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PART 1: GENERAL INFORMATION



**MEC for Public Works
Honourable C. Martin**

PART 1 GENERAL OVERVIEW

1.1 Submission of the Annual Report to the Executive Authority

Honourable, Mr C Martin

Member of the Executive Council responsible for Public Works

Annual Report of the Department of Public Works for the Financial Year ended 31 March 2006.

Sir, I hereby submit to you the Annual Report of the Department of Public Works, Province of the Eastern Cape for the financial year ended 31 March 2006.



.....
ECN MANELI
Head of Department

Date: 31st August 2006

1.2 Introduction by the Head of Department

This annual report of the department of Public Works Province of the Eastern Cape is an expression of the achievements that department has recorded and a reflection of valuable experience that our organisation has gained in the course of executing our mandate over the foregoing 2005/06 financial year.

These achievements are measured against the strategic objectives, priorities and targets as encapsulated in the Annual Performance Plan as follows:

- The development and implementation of the infrastructure delivery programme.
- Meaningful collaboration with the CIDB in facilitating empowerment for contractors to enhance sustainable growth and enable their development from PDI status to becoming market leaders in the industry.
- Effective coordination of EPWP.
- Develop and manage the exit strategies for Vukuzakhe.
- Effectively utilise the supply chain management framework to promote locally produced goods and services.
- Promote a culture of performance, reward deserving teams and create a learning organisation.
- Coordinate systematic capacity building.
- Enhanced revenue management
- Improve on internal control weaknesses through an effective internal control function.

- Develop and maintain an integrated ICT system
- Improve recruitment and retention of technical skills, implement the human resources development strategy and collaborate with institutions of higher learning.
- The development and management of the integrated human resources strategy.

However, owing to a variety of developments and the evolving environment prevalent during the course of the financial year we have had to review the performance plan and review some priorities. This report is therefore against a revised Annual Performance Plan

Financial Highlights - budget against expenditure

The departmental allocation for the year under review was R522, 169m. This represented a decrease of 70% from the R1, 821, 793m allocated in the previous financial year. This decrease is accounted for by the transfer of roads function to the department of Roads and Transport. This move magnified a myriad of challenges including adjusting procurement systems to cater for the remaining functions of the organisation and transfer of additional personnel. I am proud to indicate that our financial management capabilities have improved tremendously as reflected by our expenditure which stands at 99%.

Delivery of very of Buildings Infrastructure Programme

New Works

This sub- programme deals with function of providing technical and professional support in the construction of schools, clinics and hospitals to the department of Education and Health respectively, and other infrastructure for other government departments. In the first quarter this programme had the following main responsibilities and targets:

- To ensure that all education projects to be implemented this year receive project management attention. This means that ensuring that projects are indeed at various stages and phases as indicated in project plans. i.e. planning, construction.
- Ensure that the quality of works in progress is guaranteed.
- Provide Monitoring and Evaluation expertise in the already running projects
- Ensure that tendering for various projects in done.

In respect of these responsibilities the department has made considerable progress notwithstanding infrastructure delivery challenges faced by the province broadly, but also the department specifically as they relate to technical and professional skills under - capacity. Once again, the department has played a critical role in ensuring that the province delivered this needed infrastructure.

Policy, Procedures and Systems Development Discourse

Recognising the renewed mandate, functions, and strategic focus owing to the transfer of the roads function, the department needed to initiate a process of developing appropriate policies, procedures, and systems in order to deliver better on its responsibilities. In this regard, processes to do the following were initiated:

- Development of a reliable Immovable Asset Register.
- Development of a Public Works Facilities Management System
- Reengineer the organisational structure to deliver on the new mandate
- Development of a property Disposal Policy and procedure manual
- Development of a government residential accommodation policy and procedure manual
- Revamp the Geographic Information System

- Development of a Risk Management Strategy
- Development and Implementation of a Debtors' and Creditors' management systems
- Development and Implementation of a Revenue Management Strategy and Plan

By the end of the financial year under review all these policies, systems and procedures were approved resources and capacity mobilised for implementation. This includes the establishment of a Risk Management Unit to implement the Risk and Fraud Prevention Plans. This is indeed one of our major achievements in the 2005/06 financial year.

EPWP

Currently the programme has received some level of stability and is progressing relatively well. Institutional structures are in place both at Provincial and Regional/ District levels. The Sector Committees in place which oversees the overall performance of the programme. 164 managers have been trained on NQF Level 5 (managing labour based construction) and 15 managers have been trained on NQF Level 7 (designing labour based construction).

