



**Department of Local Government**

**Annual Report**

**2004/2005**

ISBN 0-621-36046-5  
(PR 121/2005)

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## **ANNUAL REPORT 2004/2005**

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## **FOREWORD**

This past year has been one of momentous change for the Department of Local Government.

Much of this impetus has come from new national, provincial, and departmental policy approaches. National and provincial government launched programmes that seek to capacitate municipalities and promote more responsive local government. The programmes include Project Consolidate, which fast-tracks delivery and provides targeted capacity-building programmes, and the Community Development Worker programme, which will deploy members of communities who are trained to respond to the government services to the people.

A central theme running through these programmes is co-operative governance. To deliver on the national and provincial mandates, it is imperative that the three spheres of government work more closely together.

These policy developments have required a new set of structures and skills for the department. A process was initiated to amalgamate the Departments of Local Government and Housing, and this was completed on 31 March 2005. New managers were appointed in order to meet the additional demand for co-ordination and integration skills.

In the midst of all these changes, the Department continued to deliver on its objectives. Whilst we are pleased with the progress we have made, we are mindful of the fact that the development challenges are daunting. With the re-engineering of the Department largely completed, we are well-positioned to focus on promoting well-governed municipalities that can effectively address poverty in the Western Cape.



**ACCOUNTING OFFICER**

**(S. Majiet)**

**DATE: 29/08/2005**

## **PART ONE**

### **General Information**

#### **1.1 SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY**

**MINISTER R DYANTYI  
MINISTER OF LOCAL GOVERNMENT AND HOUSING**

In accordance with section 40(1)(d) of the Public Finance Management Act, 1999, the Public Service Act, 1994, the National Treasury Regulations and the Public Service Regulations, I hereby submit the Department of Local Government's Annual Report on financial statements, performance indicators and departmental activities for the 2004/05 financial year.

Please note that in terms of section 65(1)(a) of the Public Finance Management Act, 1999 you are required to table the report in the Provincial Parliament by 31 August 2005. It is, however, important to note that in terms of section 65(2)(a) of the Public Finance Management Act, 1999, you are required to provide a written explanation to the Provincial Parliament if you are unable to table the report within six months of the end of the relevant financial year, i.e. by 30 September 2005.



**ACCOUNTING OFFICER  
(S. Majiet)**

## **1.2 INTRODUCTION BY THE HEAD OF THE INSTITUTION**

After the national and provincial elections were held on 14 April 2004, government placed even greater emphasis on the need to address poverty and underdevelopment. Led by the Minister of Local Government and Housing, Mr ML Fransman, the Department sharpened its focus on these issues.

Municipalities are in the front line of service delivery. In providing active guidance, monitoring and support to municipalities, the Department plays a crucial role in reducing vulnerability and creating opportunities for the poor.

The Department therefore developed a range of interventions that would strengthen municipalities. One of these is Project Consolidate, which was developed nationally and is being implemented provincially in selected municipalities. This multi-departmental initiative aims to speed up effective service delivery and alleviate poverty through increased intergovernmental co-operation.

Another intervention is the provision of basic municipal services to low-income households. The Department developed a guideline document for the formulation of a uniform municipal indigent policy, which was submitted to the national Department of Provincial and Local Government as an input into the national policy. The implementation of free basic services by municipalities was monitored on an on-going basis and support was given with the implementation of free basic electricity in areas where Eskom is the service provider.

The Disaster Management Act of 2002 will be implemented over a two-year period. A draft Provincial Disaster Management Framework has been developed, and the planning of provincial and district emergency management centres has been completed. The implementation hereof will enable the Department to perform effectively in terms of the Disaster Management Act, to proactively prevent disasters and to effectively respond to disasters such as flooding and fires.

Key to any local government programme is the building of capacity. When the municipal capacity audit in the Province is completed we can begin to address the capacity gaps identified in the audit. Over the last year, the Department had great success with the implementation of the Local Government Management Training Programme, through which senior, middle and female managers in local government were capacitated for their important tasks. In addition, eight management support programmes were implemented, one being a comprehensive intervention into the Kannaland Municipality.

The Department has also prioritised the strengthening of Integrated Development Plan (IDP) processes in municipalities. During the past year, the IDP programme provided targeted support to specific municipalities regarding IDP processes, project management skills, and improving strategic information within municipalities. Municipalities were further supported through the establishment of five Planning and Implementation Support (PIMS) Centres, the hosting of an IDP Conference, and the roll-out of a comprehensive outreach programme.

Improving service delivery and addressing poverty must be addressed by all three spheres of government, and much of the Department's energy has been focused on co-ordinating the interactions of national, provincial, and local government. The Department continuously provides municipalities with information on national and provincial policies and legislation. Formal liaison structures such as the Provincial Advisory Forum (political) and the supporting technical structure were fully utilised for this purpose.

Indeed, most of the Department's programmes involve the co-ordination of intergovernmental activities. Project Consolidate, which was described above, seeks to focus the combined resources of the three spheres on addressing key capacity and service delivery issues. Another programme with intergovernmental dimensions is the Community Development Worker (CDW) programme, which aims to create a public service echelon of multi-skilled community development workers. A total 400 CDW learners were recruited and placed on this learnership. This is one way of taking government to the people to improve the quality of their lives.

Intergovernmental co-ordination has also featured strongly with the Urban Renewal Programme (URP) in Mitchell's Plain / Khayelitsha and Integrated Sustainable Rural Development Programme (ISRDP) in the Central Karoo. Through co-ordinating intergovernmental projects, service delivery has improved significantly in the Central Karoo and business investment has increased in the urban node. With the emphasis on seamless government, ongoing assistance was also provided to the Western Cape Regional Land Claims Commission and the National Municipal Demarcation Board.

The Department has had to carefully assess its ability to implement these programmes. The Department made significant progress with its restructuring process, which seeks to align its line functions to its 2004/05 Strategic Plan. New managers were brought into the Department to enhance the Department's ability to fulfil its co-ordinating and developmental roles. We are confident that these changes have allowed us to improve our support to municipalities, and thereby to promote the social and economic development of marginalised people in the Western Cape.

### **1.3 INFORMATION ON THE MINISTRY**

Following the national elections of 2004, Minister Fransman was appointed Executive Authority for both Local Government and Housing in May 2004. Due to the decision of the previous Head of Department (HOD) not to renew his contract, the Minister worked with the Chief Director, Mr S.P. Naudé, as Acting HOD until the appointment of Ms Shanaaz Majiet in October 2004.

For administrative purposes, the Ministry fell within the Department of Local Government and was well supported by the Department. Regular meetings were held between the senior management, the Minister, and his staff as well as individual meetings between the Minister and HOD.

The Minister commenced his term with a Provincial Councillor Summit addressed by the Premier. This summit focussed on the critical role of local government in the implementation and co-ordination of service delivery. It also urged the Minister to include Housing as a standing agenda item for the Provincial Advisory Forum. The key area of focus was community outreach through visits and engagements such as Letsema's and Imbizo's. These were held jointly with the Department of Housing.

The Ministry was involved in key national programmes in which Local Government played a co-ordinating or supporting role such as Project Consolidate, the Community Development Worker Programme and the establishment of ward committees. Communications as a rule, was carried out via the Ministry, with the support of the Department.

The Minister engendered closer working relationships between the Departments of Local Government and Housing which laid the foundation for its future amalgamation.

During the period under review, the Minister made three international trips. In September 2004 he was invited to present a paper and participate in a 2-day conference in Bavaria on "Social Cohesion", along with other delegates from the Provincial Government. The conference was hosted by the Ecumenical Foundation of South Africa and their partners, the Evangelische Akademie Tutzing.

He was also invited to Cuba by UNECA, the official construction and infrastructure development company of the Cuban Government (broadly equivalent to Housing and Public Works). His visits took place within the framework of a national cooperation agreement between the two governments. The first visit in October 2004 (5 working days) had a two fold purpose: to establish a technical support programme with Cuba and secondly, to examine Cuban models of volunteerism and community development work, in order to extract relevant lessons and potential institutional co-operation. This was followed by a visit by the Cuban Deputy Construction Minister and UNECA officials to the Western Cape, where they met the Premier and some members of Cabinet. The second visit, of 3 working days, also took place in response to an invitation from UNECA . The purpose was to finalise the interviews for the Cuban professionals who would be coming to the Western Cape, in order for them to start in early 2005. This second trip included officials from Public Works and Transport as well as Housing. A direct consequence of these visits is the addition of 12 Cuban technical advisors.

#### **1.4 MISSION STATEMENT**

To ensure municipal success and sustainability.

#### **1.5 LEGISLATIVE MANDATE**

- Basic Conditions of Employment Act, 1997 (Act 75 of 1997)
- Constitution of the Republic of South Africa (Act 108 of 1996)
- Civil Protection Act, 1977 (Act 67 of 1977)
- Civil Protection Ordinance, 1977 (Ordinance 8 of 1977)



- Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993)
- Constitution of the Western Cape, 1 of 1998
- Determination of Types of Municipalities Act, 2000
- Disaster Management Act, 2002 (Act 57 of 2002)
- Division of Revenue Act, 2003
- Employment Equity Act, 1998 (Act 55 of 1998)
- Fire Brigade Services Act, 1987 (Act 99 of 1987)
- Labour Relations Act, 1995 (Act 66 of 1995)
- Local Authorities (Audit) Ordinance, 1938 (Ordinance 17 of 1938)
- Local Authorities (Investment of funds) Ordinance, 1935 (Ordinance 23 of 1935)
- Local Government Demarcation Act, 1998 (Act 27 of 1998)
- Local Government Transition Act, 1993 (Act 209 of 1993)
- Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)
- Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)
- Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004)
- Municipal Ordinance, 1974 (Ordinance 20 of 1974)
- National Archives of South Africa Act, 1996 (Act 43 of 1996)
- Occupational Health and Safety Act, 1993 (Act 85 of 1993)
- Promotion of Access to Information Act, 2000 (Act 2 of 2000)
- Property Valuation Ordinance, 1993 (Ordinance 14 of 1993)
- Protected Disclosures Act, 2000 (Act 26 of 2000)
- Public Finance Management Act, 1999 (Act 1 of 1999) (as amended by Act 29 of 1999) and the National Treasury Regulations
- Public Service Act, 1994 (Act 103 of 1994) and Public Service Regulations of 2000
- Regional Services Councils Act, 1985 (Act 109 of 1985)
- Rural Areas Act, 1987 (Act 9 of 1987)
- Skills Development Act, 1998 (Act 97 of 1998)
- Skills Levy Act, 1999 (Act 90 of 1999)
- Tobacco Products Control Amendment Act, 1999 (Act 12 of 1999)
- Transformation of Certain Rural Areas Act, 1998 (Act 9 of 1998)
- Valuation Ordinance, 1944 (Ordinance 26 of 1944)

## PART TWO

### Programme Performance

#### VOTE 12: LOCAL GOVERNMENT

##### 2.1 Voted funds: (R'000)

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	(Over)/Under Expenditure
	76,374	89,022	65,419	23,603
Responsible Minister	Provincial Minister of Local Government & Housing			
Administering Dept	Provincial Department of Local Government			
Accounting Officer	Head of Department of Local Government			

##### 2.2 Aim of the Vote

The aim of the vote is to promote, co-ordinate and monitor the establishment, development and regulation of effective, efficient, transparent and sustainable local government.

##### 2.3 Summary of programmes

The Local Government sector adopted a uniform budget and programme structures that reflect the minimum number of programmes. These programmes and their contents are encapsulated in definitions, which explain what are to be included under each programme and sub-programme. The activities of the Department of Local Government are organised in the following three programmes:

Programme	Sub-programme
<b>1. Administration</b>	1.1. Office of the Minister 1.2. Corporate Services
<b>2. Local Governance</b>	2.1. Municipal Administration 2.2. Municipal Finance 2.3. Municipal Infrastructure 2.4. Disaster Management
<b>3. Development and Planning</b>	Integrated Development and Planning (IDP)

## **2.4 Overview of the service delivery environment for 2004/05**

Several ongoing change processes influence the content of strategy and strategic positioning of the Department. Key amongst these contextual issues are:

- a) The ongoing refinement and evolvement of the new order local government legislative framework in the form of the Municipal Systems and Structures Acts; guided the role, powers and value adding strategy of the Department in relation to municipalities. A major matter to be resolved is the legislative scope, strategy and approach of the Province in formulating its own legislative agenda;
- b) The completion and promulgation of key new legislation outlining new responsibilities for the provinces in relation to local government. The Demarcation, Municipal Property Rates and Finance Management Acts are the most prominent of a series of new legislation of significance facing the Department;
- c) The evolving nature of the intergovernmental interface between the Province and municipalities in the Western Cape. The establishment of district-based and provincial co-ordination, advisory and consultative structures alongside organised local government unlocked some concern with regard to the respective roles, responsibilities and political influence associated with the various inter-governmental structures. The creation of SALGA Western Cape influences the relationship with municipalities.
- d) The different nature of the City of Cape Town and its demands of Province in relation to district and local municipalities is a further key issue. The high profile of the City and the interface with the Provincial Cabinet is a related inter-governmental dynamic influencing the manner in which the Department responds strategically;
- e) The functional and financial interface between municipalities performing services on behalf of the Province is a further area of complexity. The causes of the current (ill defined and unresolved) service relationship between the Province and municipalities are well documented and do not require expansion here. The urgent need to formalise the current contractual relationship and management of the financial risk for the Province has become a key focus area of the Department. The creation of a sustainable resolution of the intergovernmental services and financial interface presents extremely complex challenges requiring strong leadership, co-ordination of Provincial decision-making, and possibly, a legislative response;
- f) Legislative context: Most of the new generation framework legislation is now in place, providing sufficient clarity to allow for effectively planning. Key factors that will impact on the work of the Department are:
  - Municipal Finance Management Act insofar as it defines a monitoring and oversight role on the Province;
  - Property Rates Act insofar as it places a monitoring and quality control obligation on the Province; and
  - Greater stability and diversity in leadership flowing from post national and provincial political environment.

- g) Sustainability of land restitution in the Western Cape:.. An inter-governmental workshop was held on 18 March 2005 where key stakeholders involved in restitution established the basis and mechanism for sustainable partnership and to synergise the objectives of the restitution programme with that of Provincial Government.

## **2.5 Overview of the organisational environment for 2004/05**

The initiating and completing of the necessary steps for the creation of a new Department was one of the key activities for 2004/05. This process has as yet not been completed and affects the functioning of the Department.

A cryptic SWOT analysis revealed the following:

### Constraints

- We have very little own financial resources to give direct financial support to municipalities.
- We have limited capacity to play a leadership role in general.
- Our legislative mandate is limited.
- We have a lack of capacity with regard to support services (HR and Finance).

### Strengths

- We have a strong mandate to co-ordinate the provincial developmental effort vis a vis municipalities.
- We have a strong capacity to provide technical support regarding infrastructure issues.
- We have a strong legislative mandate to monitor and support local government.
- We have a strong obligation to intervene when necessary.
- We have good standing and networking ability with municipalities.

### Critical support areas for municipalities to be successful (demand side)

- Institutional (executive)
- Financial (management)
- Development planning (IDP) and infrastructure investment
- Disaster management

### Underlying approaches to internal restructuring

- We should earn leadership status and indispensability through the establishment and maintenance of highly competent bureau services in core areas of support to municipalities.
- Support to municipalities will be mainly in the form of support in kind and not by throwing money around.
- Using a municipality's own resources and any grants or other external funding sources which may be available.
- Capacity building in all areas.
- To be pro-active.

