 R'000	2003/04 R'000
Capitalisation reserve		-	-
Recoverable revenue		-	-



North West - Department of Public Works

Cash Flow Statement
for the year ended 31 March 2005

	<i>Note</i>	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		368,031
Annual appropriated funds received		367,939
Net (increase)/decrease in working capital		152
Surrendered to Revenue Fund		-19,926
Net cash flow available from operating activities	14.	24,208
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of capital assets	2.	60
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in loans received		



National/Provincial Departments

Notes to the Annual Financial Statements 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	Variance over/(under) R'000	Total Appropriation 2003/04 R'000
ADMINISTRATION	63,110	61,228	1,882	121,784
PUBLIC WORKS	89,031	84,467	4,564	255,558
REGIONAL OPERATIONS	215,798	206,574	9,224	-
Total	367,939	352,269	15,670	377,342

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

Approved Rollovers : Public Works = R4,305m and for Regional Operations = R1,601m

	Note	2004/05 R'000	2003/04 R'000
1.2 Conditional grants			
Total grants received	ANNEXURE 1A	-	100,684

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

2. Departmental revenue to be surrendered to revenue fund

Description		
Sales of goods and services other than capital assets	6,834	10,775
Fines, penalties and forfeits	139	-
Sales of capital assets	60	-
Total revenue collected	7,033	10,775
Less: Departmental revenue budgeted *	7,033	2,305
Departmental revenue collected	-	8,470

* Please note that departmental revenue budgeted applies to provincial departments and Department of Justice. 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.

Foreign

3. Compensation of employees

3.1 Salaries and wages

Basic salary	143,092	140,452
Performance award	11,627	-
Periodic payments	1,101	-
Other non-pensionable allowances	9,525	38,080
	165,345	178,532

	Note	2004/05 R'000	2003/04 R'000
3.2 Social contributions			
3.2.1 Short term employee benefits			
Pension		23,561	23,779

National/Provincial Departments

Notes to the Annual Financial Statements for the year ended 31 March 2005

Medical	17,638	33,051
	<u>41,199</u>	<u>56,830</u>
Total compensation of employees	206,544	235,362
Average number of employees	<u>2,372</u>	<u>2,372</u>
4. Goods and services		
Advertising	285	659
Attendance fees (including registration fees)	-	164
Bank charges and card fees	258	5,354
Communication	7,161	396
Computer services	207	547
Consultants, contractors and special services	11,141	19,527
Tracing agents & debt collections	1,440	
Drivers licences and permits	198	1,173
Entertainment	1,046	148
External audit fees	4.1 1,369	726
Government motor transport	-	1,317
Inventory	4.2 16,677	38,236
Legal fees	1,398	513
Maintenance, repair and running costs	66,129	45,843
Mint of decorations/medals	-	5
Personnel agency fees	280	
Plant flowers and other decorations	-	42
Printing and publications	264	281
Professional bodies and membership fees	73	
Resettlement costs	10	17
Subscriptions	-	5
Taking over of contractual obligations	10	
Transport provided as part of the departmental activities	351	
Travel and subsistence	4.3 3,617	824
Protective, special clothing & uniforms	-	1,227
Training & staff development	726	
Town & regional planning	55	
Previous years unallocated items		9,728
	<u>113,058</u>	<u>126,955</u>
4.1 External audit fees		
Regulatory audits	1,369	726
Total external audit fees	<u>1,369</u>	<u>726</u>
4.2 Inventory		
Other inventory	1,841	15,107
Domestic Consumables	1,758	
Agricultural	14	
Learning and teaching support material	140	
Fuel, oil and gas	1,820	19,878
Other consumables	249	1,879
Parts and other maint mat	8,909	
Stationery and Printing	1,926	1,372
Medical Supplies	20	
Total Inventory	<u>16,677</u>	<u>38,236</u>
4.3 Travel and subsistence		
Local	3,617	824
Total travel and subsistence	<u>3,617</u>	<u>824</u>
5. Unauthorised expenditure		
5.1 Reconciliation of unauthorised expenditure		
Opening balance	72,280	-