Construction Industry Development Programme (CIDP)

The registration of contractors in the CIDB register has started very well recording 733 contractors in a CIDB register of contractors. We have also begun smoothly with the programme of developing emerging contractor development programme initiating mentoring programme and mobilising finance for contractors. We can only improve with time.

Service delivery Improvement

One of our major achievements in the period under review is the establishment of the customer care centre in the department. Within this context we have been able to refocus the department in espousing the government's value system as dictated to by the Batho Pele principles.

The infrastructure Delivery Improvement Programme has taken an exciting leap forward. With assistance from a variety of sources we have started implementing IDIP. All these efforts are a recognition and appreciation of the opportunity give to us to serve our people.

Let me take this opportunity and thank all managers and staff of the department for their sterling work. It was indeed a very challenging year, however, owing to the fact that they all put the shoulder on the wheel we have been able to record the achievements listed above. It really shows that working together we can achieve a lot.



ECN MANELI
Head of Department

1.3 Information on the Ministry

The Ministry is primarily responsible for the determination of policy imperatives as well as making policy decisions. Such policies and policy decision are meant to provide strategic guidance in fulfilling the mandate of the Department as per Cabinet resolutions. Further, the Ministry is responsible for overseeing the implementation of programmes flowing from these policies in order to give effect to the objectives of government in bettering the lives of the people.

In the year under review the ministry organised the activities of the department around three major policy priorities and programmes in order to carry out the responsibilities outlined above and these were:

- Construction Industry Development and Transformation
- Property Management Portfolio, and
- Expanded Public Programme

Construction Industry Development and Transformation

In terms of the Construction Industry Development Act, the major campaign undertaken in this programme was the contractor registration programme. In executing this campaign the ministry has been able to provide leadership in ensuring that contactors are registered and adhere to the requirements of the Act. The ministry has also shown courage in addressing the concerns and problems encountered by emerging contractors. Such courage included engaging the CiDB through its CEO on the potential hindrances to the registration process and unintended consequences arising there from.

Property Portfolio

Under the stewardship of the ministry the department has managed to do the following:

- Develop the Immovable Asset Register
- Develop the Public Works Facilities Management System
- Develop and implement the Property Disposal Policy
- Revamp the Geographic Information System

EPWP

While acknowledging the many challenges we are still faced with regarding the implementation of the EPWP currently, the programme has received some level of stability and is progressing relatively well. Institutional structures are in place both at Provincial and Regional/ District levels. The Sector Committees in place which oversee the overall performance of the programme. 164 managers have been trained on NQF Level 5 (managing labour based construction) and 15 managers have been trained on NQF Level 7 (designing labour based construction).

Overseas Trip

During the year under review the ministry visited India. This was a trip championed the national department of Public Works and its purpose was to learn best practice in labour intensive service delivery initiatives and governments role and support in such initiatives.

Other ministry engagements

2005/06 financial year saw the MEC being appointed as a political champion for two important programmes, namely, (a) programme for Youth, Women and disabilities, and (b) the Operation Ixingephi. On the first one, the ministry successfully led the campaign on the 16 days of activism against the abuse of women and children as well as the campaign on the celebration and commemoration of the Day of the Disabled.

Operation Ixingephi is a customer relations programme initiated by the Premier focussing on unlocking and resolving problems encountered by Suppliers, clients, and general citizens regarding service delivery

matters. The ministry has successfully led this programme and has consequently raised and improved the profile and image of government.

Strategic Overview and Key policy Decisions

In the year under review the department's activities were informed by a myriad of policy imperatives and strategic intents including but not limited to the following: (a) Implications of the transfer of the roads function; (b) Registration of Contractors as informed by the Construction Industry Development Board Act; and (c) The Property Disposal Initiative as pronounced in the Executing Authority's 2005/06 policy speech. Over and above these, the Provincial Growth and Development Plan (PGDP), National Spatial Development Initiatives and the Integrated Development Plans (IDP's) of Municipalities provided an overarching Service Delivery framework for the province in general and the department in particular.

In the face of government service delivery challenges in respect of Public Service transformation, intergovernmental relations, interdepartmental relations, integration, and coordination are pivotal in optimising service delivery impact at all levels. Whilst the Office of the Premier through the Programme Coordinating and Management Unit and the Intergovernmental Relations office are responsible for the overall provincial integration and coordination, Public Works is seized with the responsibility of coordinating developments in the infrastructure sector. Such is a challenge that we are charged with and continue to attempt to rise to on a day to day; year by year, sparing neither strength nor courage and 2005/06 financial year was no exception.