## **2.6 Strategic overview and key policy developments for the 2004/05 financial year**

The following key policy developments had to be contended with:

- **Property rates** – Following the local government elections in 2000, municipalities had to include former rural areas on their municipal valuation rolls and had to institute rates on the included properties. In an attempt to assist municipalities in determining the rates on such newly included properties, most being farms, two experts were appointed to draft guidelines on the setting of rates on rural land. A draft report was work-shopped with municipalities during June 2004 and was finalised at the end of the third quarter.
- **Municipal Finance Management Act** – A unit was established between officials of Provincial Treasury and the Department of Local Government to drive the implementation of the Act at municipal level. A road show was undertaken from 5 to 9 July 2004 by the unit to workshop the Act at municipalities to ascertain problems regarding the implementation thereof.
- **Disaster Management** – A Multi-departmental Task Team was appointed to make recommendations on the short, medium and long-term actions to address the fires and flooding in informal settlements in the Province. The short-term recommendations were completed and presented to the Provincial Executive during June 2004.
- **Indigent policy** – The department developed a guideline document and availed it as an input towards the development of a national indigent policy. The department is an active participant in the national task team in this regard.
- **Municipal Infrastructure** – the new national policy on the Municipal Infrastructure Grant was communicated to all relevant role-players (work-shopped).
- **Ward participatory system** – The implementation of the system has received renewed attention. Ward committee assessment and capacity building programme commenced on 14 February 2005.
- **Intergovernmental planning** – Flowing from the President's 2004 State of the Nation address, emphasis was placed on the co-ordination between the three spheres of government in focusing on the common developmental agenda and intensifying integrated programmes through seamless planning, budgeting and service delivery.
- **Community Development Workers** – A roll-out strategy for the CDW Programme was conceptualized to guide the implementation of the programme during the current financial year and a CDW conference was hosted during October 2004.
- **Project Consolidate** – A detailed project plan was developed and communicated to all key role players.
- **Anti-corruption strategy** – An agreement was concluded between the Department and the Special Investigating Unit in February 2005 to assist Province in its constitutional supervisory role. This arrangement enhances the broad anti-corruption strategy of national and provincial governments.

## 2.7 Departmental receipts (R'000)

Departmental Revenue	Actual Collection 2003/04	Budgeted Collection 2004/05	Actual Collection 2004/05	% Deviation from Target
<b>Current Revenue</b>				
Tax Revenue				
Non-Tax Revenue	11	13	7	46.15
Financial Transactions in Assets and Liabilities	478		320	
<b>Capital Revenue</b>				
<b>Departmental Revenue</b>	<b>489</b>	<b>13</b>	<b>327</b>	<b>2 415.38</b>

## Sources of revenue (R'000)

Departmental Revenue	Actual Collection 2003/04	Budgeted Collection 2004/05	Actual Collection 2004/05	% Deviation from target
Sales of goods and services other than capital assets	4	8	6	25.00
Interest, dividends and rent on land	7	5	1	80.00
Financial transactions in assets and liabilities	478		320	
<b>TOTAL</b>	<b>489</b>	<b>13</b>	<b>327</b>	<b>2 415.38</b>

## Specific challenges and responses

### Challenge 1:

To increase Departmental revenue through the identification of alternative sources of revenue and the re-investigation of the rates charged, in collaboration with the Provincial Treasury. The under-collection of Departmental revenue has an overall negative effect on the budget of the Western Cape Provincial Government.

### Response to Challenge 1

Filling of vacant posts after matching and placing of current staff has been concluded.

### Challenge 2:

To manage budgeted and actual Departmental revenue effectively and efficiently. The under or over estimation for revenue budgeted and collected leads to the under or over statement of income through the IYM's, which ultimately has a negative effect on the overall effective management of the Province's budget.

### Response to Challenge 2

Filling of vacant posts at management level in the Finance Department.

## Issues requiring ongoing attention

- Matching and placing and recruiting of staff.
- Increase and effective monitoring of Departmental revenue.

## 2.8 Departmental payments (R'000)

Programmes	Voted for 2004/05	Roll-overs and adjustments	Virement	Total Voted	Actual Expenditure	% Deviation from Total Voted
Administration	20,411	55		20,466	17,505	14.47
Local Governance	48,689	11,793		60,482	40,105	33.69
Development and Planning	7,274	800		8,074	7,809	3.28
<b>Total</b>	<b>76,374</b>	<b>12,648</b>		<b>89,022</b>	<b>65, 419</b>	<b>26.51</b>

### Specific challenges and responses

<p><u>Challenge 1:</u></p> <p>Population of new staff establishment.</p>
<p><u>Response to Challenge 1</u></p> <p>Senior managers appointed and matching and placing of other officials to be concluded.</p>
<p><u>Challenge 2:</u></p> <p>Slow spending of conditional grant in respect of Management Support programme. The Department was obliged to request Provincial Treasury to roll funds over to the 2005/06 financial year.</p>
<p><u>Response to Challenge 2</u></p> <p>Focused pressure on programme to spend funds by 3<sup>rd</sup> quarter of 2005.</p>

### Issues requiring ongoing attention

- Matching and placing and recruiting of staff.
- Monitoring spending tempo of Management Support programme.



## **2.9 Programme Performance**

Section 27(4) of the PFMA (measurable objectives) came into effect on 1 August 2002 for the 2003/04 financial year and departments are now obliged to provide measurable objectives for each main division within the department's vote. In this regard, departments are also required to report in their annual reports on actual performance against service delivery objectives and targets.

The Department's programme performance is in accordance with the strategic plan as tabled in the Provincial Legislature.

## **2.10 Service Delivery Achievements**

### **Programme 2: LOCAL GOVERNANCE**

#### **Strategic goal 1: Accountable and sustainable local governance**

##### **Strategic objectives:**

- To provide management and support services to local government within a regulatory framework
- Enabling legislative clarity and maintaining the institutional integrity of municipalities
- Ensuring provincial and municipal compliance with existing and future property tax legislation
- Shape/focus on provincial strategy re local government
- Facilitating co-operative government
- Facilitating constructive management of the political dynamics
- Monitor and support municipalities to ensure financially viable and sustainable municipalities
- To monitor and support with the implementation of free basic services
- Facilitate and monitor infrastructural development within municipalities to ensure sustainable municipal infrastructural development
- Manage disaster management at provincial level to ensure the establishment of effective and efficient disaster management mechanisms
- Monitor and promote the development of an acceptable fire brigade service

Sub-Programme	Measurable Objective	Performance Measures	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from target	
						Units	%
2.1	To provide support and facilitate the implementation of a legislative and policy framework in respect of local government	No of policies, guidelines and legislation formulated	Framework for mandate act completed  -	1 Act (provincial mandate act)	Proposed mandate Act under review	-	-
				1 Provincial act (to review Municipal Ordinance 20 of 1974; Divisional Councils Ordinance 18 of 1976) and repeal redundant provincial legislation	Not submitted	-1	-100.00
				1 standard by-law	1 by-law (rules of order received)	-	-
		Annual report on municipal performance (S47 of Municipal Systems Act) submitted by the MEC timely (if not measured under programme 3)		1	Subject to the capacity of municipalities to implement as prescribed by MFMA		
		No of provincial summits	1	1	1	-	-
	To facilitate the development of a coherent provincial strategy in respect of local government	Functioning structure for regular political and technical interaction with the City of Cape Town		Structure implemented and maintained	Draft document	-1	-100.00
	To establish and promote the department as principal provincial liaison structure in relation to intergovernmental relations with local government	No of conferences with all three spheres of government		1	-	-1	-100.00

Sub-Programme	Measurable Objective	Performance Measures	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from target	
						Units	%
2.2	To monitor and support municipalities to achieve and maintain financial viability	% of progress made in respect of the development of monitoring tool	50	100	100	-	-
		No of municipalities captured on monitoring system	30	30	30	-	-
		Maintained database	1	1	1	-	-
		No of reports to HOD, Minister and other directorates	4	4	4	-	-
		No of management support programmes (capacity building programmes implemented	11	8	8	-	-
		No of functioning municipal steering committees	11	8	8	-	-
		No of provincial steering committee meetings	4	4	4	-	-
	To do quarterly monitoring with regard to the implementation of free basic services and compile quarterly reports to HOD and Minister as part of monitoring report	Number of quarterly reports	4	4	4	-	-
		Number of maintained databases	1	1	1	-	-
	To support municipalities with the implementation of free basic services	Number of provincial workshops	1	1	1	-	-

Sub-Programme	Measurable Objective	Performance Measures	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from target	
						Units	%
2.3	To monitor and facilitate sustainable municipal infrastructural development	No of capacity building initiatives implemented	9 provincial Workshops; 131 training courses	4 120	4 120	- -	- -
		No of municipal infrastructure assessments business and master plans facilitated	-	15	28	13	86.67
		No of capacitated provincial and municipal officials	1892	1500	1195	-305	-20.33
		No of district municipalities assisted with MIG	5	5	5	-	-
		No of MIG progress reports	12	12	12	-	-
		No of district business plans evaluated	5	5	5	-	-
		No of provincial CMIP monitoring meetings	12	12	12	-	-
		No of provincial workshops on Municipal Service Partnerships to market the concept	-	5	-	-5	-100.00

Sub-Programme	Measurable Objective	Performance Measures	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from target	
						Units	%
2.4	To facilitate effective and efficient disaster management mechanisms at provincial and local level	The development of a provincial disaster management framework and institutional structures	Commence work on framework	Finalised framework	Draft framework	-	-
				Advisory forum	Advisory forum	-	-
				Commence work on PDC	Budget proposal	-	-
				Appointed Head of Centre	Job description	-	-
		No of district disaster management plans and institutional structures established		5	5	-	-
		No of capacity building programmes		Identify 10 training projects	10 training projects identified	-	-
	To advise municipalities on the establishment of effective Fire Fighting Services	No of municipal fire brigade development plans		6	-	-6	-100.00

### Specific challenges and responses

#### Challenge 1: Drafting of the National Disaster Management Framework

Delays in the drafting of the National Disaster Management Framework resulted in the Department not being able to finalize the Provincial Disaster Management Framework.

#### Response to Challenge 1

Publication of the National Disaster Management Framework by the Department of Provincial and Local Government at the earliest possible date. Substantial comments were provided on the draft framework.

Challenge 2: Funding for the establishment of a Provincial Emergency Management Centre

Lack of sustainable funding for the establishment and maintenance of a Provincial Emergency Management Centre. If funding is not obtained the Department will not be able to implement the requirements of the Disaster Management Act, which will negatively impact on the Department's ability to mitigate, prevent, respond and recover from disasters.

Response to Challenge 2

Secure sustainable funding over the MTEF for the establishment and maintenance of a Provincial Emergency Management Centre.

**Issues requiring ongoing attention**

Establishment and maintenance of an Emergency Management Centre in the Province.

**Programme 3: DEVELOPMENT AND PLANNING**

**Strategic goal 2: Integrated development and planning**

**Strategic objectives:**

- Providing leadership in building developmental local government
- To obtain clarity on the functional division between the provincial and local spheres
- Successful implementation of developmental local government
- To promote effective and efficient integrated development planning
- Effective implementation of municipal Integrated Development Plans
- Effective co-ordination of the Provincial input towards the ISRDP and the URP
- Effective development and co-ordination of departmental training initiatives
- Constructive management of community focused matters
- Research to complement the Departmental Strategic Plan

Sub-Programme	Measurable Objective	Performance Measures	Actual Outputs 2003/04	Planned Outputs 2004/05	Actual Outputs 2004/05	Deviation from target	
						Units	%
3.1	To promote effective and efficient integrated development planning	No of policies, and guidelines formulated		Powers and function framework	Drafting of framework abandoned		
		No of capacity building programmes implemented	3	5	5	-	-
		No of reviewed municipal IDP'S assessed annually	30	30	15	-15	-50.00
		No of municipal performance management system facilitated	30	30	5	-25	-83.33
		Annual report on municipal performance (S47 of Municipal Systems Act) submitted by the MEC timely (if not measured under programme 2)	Timeously	Timeously	Draft Report	-	-
		No of co-ordinated programmes		Establish institutional capacity	New staff structure not yet appointed in 2 <sup>nd</sup> quarter	-1	-100.00
		Successful Provincial Funding Conferences on the URP and ISRDP respectively		2	1	-1	-50.00
		No of research projects identified or completed	5	5	1	-4	-80.00

## Specific challenges and responses

### Challenge 1: Project Consolidate.

Lack of departmental capacity to implement project consolidate, causing delays in the implementation of projects at some municipalities.

### Response to Challenge 1

The department is in the process to appoint a dedicated external service provide.

### Challenge 2: Drafting of a powers and functions framework.

The drafting of a powers and functions framework was abandoned, as a different approach was embarked upon following the elections in April 2004.

### Response to Challenge 2:

Following the establishment of SALGA Western Cape, the Department consulted with them to establish certainty on the future approach.

### Challenge 3: Late submission of Municipal Annual Performance Report.

No clear reporting framework from the National Department of Local Government, causing delays in the submission of the consolidated municipal performance report to the Department of Provincial and Local Government and the National Council of Provinces.

### Response to Challenge 3

Provide inputs toward National Department of Provincial and Local Government on reporting.



Challenge 4: URP funding Conference

URP funding conference did not take place, impacting on the Department's delivery in respect of the urban nodes of Khayelitsha and Michells' Plain, especially during the financial year.

Response to Challenge 4

A URP funding conference for the urban nodes is scheduled for the 2005/06 financial year, in collaboration with WESGRO.

Challenge 5: Research Projects

Research component was dedicated to the implementation of the Community Development Workers (CDW) Programme and could therefore not conduct research to support other objectives of the Department.

Response to Challenge 5

A Separate programme was created to implement the Community Development Workers (CDW) Programme, thereby releasing the hands of the research component. However, this only occurred at the end of the financial year.

**Issues requiring ongoing attention**

- Monitoring progress of Project Consolidate.
- Reporting framework for municipal annual performance report.
- Clarity on diversion of powers of functions.
- Urban Renewal programme funding conference.
- Refining of IDP's.
- Further roll-out of CDW programme.

## 2.11 Transfer payments

Table 4 below is the transfer payments per municipality

NAME OF MUNICIPALITY Local Government Capacity Building Grant	Amount Transferred R'000	Actual Expenditure R'000
Beaufort-West	2 195	2 195
Bergriver	197	197
Breede River/ Winelands	850	850
Breede Valley	957	957
Cederberg	848	848
Drakenstein	241	241
Eden District Municipality	603	603
Kannaland	3 381	3 381
Knysna	219	219
Laingsburg	297	297
Langeberg	1 236	1 236
Matzikama	46	46
Oudtshoorn	142	142
Plettenberg Bay/ Bitou	432	432
Saldanha Bay	242	242
Stellenbosch	16	16
Swellendam	153	153
Theewaterskloof	121	121
Witzenberg	2 837	2 837
<b>SUB TOTAL</b>	<b>15 013</b>	<b>15 013</b>

Purpose: The Local Government Capacity Building Fund Grant provided for the funding of management support programmes whereby provinces support municipalities experiencing financial and/or administrative problems with the implementation of corrective actions.

Section 38(1) (j) of the Public Finance Management Act (PFMA) is not applicable on the aforementioned transfers to municipalities.

NAME OF MUNICIPALITY Project Preparation	Amount Transferred R'000	Actual Expenditure R'000
Beaufort-West	130	130
Bergriver	50	50
Breede River/ Winelands	135	135
Cape Agullhas	110	110
Cederberg	50	50
Central Karoo District	68	68
Drakenstein	100	100
George	100	100
Knysna	50	50
Mossel Bay	50	50
Oudtshoorn	100	100
Overstrand	100	100
Plettenberg Bay/ Bitou	50	50
Prince Albert	45	45
Swartland	42	42
Swellendam	125	125
Theewaterskloof	100	100
Witzenberg	95	95
<b>SUB TOTAL</b>	<b>1,500</b>	<b>1,500</b>

Purpose: Project Preparation funds are aimed at supporting municipalities with the development of master systems plans to enhance municipal planning in respect of infrastructure.