National/Provincial Departments

Notes to the Annual Financial Statements for the year ended 31 March 2005

Transfer to receivables for recovery	-	72,280
Unauthorised expenditure awaiting authorisation	<u>72,280</u>	<u>72,280</u>

5.2 Unauthorised expenditure

Fruitless and wasteful expenditure

Interest on telephon None		32
		<u>32</u>

6. Transfers and subsidies	Note	R'000	R'000
Households	ANNEXURE 11	3,684	-
		<u>3,684</u>	<u>-</u>
7. Expenditure for capital assets			
Buildings and other fixed structures	ANNEXURE 4	20,868	3,353
Machinery and equipment	ANNEXURE 4	8,115	12,112
Total		<u>28,983</u>	<u>15,465</u>

8. Receivables

		Less than one year	One to three years	Older than three years	Total	Total
Amounts owing by other entities	ANNEXURE 6	97			97	-
Staff debtors	9.1	8	8		16	273
Other debtors	9.3	8			8	-
		<u>113</u>	<u>8</u>	<u>-</u>	<u>121</u>	<u>273</u>

Amounts of R 29,000 (2004: R1,768M) included above may not be recoverable, but has not been written off in the Statement of financial performance

8.1 Staff debtors

(Group major categories, but list material items)

Returned deduction cheques	97	
S & T advances	16	61
Other staff debtors	8	212
	<u>121</u>	<u>273</u>

9. Voted Funds to be surrendered to the Revenue Fund

Opening balance	19,926	24,710
Transfer from Statement of Financial Performance	15,670	9,334
Paid during the year	-19,926	-14,118
Closing balance	<u>15,670</u>	<u>19,926</u>

10. Departmental revenue to be surrendered to revenue fund

Opening balance	8,470	10,775
Transfer from Statement of Financial Performance	-	8,470
Paid during the year	-	-10,775
Closing balance	<u>8,470</u>	<u>8,470</u>

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

11. Bank overdraft

National/Provincial Departments

Notes to the Annual Financial Statements for the year ended 31 March 2005

Paymaster General Account			56,731	52,016
			<u>56,731</u>	<u>52,016</u>
12. Payables – current				
Description		30 Days	30+ Days	2004/05 Total
Amounts owing to other departments				2003/04 Total
	<i>ANNEXURE 7</i>	-	-	-
		-	-	-
				611
				<u>611</u>
13. Reconciliation of net cash flow from operating activities to surplus/(deficit)				
	<i>Note</i>			2004/05 R'000
Net surplus/(deficit) as per Statement of Financial Performance				15,670
(Increase)/decrease in receivables – current				152
Increase/(decrease) in payables – current				-611
Increase/(decrease) in current liabilities				-4,256
Proceeds from sale of equipment				-60
Capital expenditure				28,983
Voted funds not requested/not received				-15,670
Net cash flow generated by operating activities				<u>24,208</u>
14. Appropriated funds and departmental revenue surrendered				
Appropriated funds surrendered				15,702
Departmental revenue surrendered				7,033
				<u>22,735</u>
				<u>33,180</u>



Disclosure notes to the Annual Financial Statements for the year ended 31 March 2005

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

		Note	2004/05 R'000	2003/04 R'000
15. Contingent liabilities				
	Liable to	Nature		
	Motor vehicle guarantees	Employees	120	664
	Housing loan guarantees	Employees	6,138	5,974
	Claims			12,566
	Capped Leave Commitments		39,545	
			<u>45,803</u>	<u>19,204</u>
16. Commitments				
	Current expenditure			
	Approved and contracted		72,508	3,621
			<u>72,508</u>	<u>3,621</u>
	Capital expenditure			
	Approved and contracted		22,067	241,791
			<u>22,067</u>	<u>241,791</u>
	Total Commitments		<u>94,575</u>	<u>245,412</u>
17. Accruals				
	By economic classification	30 Days	30+ Days	Total
	Goods and services		3,790	3,790
	Interest and rent on land		-	-
	Buildings and other fixed structures		830	830
	Machinery and Equipment		11	11
			<u>4,631</u>	<u>5,465</u>
	Listed by programme level			
	Administration		55	55
	MEC's Office		9	9
	Building Services		2,732	2,732
	Roads Services		-	-
	Property Management		1,485	1,485
	Financial Management		350	350
			<u>4,631</u>	<u>5,465</u>
18. Employee benefits				
	Leave entitlement		42,297	42,297
	Thirteenth cheque		5,800	5,800
	Performance awards		1,273	1,273
			<u>49,370</u>	<u>90,133</u>