Section 38(1) (j) of the Public Finance Management Act (PFMA) is not applicable on the aforementioned transfers to municipalities.

<b>NAME OF MUNICIPALITY Fire-fighting Assistance</b>	<b>Amount Transferred R'000</b>	<b>Actual Expenditure R'000</b>
City of Cape Town	1,500	1,500
<b>SUB TOTAL</b>	<b>1,500</b>	<b>1,500</b>
<b>TOTAL</b>	<b>18,013</b>	<b>18,013</b>

Purpose: To grant aerial fire-fighting assistance to the City of Cape Town, Cape Winelands District Municipality, West Coast District Municipality and Overberg District Municipality for the combat of mountain and veld fires.

Section 38(1) (j) of the Public Finance Management Act (PFMA) is not applicable on the aforementioned transfers to municipalities.

Table 5 below is the transfer payments per institution

<b>NON PROFIT INSTITUTIONS</b>	<b>Amount Transferred R'000</b>	<b>Actual Expenditure R'000</b>
Life Saving SA	200	200
<b>TOTAL</b>	<b>200</b>	<b>200</b>

Purpose: To provide support for the rendering of life a saving function on beaches in the Western Cape Province.

Section 38(1) (j) of the Public Finance Management Act (PFMA) is not applicable on the aforementioned transfers to municipalities.

## 2.12 Conditional grants

Table 6 below is the summary of Conditional Grants for 2004/05 (R'000)

<b>Name of Conditional Grant</b>	<b>Payments 2003/04</b>	<b>Amount Budgeted 2004/05</b>	<b>Budget (Payment Schedule)</b>	<b>Actual Received</b>
MIG* Provincial Administration Grant	3,281	3,508	3,508	3,508
LG Capacity Building Fund Grant	23,832	20,050	20,050	20,050
<b>TOTAL</b>	<b>27,113</b>	<b>23,558</b>	<b>23,558</b>	<b>23,558</b>

\*Municipal Infrastructure Grant

<b>Name of Conditional Grant</b>	<b>Budget Receipts 2004/05</b>	<b>Actual Receipts 2004/05</b>	<b>Actual Expenditure 2004/05</b>
MIG Provincial Administration Grant	3,584*	3,508	3,427
Local Government Capacity Building Fund Grant	31,767**	21,196	21,141
<b>TOTAL</b>	<b>35,351</b>	<b>24,704</b>	<b>24,568</b>

\*Includes Roll-over of R76 000

\*\*Includes Roll-over of R11 717 000 in respect of management support programmes

### **Municipal Infrastructure Grant – Provincial Administration Grant**

The transfers from national were received as scheduled and no payments were delayed. The purpose of this grant is to fund provinces for the project management of the MIG grant on behalf of the national Department of Provincial and Local Government and therefore the full grant is retained for administration costs. It was also the last financial year that this grant was received.

### **Local Government Capacity Building Fund Grant**

Although all the planned Management Support Programmes were implemented, a part of the allocated funds was not spent due to the late approval by the national Department of Provincial and Local Government of the provincial business plan. Although the provincial business plan was submitted early in March 2002, approval was only received at the end of June 2004. What must be remembered is that municipalities still have to go out on tender to appoint service providers after approval is received, which is also time consuming and the Department only pays over the funds on the receipt of certified claims once actual delivery of services have taken place.

The department's ultimate objective through the implementation of these Management Support Programmes is to assist municipalities to become and remain financially viable entities through the appointment of dedicated, professional service providers and to ensure that effective sustainable skills transfer does indeed take place.

Section 154(1) of the Constitution places an obligation on National and Provincial Government, by legislative and other means, to monitor, support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions. Accordingly, this province supports and assists struggling municipalities focusing on the enhancement of their financial and administrative capacity for sustainable service delivery, through these funds.

These programmes are aimed at achieving the following main outcomes/objectives:

- Independent municipalities that are able to function in a positive cash flow situation.
- Increased effective and efficient service delivery to the community.
- Municipalities that adhere to all the statutory requirements set for them.

- Through the rendering of support, the effective completion of key transitional activities.
- Cash funded budgets to ensure financial independence.
- Effective sustainable skills transfer.
- And ultimately to achieve successful municipalities.

A total of 8 municipalities were identified through regular monitoring of key predetermined indicators and also through interactions with various role-players, in this provinces' business plan which was approved by the national Department of Provincial and Local Government.

Depending on the level of support that is needed, assistance was given to fund specific projects for one financial year or a "multi-year turn around strategy" is followed to ensure that the municipality addresses all its needs over the medium term.

The Department has come a long way in stabilizing municipalities through the implementation of the management support programme by the appointment of dedicated, competent service providers. We have achieved success through the stabilization of municipalities that experienced serious financial and administrative problems. Examples of "best practices" can now be showcased at municipalities where the programme was successfully implemented.

The reason for the successes achieved at these municipalities can, inter alia, be attributed to the implementation of multi-year turn around plans, dedicated work by the services providers, buy-in from the officials and councillors, constant monitoring by the department and municipal steering committees and the proper transfer of skills thus ensuring that capacity is retained.

All transfers from the national Department of Provincial and Local Government were made as scheduled. As mentioned before, the late approval of the provincial business plan hampered the Department's spending. The spending of the funds at municipal level is closely monitored and funds are only paid out after the receipt of certified claims from municipalities. Monthly reporting was done in terms of the Division of Revenue Act, 2003. Outputs are closely monitored through monthly municipal steering committees and quarterly provincial steering committees. It is important to note that this was the last financial year that this grant was received.

## **2.13 Capital investment, maintenance and asset management plan**

### **Capital Investment**

Nil return

### **Asset Management**

Refer paragraph 4.2 of the Auditor-General's report.

### **Maintenance**

Not Applicable

## Specific challenges and responses

### Challenge 1:

To establish an assets management section for the effective and efficient management, control and maintenance of the Departments assets register and to control and safeguard the Department's assets. As the assets register is not up to standard it is difficult to measure physical assets against the register and to control such assets.

### Response to Challenge 1

Planning to be done immediately and vacant posts to be filled after matching and placing has been concluded. Training of staff to commence thereafter.

### Challenge 2:

To bring the Department's assets register in line with the minimum requirements as per National Treasury's Asset Management Guide and that of the external auditors. The Department's assets cannot be managed and safeguarded without these minimum requirements.

### Response to Challenge 2

Relevant staff to be trained and control measures to be implemented, refined and stepped up.

## Issues requiring ongoing attention

- Effective and efficient maintenance of the Department's assets register.
- Twice yearly stock counts and effective management thereof.
- Filling of vacant posts and training of staff.
- Maintenance and monitoring of relevant control measures.
- Effective reporting.

## **PART 3**

### **Report of the Audit Committee**

#### **REPORT OF THE PROVINCIAL GOVERNMENT WESTERN CAPE SHARED AUDIT COMMITTEE ON THE DEPARTMENT OF LOCAL GOVERNMENT (VOTE 12) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2005**

We are pleased to present our report for the above-mentioned financial year.

#### **Appointment of the Shared Audit Committee**

The Department of Local Government (Vote 12) is served by a Shared Audit Committee appointed under Cabinet Resolution 75/2003 of 23 June 2003 for the 2 year period to 31 March 2005 extended by Resolution 95/2005 for 2 more years to 31 March 2007.

#### **Audit Committee Members and Attendance:**

The Shared Audit Committee members attended meetings during the financial year under review, in terms of their adopted Audit Charter, as indicated below:

<b>Member</b>	<b>Number of Meetings Attended</b>
Mr J.A. Jarvis (Chairperson)	5
Mr J. January	5
Mr V.W. Sikobi (resigned May 2005)	1
Mr R. Warley	4
Mr. P. Jones (appointed April 2005)	0

#### **Audit Committee Responsibility**

The Audit Committee has complied with its responsibilities arising from section 38(1) (a) of the PFMA and Treasury Regulation 3.1.13 and 27(1) (10). The Audit Committee has also regulated its affairs and discharged its responsibilities in terms of the Audit Committee Charter. However it did not address internal audit issues as envisaged in its Charter and the PFMA, due to the suspension of Internal Audit activity in 2003 (Provincial Treasury Circular No. 25/2003).

#### **Effectiveness of Internal Control**

In 2004 the Sihluma Sonke Consortium was appointed to develop and transfer internal audit skills to the Provincial Government over a three-year period.

The assessment of Internal Controls by Internal Audit was suspended in 2003 and the Operational Audit Plan was rescheduled to commence in 2005/6, following completion of the Risk Assessment and Process and Control Mapping exercises.



In view of the above the Audit Committee has had to rely on the opinions and work done by the Auditor-General in preparing this report.

The Auditor-General reported that the Department was unable to produce a Logis report supporting their physical asset count. The Audit Committee pointed out that other Departments had been more successful in this regard.

The Audit Committee resolved to meet with the Accounting Officer to agree on a course of action to address weaknesses and deficiencies that were emphasized by the Auditor-General.

During the year under review the Audit Committee has promoted better communication and exchange of information between the Forensic Audit, Internal Control units, Internal Audit, and the Office of the Auditor-General.

### **Evaluation of Financial Statements**

The Audit Committee has:

- Reviewed and discussed with the Auditor-General and the Accounting Officer (or his/her representative) the audited annual financial statements to be included in the annual report;
- Reviewed the Auditor-General's management letters and the responses thereto;
- Reviewed significant adjustments resulting from the audit;
- Reviewed the Auditor-General's report.

The Audit Committee concurs and accepts the Audit Opinion of the Auditor-General on the Annual Financial Statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

### **Appreciation**

The Audit Committee wishes to express its appreciation to the Provincial Treasury, Officials of the Department, the Auditor-General and the Sihluma Sonke Consortium for their assistance and co-operation in compiling this report.



J.A. JARVIS  
Chairperson of the Shared Audit Committee  
Date: 4 August 2005

**PART 4**  
**WESTERN CAPE PROVINCE**  
**DEPARTMENT OF LOCAL GOVERNMENT**  
**VOTE 12**

**ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2005**

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VOTE 12**

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

Report by the Accounting Officer to the Executive Authority and the Members of the Provincial Parliament of the Western Cape.

**1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS**

During 2004/05 the department continued playing an important facilitating and supporting role through interpretation, advice and the distribution of guiding documents and draft policies. Formal liaison structures such as the Provincial advisory forum (political) and the supporting technical structure were fully utilised for this purpose.

The department made significant progress with its restructuring process, which seeks to align its line functions to its 2004/05 Strategic Plan and has as output a functional and efficient organisational structure that is able to give effect to the goals and objectives contained in the plan.

Eight management support programmes were implemented, one being a comprehensive informal intervention into the Kannaland municipality.

A guideline document to enhance the implementation of a sustainable uniform indigent policy by municipalities was submitted to the national Department of Provincial and Local Government to be incorporated into a national process for the development of a guideline on sustainable uniform indigent policies. The implementation of free basic services by municipalities was monitored on an on-going basis and support was given with the implementation of free basic electricity in areas where Eskom is the service provider.

With the completion of a municipal capacity audit in the Province, the foundation is there to build on the existing capacity building and training initiatives of the Department to address these elements and strengthen the necessary capacities. Over the last year, the Department has had great success with the implementation of the Local Government Management Training Programme, through which senior, middle and female managers in local government were capacitated for their important tasks.

This success should be concretised through continued activities to strengthen the technical competencies of local government stakeholders in respect of the conceptualisation and contextualisation of developmental government at the provincial and local spheres. A management development programme was presented in three courses, with municipal officials from the previously disadvantaged as target groups. Bursaries were awarded to four (4) municipal officials from the previously disadvantaged group, to further their studies in development planning and management. A group of senior municipal officials gained international exposure through a benchmarking visit. A document on public participation in the local government sphere was launched and is now being rolled-out in pilot municipalities in the Province.

During the past year the Integrated Development Plan (IDP) programme succeeded in enabling targeted support to specific municipalities regarding IDP

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processes, project management skills and improving strategic information within municipalities. Municipalities were supported with the development of their IDP's through the establishment of five Planning and Implementation Support (PIMS) Centres, the hosting of an IDP Conference and the roll-out of a comprehensive outreach programme.

The Urban Renewal Programme (URP) and Integrated Sustainable Rural Development Programme (ISRDP) are Presidential Programmes to which all spheres of government are expected to direct resources. This is a presidential initiative to address poverty and underdevelopment. Nodes in the Western Cape are the Central Karoo (ISRDP) and the Khayelitsha and Mitchell's Plain (URP). During the past year these programmes have been strengthening the arm of local government in addressing this constitutional objective through excellent performance in the Central Karoo Node and laying the foundation for further development in the Khayelitsha and Mitchell's Plain Nodes. The URP and ISRDP were managed inline with the business plans drafted for both programmes and a very successful Business Opportunities Conference was hosted in Beaufort West to encourage private sector investment in the node. A study was also completed to investigate the levying of sustainable taxes on agricultural land. A very successful conference was hosted on "Women in Local Government".

With the emphasis on seamless government where organs of state support each other, ongoing assistance was given to the Commission of Restitution of Land Claims. The same applies to the Department of Land Affairs in the context of the transformation of certain rural land pertaining to former Rural Areas Act, 1987 (Act 9 of 1987) areas.

This year saw the conceptualisation and implementation of the Community Development Workers (CDW) programme for the Province. A total number of 400 CDW learners were recruited and placed on this learnership. The main purpose of the CDW programme is to create a public service echelon of multi-skilled community developed workers who will maintain direct contact with the people within the communities. This is one way of taking government to the people to improve the quality of the outcomes of public expenditure intended to raise the standard of living of the people.

Continued attempts were made to address the division of powers and functions between the provincial and local spheres of government.

The Disaster Management Act, 2002 (Act 57 of 2002) was partially enacted and will be implemented over a two year period. In line with this development, a Provincial Disaster Management Framework is being drafted. A project management approach was embarked upon to establish provincial and district management centres in line with the Disaster Management Act. During the year a number of disasters were contended with. In respect of preparedness and mitigation, the emphasis fell on fires and flooding in the informal settlements in the province. Short and long term plans were developed to address this phenomenon.

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**REPORT OF THE ACCOUNTING OFFICER  
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**1.1 Spending trends**

The Department's total budget for the 2004/05 financial year amounts to R89 022 000. This figure includes an amount of R11 717 000 that represents roll over funds for conditional grant business plan commitments, i.e. those related to the Local government capacity building fund grant and the Municipal infrastructure grant. The following reflects the budget allocation per programme:

**Budget allocation**

	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>Total</b>	<b>89 022</b>	<b>78 762</b>
Administration	20 466	17 880
Local Governance	60 482	55 103
Development and Planning	8 074	5 779

**Underspending**

	<b>R'000</b>	<b>R'000</b>
<b>Total</b>	<b>23 603</b>	<b>22 689</b>
Administration	2 961	6 484
Local Governance	20 377	14 990
Development and Planning	265	1 215

**1.2 Under/(over) spending**

Reasons for under spending

**Programme 1: Administration**

Saving due to the filling of vacant posts only materialising in the third and fourth quarters resulting in savings on compensation of employees and goods and services.

**Programme 2: Local Governance**

Saving due to the non-filling of vacant posts in terms of the new structure resulted in savings on compensation of employees and goods and services. Savings on machinery and equipment were largely due to the non-appointment of a service provider for the installation of servers and satellites related to the Provincial Disaster Management Centre. Saving due to the late approval of management support programme business plans by the department of Provincial and Local Government resulted in savings on transfer payments.

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**Programme 3: Development and Planning**

Saving due to the filling of vacant posts only materialising in the fourth quarter resulted in savings on compensation of employees and goods and services costs.

**2. SERVICES RENDERED BY THE DEPARTMENT**

2.1 The department rendered the following services:

1. Advisory service on the application of local government legislation.
2. Formulation of appropriate provincial legislation on local government.
3. Execution of legislation.
4. Technical support with the review of integrated development plans.
5. Provincial disaster management.
6. Support with municipal valuations.
7. Co-ordination of ISRDP and URP.
8. Conduct research initiatives in respect of local government.
9. Support with the implementation of performance management.
10. Promotion and co-ordination of internal and external training initiatives.
11. Capacity building within local government.
12. Facilitating the transfer of functions and powers between the provincial and local government spheres.
13. The implementation and maintenance of inter-governmental fora for good governance and sound relations.
14. Implementation of management support programmes.
15. Promoting developmental local government.

2.2. Tariff policy

None of the services rendered by the department were subject to any tariff.

2.3 Free services

This department rendered no free services which would have yielded significant revenue had a tariff been charged.

**3. CAPACITY CONSTRAINTS**

Capacity constraints were mainly evident in the support services of the department. For the period under review, the Department of Housing rendered centralised support services to this department on an agency basis.

**4. UTILISATION OF DONOR FUNDS**

No donor funds were received or utilised by the department.

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

**5. PUBLIC ENTITIES**

The department has no public entities reporting to it.

**6. OTHER ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE**

All transfer payments and the purposes for the payments made are reported in Annexures 1(B – E) of the Notes to the Annual Financial Statements.

Accountability arrangements in place on each transfer payment made, are stipulated in the individual agreements with the entities receiving the transfer payments.

**7. PUBLIC/PRIVATE PARTNERSHIPS (PPP)**

The department did not enter into any PPP during the period under review.

**8. CORPORATE GOVERNANCE ARRANGEMENTS**

A Chief Financial Officer (CFO) for the Department has been appointed on 01 July 2003 to assist the Accounting Officer in his responsibilities as set out in part 2 of chapter 5 of the PFMA. The Department of Housing is rendering an agency service in respect of the support functions until such time as the necessary critical mass has been attained.

The department made use of a centralised internal audit unit and audit committee.

With reference to internal control systems the department was fully reliant on the agency department for compliance with prescripts.

The Provincial Tender Board was abolished on 31 December 2003. The Department subsequently compiled its own Accounting Officer's Supply Chain Management System effective 01 January 2004. The Accounting Officer's system and delegations were issued to departmental officials in terms of section 44 of the PFMA on 06 February 2004. Updated versions were issued on 01 October 2004.

**9. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED**

No activities were discontinued/are to be discontinued.

**10. NEW/PROPOSED ACTIVITIES**

The CDW programme was initiated.

**11. EVENTS AFTER THE ACCOUNTING DATE**

On 1 April 2005 the Department amalgamated with the Department of Housing, becoming the Department of Local Government and Housing. The reasons for this were that the previous two Departments did not work closely together to allow for meaningful integration and synergy that resulted in improved policy co-

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for the year ended 31 MARCH 2005**

ordination and service delivery impact. It made proper business and administrative sense to integrate the core business of each portfolio at a strategic and operational level. Fundamental integration and joint planning would not only result in more internal effective and efficient co-ordination, but would give effect to developmental local governance and service delivery. Co-operation could thus be facilitated through this amalgamation process and could enhance the cost effectiveness within the Department.

**12. PROGRESS WITH FINANCIAL MANAGEMENT IMPROVEMENTS**

All staff members were originally introduced to the new financial legislation by means of information sessions by the Provincial Treasury, distribution of applicable documentation and training sessions in order to ensure that they have a background knowledge of the norms and standards of the Public Finance Management Act (PFMA), the National Treasury Regulations (NTR's) and the Provincial Treasury Instructions (PTI's). All newly appointed staff will in future also undergo similar training and personnel will also be nominated for courses presented by the Provincial Treasury.

Quarterly reporting was done to the Provincial Treasury to ensure that the department is on track with the implementation of the PFMA.

Financial processes and procedures in respect of the Treasury Instructions and the Exchequer Act have been adapted and issued in terms of the PFMA and NTR's. As the need arises, new procedures are developed and issued in terms of the new legislation/regulations.

**13. PERFORMANCE INFORMATION**

Performance is assessed on a quarterly basis by means of the evaluation of individual performance agreements inclusive of work plans derived from the objectives and outputs contained in the Strategic Plan of the department. Continuous monitoring is done through bi-weekly management meetings and meetings with the Executive Authority.

A strategic planning feedback session is held at least once a year to ascertain progress with implementation.

**APPROVAL**

The annual financial statements set out on pages 39 to 74 have been approved by the Accounting Officer.



**(S MAJIET)  
ACCOUNTING OFFICER**

**DATE: 30/05/2005**



**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

**REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL PARLIAMENT OF  
THE WESTERN CAPE ON THE FINANCIAL STATEMENTS OF THE DEPARTMENT  
OF LOCAL GOVERNMENT (VOTE 12) FOR THE YEAR ENDED 31 MARCH 2005**

**1. AUDIT ASSIGNMENT**

The financial statements as set out on pages 39 to 74 for the year ended 31 March 2005 have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

**2. NATURE AND SCOPE**

**2.1 Audit of financial statements**

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

An audit includes:

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

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

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

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

**3. AUDIT OPINION**

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

**4. EMPHASIS OF MATTER**

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

**WESTERN CAPE PROVINCE  
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#### **4.2 Asset management**

Asset management at the department was found to be inadequate as a complete asset register, which conforms to the guidelines issued by National Treasury, was not maintained on the prescribed logistical information system (LOGIS). Due to uncertainties by the department regarding the use of the LOGIS system, a meaningful stock count of moveable assets was not performed during the financial year. The difficulties experienced by the department in maintaining an asset register on LOGIS have, however, been brought to the attention of the Provincial and National Treasury.

#### **4.3 Internal audit**

According to section 38(1)(a)(ii) of the PFMA, the accounting officer of a department must ensure that the department has and maintains a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77 of the PFMA. No internal audit work has, however, been performed at the department during the financial year under review upon which reliance could be placed. This was mainly due to capacity constraints of the provincial shared internal audit directorate.

### **5. APPRECIATION**

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



D.A. van Huyssteen *for* Auditor-General

Cape Town

29 July 2005



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

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

**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**

***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.

***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.

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

**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 payment is made. 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 payment is made.

***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 payment is made. 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 payment is made.

***Medical benefits***

The department provides medical benefits for its employees through defined benefit plans. Employer contributions to the fund are incurred when money is paid to the fund. 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 money is paid to the fund. 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.

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

***Goods and services***

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the payment is made. 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 payment is made. This item excludes rental on the use of buildings or other fixed structures.

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

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

***Unauthorised expenditure***

Unauthorised expenditure is defined as:

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

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

***Irregular expenditure***

Irregular expenditure is defined as:

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

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

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.

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**ACCOUNTING POLICIES  
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***Fruitless and wasteful expenditure***

Fruitless and wasteful expenditure, is defined as:  
expenditure that was made in vain and would have been avoided had reasonable care been exercised, therefore

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

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

**4. Transfers and subsidies**

Transfers and subsidies include all irrecoverable payments made by the entity. Transfers and subsidies are recognised as an expense when the payment is made.

**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 payment is made.

**6. 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.

**7. 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.

**8. 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.

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

**9. 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.

**10. 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 remains unpaid 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.

**11. 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.

**12. 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.

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

**13. 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.

**14. 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.



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

Appropriation per programme									
Programme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Payment as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1. Administration</b>									
Current payment	18,982	-	(250)	18,732	16,036	2,696	85.6	14,642	10,504
Transfers and subsidies	186	-	(150)	36	27	9	75.0	36	22
Expenditure for capital assets	1,298	-	400	1,698	1,442	256	84.9	3,202	870
<b>2. Local Governance</b>									
Current payment	26,645	-	-	26,645	21,865	4,780	82.1	19,781	17,818
Transfers and subsidies	28,807	-	-	28,807	18,234	10,573	63.3	34,862	22,193
Expenditure for capital assets	5,030	-	-	5,030	6	5,024	0.1	460	102
<b>3. Development and Planning</b>									
Current payment	8,034	-	-	8,034	7,794	240	97.0	5,692	4,513
Transfers and subsidies	10	-	-	10	7	3	70.0	59	32
Expenditure for capital assets	30	-	-	30	8	22	26.7	28	19
<b>Total</b>	<b>89,022</b>	<b>-</b>	<b>-</b>	<b>89,022</b>	<b>65,419</b>	<b>23,603</b>	<b>73.5</b>	<b>78,762</b>	<b>56,073</b>
<b>Reconciliation with Statement of Financial Performance</b>									
Departmental revenue collected				314				483	
<b>Actual amounts per Statement of Financial Performance:</b>									
<b>Total Revenue</b>				<b>89,336</b>				<b>79,245</b>	
<b>Total Expenditure</b>					<b>65,419</b>				<b>56,073</b>

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

Appropriation per economic classification									
Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation to employees	28,074	-	(250)	27,824	23,021	4,803	82.7	20,594	16,639
Goods and services	25,587	-	(150)	25,437	22,674	2,763	89.1	20,473	16,196
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	28,653	-	-	28,653	18,068	10,585	63.1	33,733	22,016
Non-profit institutions	200	-	-	200	200	-	100.0	200	200
Households	150	-	-	150	-	150	-	-	-
Gifts and donations	-	-	-	-	-	-	-	70	31
<b>Payments for capital assets</b>									
Machinery & equipment	6,358	-	390	6,748	1,446	5,302	21.4	3,692	991
Software & other intangible assets	-	-	10	10	10	-	100.0	-	-
<b>Total</b>	<b>89,022</b>	<b>-</b>	<b>-</b>	<b>89,022</b>	<b>65,419</b>	<b>23,603</b>	<b>73.5</b>	<b>78,762</b>	<b>56,073</b>

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

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1.1 Office of the MEC</b>									
Current payment	4,285	-	50	4,335	4,289	46	98.9	3,146	3,156
Transfers and subsidies	9	-	-	9	7	2	77.8	17	7
Expenditure for capital assets	30	-	400	430	407	23	94.7	440	419
<b>1.2 Corporate Services</b>									
Current payment	14,697	-	(300)	14,397	11,747	2,650	81.6	11,496	7,348
Transfers and subsidies	177	-	(150)	27	20	7	74.1	19	15
Expenditure for capital assets	1,268	-	-	1,268	1,035	233	81.6	2,762	451
<b>Total</b>	<b>20,466</b>	<b>-</b>	<b>-</b>	<b>20,466</b>	<b>17,505</b>	<b>2,961</b>	<b>85.5</b>	<b>17,880</b>	<b>11,396</b>

Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation to employees	13,389	-	(250)	13,139	10,993	2,146	83.7	9,962	7,112
Goods and services	5,593	-	(150)	5,443	5,043	400	92.7	4,680	3,392
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	36	-	-	36	27	9	75.0	16	18
Households	150	-	-	150	-	150	-	-	-
Gifts and donations	-	-	-	-	-	-	-	20	4
<b>Payments for capital assets</b>									
Machinery & equipment	1,298	-	390	1,688	1,432	256	84.8	3,202	870
Software & other intangible assets	-	-	10	10	10	-	100.0	-	-
<b>Total</b>	<b>20,466</b>	<b>-</b>	<b>-</b>	<b>20,466</b>	<b>17,505</b>	<b>2,961</b>	<b>85.5</b>	<b>17,880</b>	<b>11,396</b>

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**Detail per programme 2 - Local Governance  
for the year ended 31 March 2005**

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>2.1 Municipal Administration</b>									
Current payment	5,914	-	-	5,914	3,840	2,074	64.9	5,356	3,228
Transfers and subsidies	8	-	-	8	7	1	87.5	11	5
Expenditure for capital assets	50	-	-	50	-	50	-	52	-
<b>2.2 Municipal Finance</b>									
Current payment	5,308	-	-	5,308	4,208	1,100	79.3	3,542	3,740
Transfers and subsidies	25,584	-	-	25,584	15,020	10,564	58.7	30,698	18,236
Expenditure for capital assets	30	-	-	30	6	24	20.0	308	58
<b>2.3 Municipal Infrastructure</b>									
Current payment	12,205	-	-	12,205	11,543	662	94.6	8,971	8,874
Transfers and subsidies	1,506	-	-	1,506	1,503	3	99.8	950	948
Expenditure for capital assets	-	-	-	-	-	-	-	-	-
<b>2.4 Disaster Management</b>									
Current payment	3,218	-	-	3,218	2,274	944	70.7	1,912	1,976
Transfers and subsidies	1,709	-	-	1,709	1,704	5	99.7	3,203	3,004
Expenditure for capital assets	4,950	-	-	4,950	-	4,950	-	100	44
<b>Total</b>	<b>60,482</b>	<b>-</b>	<b>-</b>	<b>60,482</b>	<b>40,105</b>	<b>20,377</b>	<b>66.3</b>	<b>55,103</b>	<b>40,113</b>

Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation to employees	11,694	-	-	11,694	9,233	2,461	79.0	7,985	7,272
Goods and services	14,951	-	-	14,951	12,632	2,319	84.5	12,748	10,546
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	28,607	-	-	28,607	18,034	10,573	63.0	33,710	21,993
Non-profit institutions	200	-	-	200	200	-	100.0	200	200
<b>Payments for capital assets</b>									
Machinery & equipment	5,030	-	-	5,030	6	5,024	0.1	460	102
<b>Total</b>	<b>60,482</b>	<b>-</b>	<b>-</b>	<b>60,482</b>	<b>40,105</b>	<b>20,377</b>	<b>66.3</b>	<b>55,103</b>	<b>40,113</b>

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**Detail per programme 3 - Development and Planning  
for the year ended 31 March 2005**

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3.1 Integrated Development and Planning</b>									
Current payment	8,034	-	-	8,034	7,794	240	97.0	5,692	4,513
Transfers and subsidies	10	-	-	10	7	3	70.0	59	32
Expenditure for capital assets	30	-	-	30	8	22	26.7	28	19
<b>Total</b>	<b>8,074</b>	<b>-</b>	<b>-</b>	<b>8,074</b>	<b>7,809</b>	<b>265</b>	<b>96.7</b>	<b>5,779</b>	<b>4,564</b>

Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation to employees	2,991	-	-	2,991	2,795	196	93.4	2,647	2,255
Goods and services	5,043	-	-	5,043	4,999	44	99.1	3,045	2,258
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	10	-	-	10	7	3	70.0	7	5
Gifts and donations	-	-	-	-	-	-	-	50	27
<b>Payments for capital assets</b>									
Machinery & equipment	30	-	-	30	8	22	26.7	30	19
<b>Total</b>	<b>8,074</b>	<b>-</b>	<b>-</b>	<b>8,074</b>	<b>7,809</b>	<b>265</b>	<b>96.7</b>	<b>5,779</b>	<b>4,564</b>

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**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 5 (Transfers and subsidies) and Annexure 1 (B-E) 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 2.1 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

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

<b>4.1 Per Programme</b>	<b>Voted Funds after Virement</b>	<b>Actual Expenditure</b>	<b>Saving</b>	<b>%</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	
Administration	20 466	17 505	2 961	14.47
Local Governance	60 482	40 105	20 377	33.69
Development and Planning	8 074	7 809	265	3.28
<b>Total</b>	<b>89 022</b>	<b>65 419</b>	<b>23 603</b>	<b>26.51</b>

**Programme 1:** Administration: Saving due to the filling of vacant posts only materialising in the third and fourth quarters resulting in savings on compensation of employees and goods and services.