Disclosure notes to the Annual Financial Statements for the year ended 31 March 2005

19. Leases

	Buildings & other fixed structures	Machinery and equipment	Total	Total
19.1 Operating leases				
Type of financial institution				
Total present value of lease liabilities	1,887	689	2,576	8,611

20. Receivables for service delivered

Nature of service

(Group major categories, but list material items)

Staff debtors	121	273
R/D cheque or proceeds on auction sale	1,076	1,076
Debtors - private tenants	1,282	1,282
	2,479	2,631

An amount of R29,000 has been written-off during the year. Amounts of R1282 included above has been written-off during the financial year. Amounts

21. Irregular expenditure

21.1 Reconciliation of irregular expenditure

Opening Balance	2,400	1,900
Irregular expenditure – current year	-	2,400
Transfers to receivables for recovery (Not condoned)	-	-1,900
Irregular expenditure awaiting condonement	2,400	2,400

22. Senior management personnel

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

- The Minister, Deputy Ministers, Director-General	474	
- Deputy Director Generals	779	699
- Chief Directors	1,394	2,068
- Directors	5,065	4,261
	7,712	7,028

disclosed for the current and prior period:

A description of the arrangement

Significant terms of the arrangement that may affect the amount, timing and certainty of future cash flows

The nature and extent of:

1. rights to use specified assets
2. obligations to provide or rights to expect provision of services
3. obligations to acquire or build items of property, plant and equipment
4. obligation to deliver or rights to receive specified assets at the end of the concession period
5. renewal and termination options
6. other rights and obligations (e.g. major overhauls), and changes in the arrangement occurring during the period.

North West - Department of Public Works

Annexures to the Annual Financial Statements
for the year ended 31 March 2005ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION			SPENT			2003/04	
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Amount received by department R'000	Amount spent by department R'000	% of Available funds spent by %	Division of Revenue Act R'000
National Treasury	-	-	-	-	-	-	0.0%	100,684
	-	-	-	-	-	-		98,506
	-	-	-	-	-	-		100,684
	-	-	-	-	-	-		98,506

- List each grant per department from whom received
- Explain reasons for understanding, should actual be less than 90 percent, what corrective steps were taken, mention early warning report on corrective steps as a result and whether or not an application has been made for a roll over.



North West - Department of Public Works

Annexures to the Annual Financial Statements
for the year ended 31 March 2005ANNEXURE 1B
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2003/04
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Division of Revenue Act R'000
	-	-	-	=	-	0.0%	1,184			-
	-	-	-	-	-		1,184			-

- List each grant per department from whom received

- Explain reasons for understanding, should actual be less than 90 percent, what corrective steps were taken, mention early warning report on corrective steps as a result and whether or not an application has been made for a roll over.



North West - Department of Public Works

Annexures to the Annual Financial Statements
for the year ended 31 March 2005ANNEXURE-1C
STATEMENT OF TRANSFERS/SUBSIDIES TO HOUSEHOLDS

NON PROFIT ORGANISATION	TRANSFER ALLOCATION			EXPENDITURE		2003/04
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Transferred %
Transfers households	2,736	-	70	2,806	2,500	89.1%
	2,736	-	70	2,806	2,500	-
Subsidies municipalities	457	-	-6	451	1,184	262.5%
	457	-	-6	451	1,184	-
Total	3,193	-	64	3,257	3,684	-