**Programme 2:** Local Governance: Saving due to the non-filling of vacant posts in terms of the new structure resulting in savings on compensation of employees and goods and services. Savings on machinery and equipment were largely due to the non-appointment of a service provider for the installation of servers and satellites related to the Provincial Disaster Management Centre. Saving due to the late approval of management support programme business plans by the department of Provincial and Local Government resulting in savings on transfer payments

**Programme 3:** Development and Planning: Saving due to the filling of vacant posts only materialising in the fourth quarter resulting in savings on compensation of employees and goods and services costs.

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

<b>4.2 Per Economic classification</b>	<b>Voted Funds after Virement</b>	<b>Actual Expenditure</b>	<b>Saving</b>	<b>%</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	
<b>Current payment:</b>	<b>53 261</b>	<b>45 695</b>	<b>7 566</b>	<b>14.21</b>
Compensation of employees	27 824	23 021	4 803	17.26
Goods and services	25 437	22 674	2 763	10.86
<b>Transfers and subsidies:</b>	<b>29 003</b>	<b>18 268</b>	<b>10 735</b>	<b>37.01</b>
Provinces and municipalities	28 653	18 068	10 585	36.94
Non-profit institutions	200	200	-	-
Households	150	-	150	100.00
<b>Payments for capital assets:</b>	<b>6 758</b>	<b>1 456</b>	<b>5 302</b>	<b>78.57</b>
Machinery and equipment	6 748	1 446	5 302	78.57
Software and other intangible assets	10	10	-	-
<b>Total</b>	<b>89 022</b>	<b>65 419</b>	<b>23 603</b>	<b>26.51</b>

**WESTERN CAPE PROVINCE  
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**STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2005**

	<b>Note</b>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>REVENUE</b>			
Annual appropriation	1.	89,022	78,762
Departmental revenue collected	2.	314	483
<b>TOTAL REVENUE</b>		<b>89,336</b>	<b>79,245</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3.	23,021	16,639
Goods and services	4.	22,674	16,196
<b>Total current expenditure</b>		<b>45,695</b>	<b>32,835</b>
<b>Transfers and subsidies</b>	5.	18,268	22,247
<b>Expenditure for capital assets</b>			
Machinery and Equipment	6.	1,446	991
Software and other intangible assets	6.	10	-
<b>Total expenditure for capital assets</b>		<b>1,456</b>	<b>991</b>
<b>TOTAL EXPENDITURE</b>		<b>65,419</b>	<b>56,073</b>
<b>NET SURPLUS/(DEFICIT)</b>		<b>23,917</b>	<b>23,172</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>23,917</b>	<b>23,172</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted Funds to be surrendered to the Revenue Fund	10.	23,603	22,689
Departmental revenue collected	11.	314	483
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>23,917</b>	<b>23,172</b>



**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

**STATEMENT OF FINANCIAL POSITION  
at 31 March 2005**

	<b>Note</b>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>ASSETS</b>			
<b>Current assets</b>		25,684	23,361
Cash and cash equivalents	7.	25,452	23,217
Prepayments and advances	8.	61	92
Receivables	9.	171	52
<b>TOTAL ASSETS</b>		<b>25,684</b>	<b>23,361</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		25,675	23,353
Voted funds to be surrendered to the Revenue Fund	10.	23,603	22,689
Departmental revenue to be surrendered to the Revenue Fund	11.	(2)	5
Payables	12.	2,074	659
<b>TOTAL LIABILITIES</b>		<b>25,675</b>	<b>23,353</b>
<b>NET ASSETS</b>		<b>9</b>	<b>8</b>
<b>Represented by:</b>			
Recoverable revenue		9	8
<b>TOTAL</b>		<b>9</b>	<b>8</b>

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

**STATEMENT OF CHANGES IN NET ASSETS  
at 31 March 2005**

	2004/05	2003/04
	R'000	R'000
<b>Recoverable revenue</b>		
Opening balance	8	7
Debts raised	1	1
Closing balance	<u>9</u>	<u>8</u>
<b>TOTAL EQUITY</b>	<u><u>9</u></u>	<u><u>8</u></u>

**WESTERN CAPE PROVINCE  
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**CASH FLOW STATEMENT  
for the year ended 31 March 2005**

	Note	2004/05 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts		89,261
Annual appropriated funds received		89,022
Departmental revenue collected		327
Net (increase) in working capital		(88)
Surrendered to Revenue Fund		(23,023)
Current payments		(44,280)
Transfers and subsidies paid		(18,268)
<b>Net cash flow available from operating activities</b>	13.	<u>3,690</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for capital assets		(1,456)
<b>Net cash flows from investing activities</b>		<u>(1,456)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase/(decrease) in loans received		1
<b>Net cash flows from financing activities</b>		<u>1</u>
Net increase/(decrease) in cash and cash equivalents		2,235
Cash and cash equivalents at beginning of year		23,217
<b>Cash and cash equivalents at end of year</b>	7	<u><u>25,452</u></u>

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

**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)

	<b>Final Appropriation 2004/05 R'000</b>	<b>Actual Funds Received 2004/05 R'000</b>	<b>Variance over/(under) 2004/05 R'000</b>	<b>Total Appropriation 2003/04 R'000</b>
Administration	20,466	20,466	-	17,880
Local Governance	60,482	60,482	-	55,103
Development and Planning	8,074	8,074	-	5,779
<b>Total</b>	<b>89,022</b>	<b>89,022</b>	<b>-</b>	<b>78,762</b>

<b>Note</b>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
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**1.2 Conditional grants**

Total grants received	Annexure 1A	<u>24,704</u>	<u>38,904</u>
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**2. Departmental revenue collected**

Sales of goods and services other than capital assets		7	10
Financial transactions in assets and liabilities	2.1	<u>320</u>	<u>479</u>
Total revenue collected		<u>327</u>	<u>489</u>
Less: Departmental Revenue Budgeted		<u>13</u>	<u>6</u>
<b>Departmental revenue collected</b>		<b><u>314</u></b>	<b><u>483</u></b>

**2.1 Financial transactions in assets and liabilities**

**Nature of loss recovered**

Cheques written back	4	4
Other	<u>316</u>	<u>475</u>
	<b><u>320</u></b>	<b><u>479</u></b>

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

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

	Note	2004/05 R'000	2003/04 R'000
<b>3. Compensation of employees</b>			
<b>3.1 Salaries and wages</b>			
Basic salary		15,635	11,442
Performance award		568	325
Service Based		1,278	754
Compensative/circumstantial		305	308
Periodic payments		17	-
Other non-pensionable allowances		2,017	1,335
		<b>19,820</b>	<b>14,164</b>
<b>3.2 Social contributions</b>			
<b>3.2.1 Short term employee benefits</b>			
Pension		2,100	1,515
Medical		977	780
Bargaining council		4	46
Insurance		4	-
		<b>3,085</b>	<b>2,341</b>
<b>3.2.2 Post employment retirement benefits</b>			
Pensions		116	134
		<b>116</b>	<b>134</b>
<b>Total compensation of employees</b>		<b>23,021</b>	<b>16,639</b>
Average number of employees		<b>125</b>	<b>89</b>

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

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

	Note	2004/05 R'000	2003/04 R'000
<b>4. Goods and services</b>			
Advertising		1,225	343
Attendance fees (including registration fees)		20	91
Bank charges and card fees		52	33
Bursaries (employees)		189	25
Communication		503	376
Computer services		11	-
Consultants, contractors and special services		14,948	10,883
Courier and delivery services		13	27
Entertainment		334	178
External audit fees	4.1	475	323
Equipment less than R5 000		505	35
Inventory	4.2	366	811
Legal fees		126	41
Maintenance, repair and running costs		125	43
Medical services		2	1
Operating leases		295	188
Mint of decorations/medals		7	-
Photographic services		1	12
Plant flowers and other decorations		22	15
Printing and publications		4	-
Professional bodies and membership fees		9	-
Resettlement costs		7	72
Subscriptions		8	-
Translations and transcriptions		47	-
Travel and subsistence	4.3	2,325	1,989
Venues and facilities		884	298
Protective, special clothing & uniforms		29	19
Training & staff development		142	393
		<b>22,674</b>	<b>16,196</b>
<b>4.1 External audit fees</b>			
Regulatory audits		475	323
<b>Total external audit fees</b>		<b>475</b>	<b>323</b>
<b>4.2 Inventory</b>			
Domestic Consumables		4	33
Fuel, oil and gas		46	-
Other consumables		7	-
Parts and other maintenance material		14	-
Stationery and Printing		295	776
Medical Supplies		-	2
<b>Total Inventory</b>		<b>366</b>	<b>811</b>
<b>4.3 Travel and subsistence</b>			
Local		2,078	1,856
Foreign		247	133
<b>Total travel and subsistence</b>		<b>2,325</b>	<b>1,989</b>

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

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

	<b>Note</b>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>5. Transfers and subsidies</b>			
Provinces and municipalities	Annexure 1B,1C and 1D	18,068	22,016
Non-profit institutions	Annexure 1E	200	200
Gifts and donations		-	31
		<b>18,268</b>	<b>22,247</b>
<b>6. Expenditure for capital assets</b>			
Machinery and equipment	Annexure 3A	1,446	991
Software and other intangible assets	Annexure 3B	10	-
<b>Total</b>		<b>1,456</b>	<b>991</b>
<b>7. Cash and cash equivalents</b>			
Consolidated Paymaster General Account		(2,425)	354
Cash on hand		-	1
Temporary Investment at Provincial Treasury		27,877	22,862
		<b>25,452</b>	<b>23,217</b>
<b>8. Prepayments and advances</b>			
Travel and subsistence		61	92
		<b>61</b>	<b>92</b>

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

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

<b>Note</b>					<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>9. Receivables</b>		<b>Less than one year</b>	<b>One to three years</b>	<b>Older than three years</b>	<b>Total</b>	<b>Total</b>
Inter-departmental receivables	Annexure 4	-	73	-	73	6
Staff debtors	9.1	8	-	6	14	14
Clearing accounts	9.2	82	-	-	82	30
Other debtors	9.3	-	-	2	2	2
		<b>90</b>	<b>73</b>	<b>8</b>	<b>171</b>	<b>52</b>
<b>9.1 Staff debtors</b>						
Breach of contract (Bursary & State guarantees)					6	14
Overpayment of housing allowance					8	-
					<b>14</b>	<b>14</b>
<b>9.2 Clearing accounts</b>						
Loss control account					9	9
PERSAL control accounts					67	15
Disallowance: Miscellaneous					6	6
					<b>82</b>	<b>30</b>
<b>9.3 Other debtors</b>						
Out of service debt (ex-employees)					2	2
					<b>2</b>	<b>2</b>



**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

Note	2004/05 R'000	2003/04 R'000		
<b>10. Voted Funds to be surrendered to the Revenue Fund</b>	-	-		
	-	-		
Opening balance	22,689	17,774		
Transfer from Statement of Financial Performance	23,603	22,689		
Paid during the year	(22,689)	(17,774)		
Closing balance	<u><u>23,603</u></u>	<u><u>22,689</u></u>		
<b>11. Departmental revenue to be surrendered to revenue fund</b>				
Opening balance	5	6		
Transfer from Statement of Financial Performance	314	483		
Paid during the year	(334)	(490)		
Closing balance	<u><u>(2)</u></u>	<u><u>5</u></u>		
<b>12. Payables – current</b>				
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Inter-departmental payables      Annexure 5	-	15	15	15
Advances received      12.1	-	2,057	2,057	311
Clearing accounts      12.2	-	2	2	333
	<u><u>-</u></u>	<u><u>2,074</u></u>	<u><u>2,074</u></u>	<u><u>659</u></u>
<b>12.1 Advances received</b>				
Masekhane Project			311	311
Community Development Workers Funding			1,746	-
			<u><u>2,057</u></u>	<u><u>311</u></u>
<b>12.2 Clearing accounts</b>				
Persal control accounts (SARS, Medical funds etc.)			-	332
Suspense accounts: other			2	1
			<u><u>2</u></u>	<u><u>333</u></u>

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

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

	Note	2004/05 R'000	2003/04 R'000
<b>13. Reconciliation of net cash flow from operating activities to surplus/(deficit)</b>			
Net surplus/(deficit) as per Statement of Financial Performance		23,917	
(Increase)/decrease in receivables – current		(119)	
(Increase)/decrease in prepayments and advances		31	
Increase/(decrease) in payables – current		1,415	
Surrenders		(23,023)	
Capital expenditure		1,456	
Departmental revenue budgeted		13	
<b>Net cash flow generated by operating activities</b>		<b>3,690</b>	
<b>14. Appropriated funds and departmental revenue surrendered</b>			
Appropriated funds surrendered		(22,689)	(17,774)
Departmental revenue surrendered		(334)	(490)
		<b>(23,023)</b>	<b>(18,264)</b>

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

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

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

	Note	2004/05 R'000	2003/04 R'000	
<b>15. Contingent liabilities</b>				
Housing loan guarantees to employees	Annexure 2	124	213	
Claims		187	-	
Other departments (unconfirmed balances)	Annexure 5	3	-	
Capped Leave Commitments		2,889	2,864	
		<b>3,203</b>	<b>3,077</b>	
<b>16. Commitments</b>				
<b>Current expenditure</b>				
Approved and contracted		10,783	11,884	
<b>Total Commitments</b>		<b>10,783</b>	<b>11,884</b>	
<b>17. Accruals</b>				
<b>By economic classification</b>	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Compensation of employees	-	-	-	4
Goods and services	29	1,259	1,288	374
Transfers and subsidies	-	-	-	2,083
Machinery and Equipment	-	-	-	32
Software and other intangible assets	-	-	-	38
	<b>29</b>	<b>1,259</b>	<b>1,288</b>	<b>2,531</b>
<b>Listed by programme level</b>				
Programme 1: Administration			1,134	123
Programme 2: Local Governance			154	2,360
Programme 3: Development and Planning			-	48
			<b>1,288</b>	<b>2,531</b>
Confirmed balances with other departments	Annexure 5		475	-
			<b>475</b>	<b>-</b>
<b>18. Employee benefits</b>				
Leave entitlement			526	291
Thirteenth cheque			594	477
Performance awards			436	332
			<b>1,556</b>	<b>1,100</b>

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

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

	Note	2004/05 R'000	2003/04 R'000	
<b>19. Operating leases</b>				
	<b>Machinery and equipment</b>	<b>Total</b>	<b>Total</b>	
Not later than 1 year	226	226	184	
Later than 1 year and not later than 3 years	216	216	146	
Later than three years	268	268	386	
Total present value of lease liabilities	<b>710</b>	<b>710</b>	<b>716</b>	
<b>20. Irregular expenditure</b>				
<b>20.1 Reconciliation of irregular expenditure</b>				
Opening Balance		6	6	
Transferred to Statement of Financial Performance - authorised losses (Condoned)		(6)	-	
Irregular expenditure awaiting condonement		-	6	
<b>Analysis</b>				
Current		-	6	
		-	6	
<b>20.2 Irregular expenditure</b>				
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>			
Non-compliance to tender procedures/prescripts in the procurement of goods and services. Paid 18/03/2004	NTR 9 investigation was conducted, the expenditure was condoned and disciplinary steps were recommended.	-	6	
		-	6	
<b>21. Compensation: Senior management personnel</b>				
	<b>Number of Individuals</b>	<b>Aggregate Compensation</b>		
	<b>2004/05</b>	<b>2003/04</b>		
			<b>2004/05</b>	
			<b>2003/04</b>	
			<b>R</b>	
			<b>R</b>	
- Minister	1	1	680,229	692,932
- Accounting Officer	1	1	725,973	846,544
- Chief Director	1	1	522,588	501,584
- Chief Financial Officer	1	1	441,497	274,668
- Directors (Includes 3 contract workers.)	11	4	2,708,235	1,573,522
			<b>5,078,522</b>	<b>3,889,250</b>

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

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

**ANNEXURE 1A  
STATEMENT OF CONDITIONAL GRANTS RECEIVED**

NAME OF DEPARTMENT	GRANT ALLOCATION				SPENT				2003/04
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Amount received by department	Amount spent by department	% of Available funds spent by department	Division of Revenue Act	Amount spent by departments
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
PROVINCIAL AND LOCAL GOVERNMENT									
Municipal Infrastructure Grant (MIG) - Consolidated Municipal Infrastructure Programme	3,508	76	-	3,584	3,508	3,427	95.6	3,357	3,281
Local Government Capacity Building Fund:									
- Management Support programmes	13,867	11,706	-	25,573	15,013	15,013	58.7	29,933	18,229
- MIG Capacity building	6,183	11	-	6,194	6,183	6,128	98.9	5,614	5,603
	<b>23,558</b>	<b>11,793</b>	<b>-</b>	<b>35,351</b>	<b>24,704</b>	<b>24,568</b>		<b>38,904</b>	<b>27,113</b>

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

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

**ANNEXURE 1B**

**STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFERS		SPENT			2003/04
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Transferred	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
<b>Local Government Capacity</b>										
<b>Building Grant:</b>										
Beaufort West	2,000	195	-	2,195	2,195	100	2,195	2,195	100	1,006
Berg River	-	262	-	262	197	75	197	197	100	1,100
Boland	-	-	-	-	-	-	-	-	-	53
Breedee River	-	851	-	851	850	100	850	850	100	1,000
Breedee Valley	-	1,000	-	1,000	957	96	957	957	100	1,278
Cape Agulhas	1,000	-	-	1,000	-	-	-	-	-	-
Cederberg	1,500	805	-	2,305	848	37	848	848	100	1,790
Central Karoo	-	-	-	-	-	-	-	-	-	75
Drakenstein	2,500	-	-	2,500	241	10	241	241	100	93
Eden	-	603	-	603	603	100	603	603	100	2,040
Kannaland	3,367	2,300	-	5,667	3,381	60	3,381	3,381	100	4,475
Knysna	-	219	-	219	219	100	219	219	100	219
Laingsburg	300	70	-	370	297	80	297	297	100	1,217
Langeberg	-	1,597	-	1,597	1,236	77	1,236	1,236	100	2,500
Matzikama	-	46	-	46	46	100	46	46	100	351
Oudtshoorn	-	143	-	143	142	99	142	142	100	337
Overberg	-	-	-	-	-	-	-	-	-	525
Overstrand	-	15	-	15	-	-	-	-	-	9
Plettenberg/Bitou	-	432	-	432	432	100	432	432	100	1,057
Prince Albert	200	-	-	200	-	-	-	-	-	-
Saldanha Bay	-	439	-	439	242	55	242	242	100	1,500
Stellenbosch	-	16	-	16	16	100	16	16	100	33
Swellendam	-	157	-	157	153	97	153	153	100	1,883
Theewaterskloof	-	170	-	170	121	71	121	121	100	1,000
West Coast	-	-	-	-	-	-	-	-	-	95
Witzenberg	3,000	2,386	-	5,386	2,837	53	2,837	2,837	100	6,297
	<b>13,867</b>	<b>11,706</b>	<b>-</b>	<b>25,573</b>	<b>15,013</b>	<b>59</b>	<b>15,013</b>	<b>15,013</b>	<b>100</b>	<b>29,933</b>

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

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

**ANNEXURE 1C**

**STATEMENT OF OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2003/04
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
<b>Project Preparation:</b>										
Beaufort West	130	-	-	130	130	100.0	130	130	100.0	-
Berg River	50	-	-	50	50	100.0	50	50	100.0	99
Breede River	135	-	-	135	135	100.0	135	135	100.0	20
Breede Valley	-	-	-	-	-	-	-	-	-	30
Cape Agulhas	100	-	-	100	110	110.0	110	110	100.0	-
Cederberg	50	-	-	50	50	100.0	50	50	100.0	100
Central Karoo DM	70	-	-	70	68	97.1	68	68	100.0	-
Drakenstein	100	-	-	100	100	100.0	100	100	100.0	-
George	100	-	-	100	100	100.0	100	100	100.0	-
Knysna	50	-	-	50	50	100.0	50	50	100.0	30
Langeberg	-	-	-	-	-	-	-	-	-	70
Matzikama	-	-	-	-	-	-	-	-	-	70
Mossel Bay	50	-	-	50	50	100.0	50	50	100.0	80
Oudtshoorn	100	-	-	100	100	100.0	100	100	100.0	50
Overstrand	100	-	-	100	100	100.0	100	100	100.0	110
Plettenberg/Bitou	50	-	-	50	50	100.0	50	50	100.0	21
Prince Albert	45	-	-	45	45	100.0	45	45	100.0	90
Saldanha Bay	-	-	-	-	-	-	-	-	-	40
Swartland	50	-	-	50	42	84.0	42	42	100.0	26
Swellendam	125	-	-	125	125	100.0	125	125	100.0	-
Theewaterskloof	100	-	-	100	100	100.0	100	100	100.0	80
Witzenberg	95	-	-	95	95	100.0	95	95	100.0	34
<b>Fire-Fighting equipment</b>										
Eden	-	-	-	-	-	-	-	-	-	500
Overberg	-	-	-	-	-	-	-	-	-	500
<b>Fire-fighting assistance:</b>										
City of Cape Town	1,500	-	-	1,500	1,500	100.0	1,500	1,500	100.0	1,800
	<b>3,000</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>3,000</b>		<b>3,000</b>	<b>3,000</b>		<b>3,750</b>

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

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

**ANNEXURE 1D  
TRANSFERS TO MUNICIPALITIES**

AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2003/04
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>City of Cape Town:</b>	-	-	-	-	-	-	-
Regional Service Council Levy	79	-	-	79	54	68.4	39
Vehicle Licence	1	-	-	1	1	100.0	1
	<b>80</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>55</b>	<b>68.8</b>	<b>40</b>



**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

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

**ANNEXURE 1E  
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

NON PROFIT ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2003/04
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Lifesaving SA	200	-	-	200	200	100.0	200
	<b>200</b>	<b>-</b>	<b>-</b>	<b>200</b>	<b>200</b>	<b>100.0</b>	<b>200</b>

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

**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	Opening Balance 1 April 2004	Guarantees issued during the year	Guarantees released during the year	Guaranteed interest outstanding as at 31 March 2005	Closing Balance 31 March 2005	Realised losses i.r.o. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
ABSA	Housing	98	98	-	23	-	75	-
First Rand Bank		26	26	-	26	-	-	-
Nedbank		36	36	-	-	-	36	-
Saambou Bank (FNB)		13	13	-	-	-	13	-
Standard Bank		40	40	-	40	-	-	-
Old Mutual Bank		-	-	14	14	-	-	-
<b>Total</b>		<b>213</b>	<b>213</b>	<b>14</b>	<b>103</b>	<b>-</b>	<b>124</b>	<b>-</b>

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

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

**ANNEXURE 3A  
PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2005**

	<b>Additions</b>	<b>Disposals</b>	<b>Transfers in</b>	<b>Transfers Out</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>MACHINERY AND EQUIPMENT</b>	1,446	-	-	-
Computer equipment	844	-	-	-
Furniture and office equipment	172	-	-	-
Other machinery and equipment	44	-	-	-
Transport assets	386	-	-	-
	<b>1,446</b>	-	-	-

**PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2004**

	<b>Additions</b>	<b>Disposals</b>	<b>Transfers in</b>	<b>Transfers Out</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>MACHINERY AND EQUIPMENT</b>	991	-	-	-
Computer equipment	504	-	-	-
Furniture and office equipment	74	-	-	-
Other machinery and equipment	24	-	-	-
Transport assets	389	-	-	-
	<b>991</b>	-	-	-

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

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

**ANNEXURE 3B  
SOFTWARE AND OTHER INTANGIBLE ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2005**

	<b>Additions</b>	<b>Disposals</b>	<b>Transfers In</b>	<b>Transfers Out</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Computer software	10	-	-	-
	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

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

**ANNEXURE 4  
INTER-DEPARTMENTAL RECEIVABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005	31/03/2004	31/03/2005	31/03/2004
	R'000	R'000	R'000	R'000
<b>Current</b>				
Department of Housing (PGWC)	-	-	73	6
	-	-	<b>73</b>	<b>6</b>

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

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

**ANNEXURE 5  
INTER-DEPARTMENTAL PAYABLES**

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

**Amounts included in Statement of financial position**

**Current**

Department of Housing (PGWC)

15                      15

**Total**

**15                      15**

**Amounts not included in Statement of financial  
position**

**Current**

Department of Housing (PGWC)

372

Department of Transport & Public Works (PGWC)

88

Department of Social Services & Poverty Alleviation  
(PGWC)

14

South African Police Service

3

Department of Public Transport, Roads & Works

1

**Total**

**475                      3**

## **PART 5**

### **Human Resource Management**

#### **Oversight Report**

The statistics and information published in this part of the annual report are required in terms of Chapter 1, Part III J.3 of the Public Service Regulations, 2001 and have been prescribed by the Minister for the Public Service and Administration for all departments within the Public Service.

The statistical tables provide high-level information on key human resource issues. The information aims to empower legislatures, the media, and the public and other key stakeholders to monitor whether departments:-

- Are exercising the powers granted under Public Service and Public Finance legislation in a responsible manner,
- Are achieving national transformation priorities established by the Cabinet, for example, affirmative action.

Annual reports are produced after the end of the financial year. This is aimed at strengthening the accountability of departments to key stakeholders.

The tables in this report are revised on a regular basis by the Department of Public Service and Administration (DPSA). If you wish to see additional information included in this report, please send suggestions (with a clear motivation) to:-

The Director-General  
Department of Public Service and Administration  
ATTENTION: Public Service Information Unit  
P.O. Box 916, Pretoria, 0001  
[psiu@dpsa.gov.za](mailto:psiu@dpsa.gov.za)  
fax: (012) 314-7020

## 1. Service Delivery

**Table 1.1 - Main services provided and standards**

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Advisory service on the application of local government legislation	30 Municipalities	N/A	Successful	100%
Support in respect of the implementation of management support programmes	19 Municipalities	30 Municipalities	Successful	100%
Promoting developmental local government	30 Municipalities	N/A	Successful	100%
Promoting provincial disaster Management	30 Municipalities	N/A	Successful	100%
Technical support in respect of physical municipal infrastructure provision	30 Municipalities	N/A	Successful	100%

**Table 1.2 - Consultation arrangements with customers**

Type of arrangement	Actual customers	Potential customers	Actual achievement against standards
Formal: Provincial Advisory Forum Provincial Advisory Forum (Technical) District Advisory forums WECLOGO MINMEC MINMEC (Technical)	Municipalities, professional institutions and NGO's	Limited to municipalities, professional institutions and NGO's	100%
Informal: Regional Associations of Senior Municipal Managers Institute of Municipal Finance Officers (IMFO) Institute of Municipal Engineers of South Africa (IMESA)	Municipalities, professional institutions and NGO's	Limited to municipalities, professional institutions and NGO's	100%



**Table 1.3- Service delivery access strategy**

<b>Access strategy</b>	<b>Actual achievements</b>
Departmental Website	
Fora: PAF and PAFTECH	Quarterly meetings of both forums
Provincial Gazettes	All official notices were published in the three official languages
Pamphlets	Various pamphlets were distributed to municipalities as well as to the regional IMFO Conference in March 2004
<b>Guideline documents</b>	

**Table 1.4 - Service information tool**

<b>Types of information tool</b>	<b>Actual achievements</b>
Annual Strategic Plan	Made available to all clients
Annual Budget Statement	Made available to all clients
Departmental Website	All clients have access
Annual report	Made available to all clients
Annual Financial statements	Made available to all clients

**Table 1.5 - Complaints mechanism**

<b>Complaints Mechanism</b>	<b>Actual achievements</b>
Open door policy at Ministry and Department	Numerous written and telephonic complaints from members of the public regarding their municipalities were successfully dealt with.

## 2. Expenditure

The following tables summarise final audited expenditure by programme and by salary bands.

**TABLE 2.1 – Personnel costs by programme for the period 1 April 2004 to 31 March 2005**

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
1 - Administration	17,505	10,290	142	1,064	58.8	130
2 - Local Governance	40,105	9,419	-	11,420	23.5	196
3 - Integrated Development and Planning	7,809	2,874	-	3,208	36.8	7
<b>Total</b>	<b>65,419</b>	<b>* 22,583</b>	<b>142</b>	<b>15,692</b>	<b>34.5</b>	<b>44</b>

\* As per PERSAL

**TABLE 2.2 – Personnel costs by salary bands for the period 1 April 2004 to 31 March 2005**

Salary Band	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Number of Employees as at 31 March 2005
Lower skilled (Levels 1-2)	689	3.1	2	390
Skilled (Levels 3-5)	1,338	5.9	50	27
Highly skilled production (Levels 6-8)	6,454	28.6	129	50
Highly skilled supervision (Levels 9-12)	10,041	44.5	287	35
Senior management (Levels 13-15)	4,061	18.0	312	13
<b>Total</b>	<b>* 22,583</b>	<b>100</b>	<b>44</b>	<b>#515</b>

\* As per PERSAL

# The total of 515 employees as at 31 March 2005 includes 384 community development workers appointed periodically for a period of one year.

The following tables provide a summary per programme and salary bands, of expenditure incurred as a result of salaries, overtime, homeowner's allowance and medical assistance.

The cost excludes periodical payments, bonus, pension, acting and supervisory allowances, Regional Service Council levies and subsistence and travelling expenditures.