- List by major category

North West - Department of Public Works

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

ANNEXURE 2
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 during the year R'000	Guaranteed interest outstanding as at 31 March 2005 R'000	Closing Balance 31/03/2005 R'000	Realised losses i.r.o. claims paid out R'000
Stannic	Motor Vehicles	-	-	-	-	-	-	-
	Key management personnel	400	664	-	544	-	120	-
		400	664	-	544	-	120	-
Various banks	Housing	-	-	-	-	-	-	-
	Employees	-	5,974	164	-	-	6,138	-
		-	5,974	164	-	-	6,138	-
	Other	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Total		400	6,638	164	544	-	6,258	-

ANNEXURE 2 (continued)
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2005 - FOREIGN

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 during the year R'000	Guaranteed interest outstanding as at 31 March 2005 R'000	Closing Balance 31/03/2005 R'000	Realised losses i.r.o. claims paid out R'000
		-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-

North West - Department of Public Works

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

ANNEXURE 3

PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2005

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers Out R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	3,353	20,868	-	-	-	24,221
Dwellings	351	-	-	-	-	351
Non-residential buildings	3,002	-	-	-	-	3,002
Investment properties	-	-	-	-	-	-
Other structures (Infrastructure assets)	-	-	-	-	-	-
Capital work in progress	-	20,868	-	-	-	20,868
Heritage assets	-	-	-	-	-	-
MACHINERY AND EQUIPMENT	12,112	8,115	-	-	-	20,227
Computer equipment	1,129	1,240	-	-	-	2,369
Furniture and office equipment	8,141	-	-	-	-	8,141
Other machinery and equipment	627	6,875	-	-	-	7,502
Specialised military assets	-	-	-	-	-	-
Transport assets	2,215	-	-	-	-	2,215
BIOLOGICAL OR CULTIVATED ASSETS	-	-	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-	-	-
Land	-	-	-	-	-	-
Mineral and other non regenerative assets	-	-	-	-	-	-
	15,465	28,983	-	-	-	44,448

ANNEXURE 3 continued

PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2004

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers Out R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	3,353	-	-	-	3,353
Dwellings	-	351	-	-	-	351
Non-residential buildings	-	3,002	-	-	-	3,002
Investment properties	-	-	-	-	-	-
Other structures (Infrastructure assets)	-	-	-	-	-	-
Capital work in progress	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-

MACHINERY AND EQUIPMENT

	-	12,112	-	-	-	12,112
Computer equipment	-	1,129	-	-	-	1,129
Furniture and office equipment	-	8,141	-	-	-	8,141
Other machinery and equipment	-	627	-	-	-	627
Specialised military assets	-	-	-	-	-	-
Transport assets	-	2,215	-	-	-	2,215

BIOLOGICAL OR CULTIVATED ASSETS

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

LAND AND SUBSOIL ASSETS

Land	-	-	-	-	-	-
Mineral and other non regenerative assets	-	-	-	-	-	-

-	15,465	-	-	-	15,465
---	--------	---	---	---	--------

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, the amount written off should be equivalent to the carrying value of the asset.



North West - Department of Public Works

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

ANNEXURE 4

INTER-GOVERNMENTAL RECEIVABLES

Government Entity	Confirmed balance		Unconfirmed balance	
	31/03/2005	31/03/2004	31/03/2005	31/03/2004
	R'000	R'000	R'000	R'000
Department				
Finance	-	-	97	-
	-	-	-	-
	-	-	-	-
	-	-	97	-
Other Government Entities				
	-	-	-	-
	-	-	-	-
TOTAL	-	-	97	-

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



North West - Department of Public Works

Annexures to the Annual Financial Statements
for the year ended 31 March 2005ANNEXURE 5
INTER-DEPARTMENTAL PAYABLES – CURRENT

GOVERNMENT ENTITY	Confirmed balance		Unconfirmed balance	
	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				
Various departments	-	-	-	-
Subtotal	-	-	-	-
Non-current				
Subtotal	-	-	-	-
Total	-	-	-	-
Amounts included in Statement of financial position				
Current				
	611			
Subtotal	-	611		
Non-current				
Subtotal	-	-		
Total	-	611		