**TABLE 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme for the period 1 April 2004 to 31 March 2005**

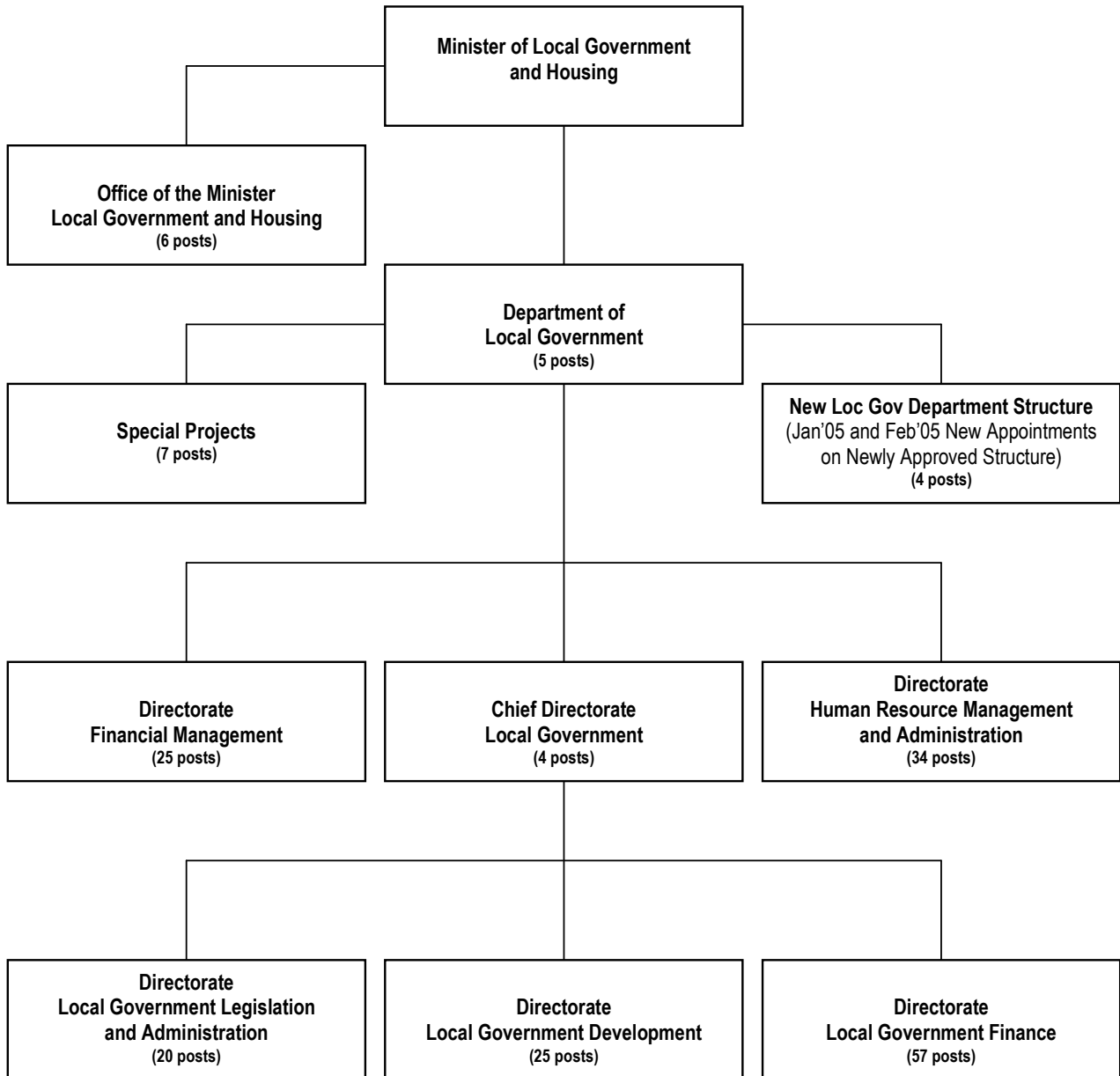
Programme	Salaries		Overtime		Home Owners Allowance (HOA)		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
1 - Administration	6,915	30.6	55	0.2	95	0.4	396	1.8
2 - Local Governance	6,511	28.8	-	-	146	0.6	434	1.9
3 – Integrated Development and Planning	1,624	7.2	-	-	19	0.1	101	0.4
<b>Total</b>	<b>15,050</b>	<b>66.6</b>	<b>55</b>	<b>0.2</b>	<b>260</b>	<b>1.2</b>	<b>931</b>	<b>4.1</b>

**TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands for the period 1 April 2004 to 31 March 2005**

Salary Band	Salaries		Overtime		Home Owners Allowance (HOA)		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	212	0.9	-	-	8	-	29	0.1
Skilled (Levels 3-5)	951	4.2	24	0.1	20	0.1	71	0.3
Highly skilled production (Levels 6-8)	4,523	20	19	0.1	121	0.5	383	1.7
Highly skilled supervision (Levels 9-12)	7,137	31.6	12	0.1	111	0.5	448	2
Senior management (Levels 13-15)	2,227	9.9	-	-	-	-	-	-
<b>Total</b>	<b>15,050</b>	<b>66.6</b>	<b>55</b>	<b>0.2</b>	<b>260</b>	<b>1.2</b>	<b>931</b>	<b>4.1</b>

### 3. Employment and Vacancies

The organogram indicates the macro structure of the Department of Local Government and the approved posts as at 31 March 2005.



The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate and staff that are additional to the establishment. This information is presented in terms of three key variables:- programme, salary band and critical occupations. The Department has identified critical occupations that need to be monitored.

**TABLE 3.1 – Employment and vacancies by programme as at 31 March 2005**

Programme	Number of posts		Number of posts filled		Vacancy Rate	Number of posts filled additional to the establishment
	Number of permanent posts	* Number of approved contract posts	Number of posts filled with permanent employees	Number of posts filled with contract appointments		
1 - Administration	78	7	59	4	25.9	11
2 - Local Governance	88	-	46	-	47.7	-
3 - Integrated Development and Planning	14	-	10	-	28.6	1
	<b>180</b>	<b>7</b>	<b>115</b>	<b>4</b>		
<b>Total</b>	<b>187</b>		<b>119</b>		<b>36.4</b>	<b>12</b>

1. A total of seven (7) contract posts were established within the reporting period for approximately 2 years, to manage Presidential Projects in the province namely: - Project Consolidate and the Community Development Workers Programme. Only four (4) officials were appointed in the said posts, as reflected in the column "Number of posts filled with contract appointments".
2. Twelve (12) posts were filled additional to the establishment -
  - The Department made use of six (6) contract appointees to assist line managers and support components in concluding work that was a once off project, which had a definite start and end date.
  - Six (6) personnel members were appointed on contract to render a supportive function as a result of "Restructuring" within the department.

**TABLE 3.2 – Employment and vacancies by salary bands as at 31 March 2005**

Salary Band	Number of posts		Number of posts filled		Vacancy Rate	Number of posts filled additional to the establishment
	Number of permanent posts	Number of approved contract posts	Number of posts filled with permanent employees	Number of posts filled with contract appointments		
Lower skilled (Levels 1-2)	19	-	3	-	84.2	3
Skilled (Levels 3-5)	25	2	19	2	22.2	6
Highly skilled production (Levels 6-8)	76	-	47	-	38.2	3
Highly skilled supervision (Levels 9-12)	48	3	34	-	33.3	-
Senior management (Levels 13-15)	12	2	12	2	-	-
	<b>180</b>	<b>7</b>	<b>115</b>	<b>4</b>		
<b>Total</b>	<b>187</b>		<b>119</b>		<b>36.4</b>	<b>12</b>

1. A total of seven (7) contract posts were established within the reporting period for approximately 2 years, to manage Presidential Projects in the province namely: - Project Consolidate and the Community Development Workers Programme. Only four (4) officials were appointed in the said posts, as reflected in the column "Number of posts filled with contract appointments".
2. Twelve (12) posts were filled additional to the establishment -
  - The Department made use of six (6) contract appointees to assist line managers and support components in concluding work that was a once off project, which had a definite start and end date.
  - Six (6) personnel members were appointed on contract to render a supportive function as a result of "Restructuring" within the department.

**TABLE 3.3 – Employment and vacancies by critical occupation as at 31 March 2005**

Critical Occupation	Number of posts		Number of posts filled		Vacancy Rate	Number of posts filled additional to the establishment
	Number of permanent posts	Number of approved contract posts	Number of posts filled with permanent employees	Number of posts filled with contract appointments		
PERSAL Controller	1	-	1	-	-	-
Planner	3	-	1	-	66.7	-
Engineer	5	-	5	-	-	-
Project Manager	-	2	-	2	-	-
Director	8	-	8	-	-	-
Chief Director	2	-	2	-	-	-
	19	2	17	2		
<b>Total</b>	<b>21</b>		<b>19</b>		<b>9.5</b>	<b>-</b>

#### 4. Job Evaluation

The following table summarises the number of jobs that were evaluated during the reporting period under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

**TABLE 4.1 – Job Evaluation for the period 1 April 2004 to 31 March 2005**

Salary Band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	19	-	-	-	-	-	-
Skilled (Levels 3-5)	27	6	22.2	5	83.3	-	-
Highly skilled production (Levels 6-8)	76	2	2.6	2	100	-	-
Highly skilled supervision (Levels 9-12)	52	1	1.9	-	-	-	-
Senior Management Service Band A (Level 13)	10	8	80	-	-	-	-
Senior Management Service Band B (Level 14)	2	2	100	-	-	-	-
Senior Management Service Band C (Level 15)	1	-	-	-	-	-	-
<b>Total</b>	<b>187</b>	<b>19</b>	<b>10.2</b>	<b>7</b>	<b>36.8</b>	<b>-</b>	<b>-</b>

The majority of posts on the current establishment were not exposed to job evaluation processes, except for those which had to be advertised and filled urgently (priority posts). The department is in the process of “Restructuring” and was it decided that all proposed posts on the newly approved establishment of the Department must be submitted for job evaluation purposes before it be filled.



The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded.

**TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded for the period 1 April 2004 to 31 March 2005**

Beneficiaries	African	Indian	Coloured	White	Total
Female	3	-	2	-	5
Male	1	-	1	-	2
<b>Total</b>	<b>4</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>7</b>
<b>Employees with a disability</b>					<b>Nil</b>

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

**TABLE 4.3 – Profile of employees per occupational classification whose salary level exceeded the grade determined by Job Evaluation for the period 1 April 2004 to 31 March 2005**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Percentage of total employment (289)</b>				<b>Nil</b>

**TABLE 4.4 – Profile of employees per race and gender whose salary level exceed the grade determined by job evaluation for the period 1 April 2004 to 31 March 2005**

Beneficiaries	African	Indian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Nil</b>
<b>Employees with a disability</b>					<b>Nil</b>

## 5. Employment Changes

The following tables provide a summary of turnover rates by salary band and by critical occupation.

Appointments refer to applicants appointed from outside the government service. Transfers refer to employees who moved from one department to another – be it into this department or out of this department. Terminations refer to employees who left the government service. The figures include contract appointments.

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

Salary Band	Number of employees per band as on 1 April 2004	Appointments and Transfers into the department		Terminations and Transfers out of the department		Turnover rate
		Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	
Lower skilled (Levels 1-2)	9	5	-	14	-	155.6
Skilled (Levels 3-5)	15	11	4	-	3	20
Highly skilled production (Levels 6-8)	45	5	7	5	1	13.3
Highly skilled supervision (Levels 9-12)	33	6	4	8	-	24.2
Senior Management Service Band A (Level 13)	5	4	-	-	-	0
Senior Management Service Band B (Level 14)	1	1	-	-	-	0
Senior Management Service Band C (Level 15)	1	1	-	1	-	100
		<b>33</b>	<b>15</b>	<b>28</b>	<b>4</b>	
<b>Total</b>	<b>109</b>	<b>48</b>		<b>32</b>		<b>29.4</b>

The total of 48 appointments includes 25 short-term contract appointments. Some of the contract appointees had a discontinuity in their service, which resulted in 25 contract appointments.

The total of 32 terminations includes 22 contract expiries.

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

Salary Band	Number of employees per band as on 1 April 2004	Appointments and Transfers into the department		Terminations and Transfers out of the department		Turnover rate
		Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	
PERSAL Controller	1	-	-	-	-	-
Planner	1	-	-	1	-	100
Engineer	5	-	-	-	-	-
Project Manager	0	2	-	-	-	-
Director	5	2	-	-	-	-
Chief Director	1	1	-	-	-	-
		5	-	-	-	
<b>Total</b>	<b>13</b>	<b>5</b>		<b>1</b>		<b>7.7</b>

**TABLE 5.3 – Reasons why staff left the department for the period 1 April 2004 to 31 March 2005**

Termination Type	Number	% of total
Death	1	3.1
Resignation	7	21.9
Expiry of contract	18	56.3
Dismissal – operational changes	-	-
Dismissal – misconduct	-	-
Dismissal – inefficiency	-	-
Discharged due to ill-health	1	3.1
Retirement	-	-
Transfers to other Public Service Departments	4	12.5
Others (Severance Packages Res 7/2002)	1	3.1
<b>Total</b>	<b>32</b>	<b>100</b>
<b>Total number of employees who left (32) as a % of the total employment (109)</b>		<b>29.4</b>

The following are the reasons for resignations for the period **1 April 2004 to 31 March 2005**

Termination Type	Reason for Termination of Service	Number of Events
Resignations	▪ Better remuneration	1
	▪ Other occupation	6
<b>Total</b>		<b>7</b>

This section provides information on the different age groups with regard to personnel who retired from service for the period **1 April 2004 to 31 March 2005**

Termination Type	Ages 55 - 59	Ages 60 - 64	Age 65
Retirements	-	-	-
<b>Total</b>			<b>Nil</b>

**TABLE 5.4 – Promotions by critical occupation for the period 1 April 2004 to 31 March 2005**

Critical Occupation	Employees as at 1 April 2004	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
PERSAL Controller	1	-	-	-	-
Planner	1	-	-	-	-
Engineer	5	-	-	5	100
Project Manager	0	-	-	-	-
Director	5	-	-	-	-
Chief Director	1	-	-	-	-
<b>Total</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>38.5</b>

**TABLE 5.5 – Promotions by salary band for the period 1 April 2004 to 31 March 2005**

Salary Band	Employees as at 1 April 2004	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	9	-	-	3	33.3
Skilled (Levels 3-5)	15	2	13.3	5	33.3
Highly skilled production (Levels 6-8)	45	2	4.4	32	71.1
Highly skilled supervision (Levels 9-12)	33	1	3	25	75.8
Senior management (Levels 13-15)	7	-	-	-	-
<b>Total</b>	<b>109</b>	<b>5</b>	<b>4.6</b>	<b>65</b>	<b>59.6</b>

## 6. Employment Equity

The definition of **SASCO** as indicated in the table: The South African Classifications of Occupations

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

Occupational Category (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	1	3	-	2	-	2	1	3	12
Professionals	2	5	-	6	1	4	-	-	18
Technicians and associate professionals	3	7	-	12	-	10	-	5	37
Clerks	2	7	-	4	5	13	-	13	44
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agricultural and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	1	-	-	-	-	1
Plant and machine operators and assemblers	-	1	-	-	-	-	-	-	1
Elementary occupations	-	-	-	-	-	2	-	-	2
TOTAL PERMANENT	8	23	-	25	6	31	1	21	115
Not correctly placed / Excess personnel	-	-	-	-	-	-	-	-	-
Contract Personnel	1	2	-	1	2	10	-	-	16
GRAND TOTAL	9	25	-	26	8	41	1	21	131
	60				71				
Employees with disabilities	-	-	-	1	-	1	-	-	2

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

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Salary levels 14 – 15)	-	1	-	1	-	1	-	-	3
Senior Management (Salary level 13)	1	2	-	1	-	1	1	3	9
Professionally qualified and experienced specialists and middle management (Salary Levels 11 – 12)	-	6	-	10	-	1	-	1	18
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Salary levels 8 – 10)	3	5	-	9	1	10	-	3	31
Semi-skilled and discretionary decision making (Salary levels 4 – 7)	4	6	-	4	5	14	-	13	46
Unskilled and defined decision making (Salary levels 1 – 3)	-	3	-	-	-	4	-	1	8
<b>TOTAL PERMANENT</b>	<b>8</b>	<b>23</b>	<b>-</b>	<b>25</b>	<b>6</b>	<b>31</b>	<b>1</b>	<b>21</b>	<b>115</b>
Not correctly placed / Excess personnel	-	-	-	-	-	-	-	-	-
Contract Personnel	1	2	-	1	2	10	-	-	16
<b>GRAND TOTAL</b>	<b>9</b>	<b>25</b>	<b>-</b>	<b>26</b>	<b>8</b>	<b>41</b>	<b>1</b>	<b>21</b>	<b>131</b>
	<b>60</b>				<b>71</b>				
Employees with disabilities	-	-	-	1	-	1	-	-	2

**TABLE 6.3 – Recruitment (Appointments) for the period 1 April 2004 to 31 March 2005**

“Recruitments” reflect those positions, which were filled from applications from outside the Government Service. Therefore transfers into the Department were indicated separately.

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Salary levels 14 – 15)	-	1	-	-	-	1	-	-	2
Senior Management (Salary level 13)	1	-	-	-	-	-	-	1	2
Professionally qualified and experienced specialists and middle management (Salary Levels 11 – 12)	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Salary levels 8 – 10)	-	1	1	-	-	-	-	-	2
Semi-skilled and discretionary decision making (Salary levels 4 – 7)	-	-	-	-	2	-	-	-	2
Unskilled and defined decision making (Salary levels 1 – 3)	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>8</b>
Transfers into the Department	3	4	-	-	1	6	-	1	15
Contract appointments	3	2	-	2	4	12	1	1	25
<b>GRAND TOTAL</b>	<b>7</b>	<b>8</b>	<b>1</b>	<b>2</b>	<b>7</b>	<b>19</b>	<b>1</b>	<b>3</b>	<b>48</b>
<b>Employees with disabilities</b>	-	-	-	-	-	1	-	-	1

The total of 48 appointments includes 25 short-term contract appointments. Some of the contract appointees had a discontinuity in their service, which resulted in 25 contract appointments.

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

“Promotions” reflect those positions, which were filled from within the Department

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Salary levels 14 – 15)	-	-	-	-	-	-	-	-	-
Senior Management (Salary level 13)	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and middle management (Salary Levels 11 – 12)	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Salary levels 8 – 10)	1	1	-	-	-	1	-	-	3
Semi-skilled and discretionary decision making (Salary levels 4 – 7)	1	-	-	-	-	1	-	-	2
Unskilled and defined decision making (Salary levels 1 – 3)	-	-	-	-	-	-	-	-	-
	2	1	-	-	-	2	-	-	
<b>GRAND TOTAL</b>	<b>3</b>				<b>2</b>				<b>5</b>
<b>Employees with disabilities</b>	-	-	-	-	-	-	-	-	-



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

“Terminations” reflect those positions, which were vacated by employees who left the Government Service. Therefore transfers to another Department were indicated separately.

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Salary levels 14 – 15)	-	-	-	1	-	-	-	-	1
Senior Management (Salary level 13)	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and middle management (Salary Levels 11 – 12)	-	-	-	-	-	-	-	1	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Salary levels 8 – 10)	-	-	1	1	-	-	-	-	2
Semi-skilled and discretionary decision making (Salary levels 4 – 7)	-	-	-	-	1	-	-	1	2
Unskilled and defined decision making (Salary levels 1 – 3)	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	1	2	1	-	-	2	6
Transfers out of the Department	1	1	-	-	1	1	-	-	4
Contract Expiries	3	3	-	4	6	6	-	-	22
	4	4	1	6	8	7	-	2	
<b>GRAND TOTAL</b>	15				17				32
<b>Employees with disabilities</b>	-	-	-	-	-	-	-	-	-

The total of 32 terminations includes 22 contract expiries. Some of the contract appointees had a discontinuity in their service, which resulted in 22 contract expiries.

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

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	-	2	-	-	-	1	-	-	
<b>GRAND TOTAL</b>	<b>2</b>				<b>1</b>				<b>3</b>

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

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	-	2	-	2	-	-	-	-	4
Professionals	2	3	-	8	-	2	-	-	15
Technicians and associate professionals	4	6	1	11	-	12	-	4	38
Clerks	3	6	-	2	3	12	-	11	37
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agricultural and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	1	-	-	-	-	1
Plant and machine operators and assemblers	-	1	-	-	-	-	-	-	1
Elementary occupations	-	-	-	-	-	2	-	-	2
TOTAL PERMANENT	9	18	1	24	3	28	-	15	98
	52				46				
Employees with disabilities	-	-	-	1	-	-	-	-	1

“Skills development” reflects the total number of officials trained in one or more of the various programmes and other short courses, as well as those that underwent training as provided by external providers.

## 7. Performance Rewards

The Department granted the following performance rewards. These performance rewards allocated to personnel were approved in the previous reporting period, but processed on PERSAL in the current reporting period and reflects in the current reporting period's budget. The information is presented in terms of race, gender, and disability, salary bands and critical occupations.

**TABLE 7.1 – Performance Rewards by race, gender, and disability for the period 1 April 2004 to 31 March 2005**

Gender and Race Distribution	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees as at 31 March 2005 in group	% of total within group	Cost (R'000)	Average cost per employee (R'000)
<b>African</b>	<b>1</b>	<b>13</b>	<b>0.9</b>	<b>7</b>	<b>7</b>
Male	-	7	-	-	-
Female	1	6	0.9	7	7
<b>Coloured</b>	<b>12</b>	<b>53</b>	<b>10.8</b>	<b>106</b>	<b>9</b>
Male	7	23	6.3	63	9
Female	5	30	4.5	43	9
<b>Indian</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Male	-	-	-	-	-
Female	-	-	-	-	-
<b>White</b>	<b>15</b>	<b>45</b>	<b>13.5</b>	<b>280</b>	<b>19</b>
Male	6	25	5.4	173	29
Female	9	20	8.1	107	12
Employees with a disability	-	2	1.8	-	-
<b>Total</b>	<b>28</b>	<b>111</b>	<b>25.2</b>	<b>*393</b>	<b>14</b>

\* As per PERSAL

Officials appointed on a contract basis do not qualify for performance rewards and are therefore not included in the above statistics.

The expenditure as per the table above does not include special rewards paid to officials who performed an agency service in respect of the administrative function for the Department of Housing. This amounted to R168 773.

**TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service for the period 1 April 2004 to 31 March 2005**

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees as at 31 March 2005	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R'000)	Total cost as a % of the total personnel expenditure of R22,583
Lower skilled (Levels 1-2)	-	3	-	-	-	-
Skilled (Levels 3-5)	2	18	2.0	9	5	-
Highly skilled production (Levels 6-8)	16	47	16.0	136	9	0.6
Highly skilled supervision (Levels 9-12)	8	32	8.0	218	27	1.0
<b>Total</b>	<b>26</b>	<b>100</b>	<b>26.0</b>	<b>363</b>	<b>14</b>	<b>1.6</b>

Officials appointed on a contract basis do not qualify for performance rewards and are therefore not included in the above statistics.

**TABLE 7.3 – Performance Rewards by critical occupations for the period 1 April 2004 to 31 March 2005**

Critical Occupation	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees as at 31 March 2005	% of total within occupation	Total Cost (R'000)	Average cost per employee (R'000)	Total cost as a % of the total personnel expenditure of R22,583
PERSAL Controller	-	1	-	-	-	-
Planner	1	1	5.9	8	8	-
Architect	2	5	11.8	72	36	0.3
Engineer	-	-	-	-	-	-
Director	2	8	11.8	30	15	0.1
Chief Director	-	2	-	-	-	-
<b>Total</b>	<b>5</b>	<b>17</b>	<b>29.4</b>	<b>110</b>	<b>22</b>	<b>0.5</b>

Officials appointed on a contract basis do not qualify for performance rewards and are therefore not included in the above statistics.

**TABLE 7.4 – Performance related rewards (cash bonus), by salary band, for Senior Management Service for the period 1 April 2004 to 31 March 2005**

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within band	Total Cost (R'000)	Average cost per employee (R'000)	Total cost as a % of the total personnel expenditure of R22,583
Band A (Level 13)	2	8	18.2	30	15	0.1
Band B (Level 14)	-	2	-	-	-	-
Band C (Level 15)	-	1	-	-	-	-
<b>Total</b>	<b>2</b>	<b>11</b>	<b>18.2</b>	<b>30</b>	<b>15</b>	<b>0.1</b>

Officials appointed on a contract basis do not qualify for performance rewards and are therefore not included in the above statistics.

## 8. Foreign Workers

No foreign workers were employed during the period under review.

## 9. Leave utilisation for the period 1 January 2004 to 31 December 2004

Leave is administered by calendar year and not per financial year. The statistics is therefore given per leave cycle.

The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

**TABLE 9.1 – Sick leave for the period 1 January 2004 to 31 December 2004**

Salary Band	Total days	Total days certified	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	74	63	85.1	7	5.8	11	8
Skilled (Levels 3-5)	179	129	72.1	18	14.9	10	24
Highly skilled production (Levels 6-8)	576	436	75.7	51	42.1	11	138
Highly skilled supervision (Levels 9-12)	201	116	57.7	37	30.6	5	99
Senior management (Levels 13-15)	52	41	78.8	8	6.6	7	61
<b>Total</b>	<b>1082</b>	<b>785</b>	<b>72.6</b>	<b>121</b>	<b>100</b>	<b>9</b>	<b>330</b>

Sick leave taken by contract workers is included in these figures.

**TABLE 9.2 – Disability leave (temporary and permanent) for the period 1 January 2004 to 31 December 2004**

Salary Band	Total days taken	Total days certified	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	36	36	100	1	25	36	4
Skilled (Levels 3-5)	-	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	258	253	98.1	2	50	129	51
Highly skilled supervision (Levels 9-12)	-	-	-	-	-	-	-
Senior management (Levels 13-15)	36	27	75	1	25	36	42
<b>Total</b>	<b>330</b>	<b>316</b>	<b>95.8</b>	<b>4</b>	<b>100</b>	<b>83</b>	<b>97</b>

The following table summarises the utilisation of annual leave.

**TABLE 9.3 – Annual Leave for the period 1 January 2004 to 31 December 2004**

Salary Band	Total days taken	Number of employees using annual leave as at 31 December 2004	Average per employee
Lower skilled (Levels 1-2)	79	7	11
Skilled (Levels 3-5)	390	23	17
Highly skilled production (Levels 6-8)	1096	51	21
Highly skilled supervision (Levels 9-12)	912	36	25
Senior management (Levels 13-15)	193	7	28
<b>Total</b>	<b>2670</b>	<b>124</b>	<b>22</b>

Employees are allocated 22 or 26 working days annual leave, depending on their length of service. Unused leave of a cycle can be utilised within the first six months of the next year. Hence leave taken might exceed the allocated 22 or 26 working days. Leave taken by contract workers is included in the statistics.

**TABLE 9.4 – Capped leave for the period 1 January 2004 to 31 December 2004**

Salary Band	Number of employees as at 31 December 2004	Total days of capped leave available as at 31 December 2004	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2004
Lower skilled (Levels 1-2)	7	144	-	-	21
Skilled (Levels 3-5)	18	202	-	-	11
Highly skilled production (Levels 6-8)	50	1276	20	-	26
Highly skilled supervision (Levels 9-12)	37	2373	42	1	64
Senior management (Levels 13-15)	8	444	99	12	56
<b>Total</b>	<b>120</b>	<b>4440</b>	<b>161</b>	<b>1</b>	<b>37</b>

**TABLE 9.5 – Leave payouts for the period 1 April 2004 to 31 March 2005**

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee (R'000)
Leave payouts for 2004 due to non-utilisation of leave for the previous cycle	11	1	11
Current leave payout on termination of service for 2004/2005	184	4	46
Leave payouts for 2004/2005 due to Long Service Recognition for 20/30 years service	12	2	6
<b>Total</b>	<b>207</b>	<b>7</b>	<b>30</b>

## 10. HIV/AIDS & Health Promotion Programmes

**TABLE 10.1 – Steps taken to reduce the risk of occupational exposure**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Not known	

**TABLE 10.2 – Details of Health Promotion and HIV/AIDS Programmes**

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	✓		<ul style="list-style-type: none"> <li>Mr P Hopley (SMS)</li> <li>Ms R Gie (HIV/AIDS Co-ordinator)</li> </ul>
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	✓		One official per floor level - 4 Members of SHE committee with specific reference to HIV/Aids.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.		✓	No specific health budget.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	✓		<p>SHE Members has a specific role to play. Labour and Employee Relations Section have been specifically tasked with the above.</p> <ul style="list-style-type: none"> <li>C Mitchell</li> <li>E Juta</li> <li>WH Munnik</li> <li>FH Conradie</li> </ul>
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	✓		All policies explicitly prohibit any form of unfair discrimination.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	✓		<ul style="list-style-type: none"> <li>Quarterly HIV/AIDS Education and Awareness sessions</li> <li>VCT sessions</li> <li>Departmental HIV/AIDS Workplace Programme</li> </ul>
7. Does the department encourage its employees to undergo Voluntary Counseling and Testing? If so, list the results that you have achieved.	✓		4 VCT sessions / Awaiting report on stats from provincial service providers
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		<ul style="list-style-type: none"> <li>Baseline KAB Survey</li> <li>Pre and Post Test Counseling (VCT)</li> <li>Departmental HIV/AIDS Workplace Programme</li> <li>Feedback on training sessions</li> <li>Feedback at Departmental Committee meetings</li> </ul>

Safety & Health Environment (SHE) & HIV and AIDS Committee  
Knowledge, Attitude and Behaviour (KAB)



## 11. Labour Relations

No collective agreements were entered into with trade unions within the Department.

**TABLE 11.1 – Misconduct and disciplinary hearings finalised for the period 1 April 2004 to 31 March 2005**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	2	66.7
Verbal warning	-	-
Written warning	-	-
Final written warning	1	33.3
Suspended without pay	-	-
Fine	-	-
Demotion	-	-
Dismissal	-	-
Not guilty	-	-
Case withdrawn	-	-
<b>Total</b>	<b>3</b>	<b>100</b>

**TABLE 11.2 – Types of misconduct addressed at disciplinary hearings for the period 1 April 2004 to 31 March 2005**

Type of misconduct	Number	% of total
Unauthorised absence	1	33.3
Refusal to obey lawful instruction	-	-
Unauthorised use of Government vehicle	-	-
Under influence	-	-
Unbecoming conduct	2	66.7
<b>Total</b>	<b>3</b>	<b>100</b>

**TABLE 11.3 – Precautionary suspensions for the period 1 April 2004 to 31 March 2005**

Number of people suspended	1
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	30
Cost (R'000) of suspensions	0

The cost (R'000) of suspensions consist of Basic Salaries paid, Housing-, Medical- and Pension subsidies, Regional Service Council levies, Non-pensionable Allowance and Public Service Co-ordinating Bargaining Chamber levies, over the period 1 April 2004 till March 2005.

## 12. Skills development

The tables reflect the training needs as at the beginning of the period under review, and the actual training provided. The Cape Administrative Academy (CAA) at the Provincial Administration Western Cape presents skills programmes and other short courses. The other forms of training reflect training provided by external providers, e.g. computer training, job-specific courses, etc.

**TABLE 12.1 – Training needs identified for the period 1 April 2004 to 31 March 2005**

Occupational Category	Gender	Number of employees as at 1 April 2004	Training needs identified at start of reporting period			
			Learner ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	2	-	3	-	3
	Male	5	-	20	-	20
Professionals	Female	5	-	20	-	20
	Male	9	-	15	-	15
Technicians and associate professionals	Female	5	-	13	1	14
	Male	20	-	47	5	52
Clerks	Female	39	-	21	1	22
	Male	20	-	-	-	-
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	2	-	2
	Male	2	-	2	-	2
Elementary occupations	Female	2	-	-	-	-
	Male	-	-	-	-	-
Sub Total	Female	53	-	59	2	61
	Male	56	-	84	5	89
<b>Total</b>		<b>109</b>	<b>-</b>	<b>143</b>	<b>7</b>	<b>150</b>

**TABLE 12.2 – Training provided for the period 1 April 2004 to 31 March 2005**

Occupational Category	Gender	Number of employees as at 31 March 2005	Training provided / Interventions within the reporting period			
			Learner ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	6	-	-	-	-
	Male	8	-	2	2	4
Professionals	Female	5	-	3	1	4
	Male	13	-	20	9	29
Technicians and associate professionals	Female	17	-	28	11	39
	Male	22	-	35	17	52
Clerks	Female	41	-	63	13	76
	Male	15	-	19	7	26
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	1	-	-	1	1
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	1	-	2	-	2
Elementary occupations	Female	2	-	3	2	5
	Male	-	-	-	-	-
Sub Total	Female	71	-	97	27	124
	Male	60	-	78	36	114
<b>Total</b>		<b>131</b>	<b>-</b>	<b>175</b>	<b>63</b>	<b>238</b>

“Training provided” reflects various interventions in skills programmes and other short courses, as well as external (outsourced) training courses.

### 13. Injury on duty

TABLE 13.1 – Injury on duty for the period 1 April 2004 to 31 March 2005

Nature of injury of duty	Number	% of total
Required basic medical attention only	1	50
Temporary Total Disablement	1	50
Permanent Disablement	-	-
Fatal	-	-
<b>Total</b>	<b>2</b>	<b>100</b>

### 14. Utilisation of Consultants

No consultants were used to perform normal departmental functions for the period under review.