(a) Implications of the transfer of the roads function

The remaining programmes resulting from the transfer of the roads function have since been handed over to the Department of Transport with the necessary budgets.

They are as follows:

- Urban Renewal Programme
- Integrated Sustainable Rural Development Programme
- Vukuzakhe Roads Maintenance programme

The transfer of these programmes has had budget implications as the department saw a decrease in its allocation. However, the transfer of the Roads function to the Department of Transport, has provided the department with an opportunity to refocus its strategy towards –

- Provision, maintenance and management of provincially owned buildings.
- Coordination of the Expanded Public Works Programme.
- Effective and efficient management of departmental assets.
- Provide skilled, motivated and competent personnel and other support services for the department.

(b) Registration of Contractors as informed by the Construction Industry Development Board Act

The registration of contractors has been a major strategic drive in implementing the CIDB Act within the context of Construction Industry Transformation.

(c) The Property Disposal Initiative

The property disposal policy has been developed and the first group of redundant properties to be disposed has been identified. The Provincial State Land Disposal Committee has been approached for approval. These properties are to be sold in terms of the policy framework. Consultation with the affected municipalities has been done.

Significant events that have taken place during the year.

(i) Policy Development Discourse

A landmark process was the review of the organizational structure of the department with a view to creating an institutionally solid department that will appropriately be responsive to the needs of the clients.

The department has made significant strides in the area of provisioning and management of state assets. The immovable asset register has been developed for the department and all properties have been recorded. The department has finalised the asset disposal policy that will enable the disposal of government assets in a manner that strengthens service delivery in all spheres of government while at the same time contributing to economic growth, and support Broad Based Black Economic Empowerment.

The department has started contributing to initiatives to address poverty and unemployment levels in the province in line with PGDP objectives through, amongst other things, co-ordination of the implementation of EPWP.

Four major policies have been developed and are in the process of being implemented. These are:

- Movable asset management policy.
- Housing/residential policy.
- Supply chain management policy and procedure.
- Property disposal policy and procedure manual.
- Immoveable property acquisition policy

(ii) Service Delivery Enhancing Initiatives

The schools building programme has been successfully managed and Local Government projects of traditional courts were 95% complete. The departmental own projects were 99% complete.

The planning for the 2006/07 projects have been finalized for the Department of Social Development, Health and Education. The department has overcome the constraints caused by the stoppage of the infrastructure planning during the belt tightening phase.

It has been necessary for the department to reorganize itself as Public Works upon departure of Roads. To this end, the new service delivery model has been crafted and being consulted upon with affected departments.

1.4 . MISSION

To achieve the optimal efficiency, convenience, lifespan, economic viability, safety and appearance of any building or structure within our custodianship, by embodying the most effective, labour intensive and economic means at our disposal, while contributing to the broader government goals of job creation, poverty alleviation and fight against the HIV and AIDS pandemic.

1.5 LEGISLATIVE AND OTHER MANDATES

In order to fulfill its legislative and other mandated functions, the department has, *inter alia*, the following responsibilities:

- To provide and manage infrastructure and accommodation requirements for the line departments.
- To coordinate, monitor and evaluate the implementation of the Expanded Public Works Programmes in the province.

Schedule 4 of the Constitution, 1996 (Act 108 of 1996) lists Public Works as a functional area of concurrent national and provincial legislative competence.

- Constitution of the Republic of South Africa (Act 108/1996)
- State land disposal Act (Act 48/1961)
- General Law Amendment Act (Act 102/1972)
- Construction Industry Development Board Act (Act 43/2000)
- Preferential Procurement Policy Framework Act (Act 5/2000)
- Division of Revenue Act (Act 1/2005)
- Supply Chain Management Framework
- Labour Relations Act (Act 66/1995)
- Employment Equity Act (Act 55/1998)
- Basic Conditions of Employment Act (Act 75/1997)
- Skills Development Act, (Act 97/1998)
- Promotion of Access to Information Act (Act 2/2000)
- Public Service Act (Act 103/1994) 1994
- Occupational Health and Safety Act (Act 85/1993)
- Promotion of Administrative Justice Act (Act 3/2000)
- National Archives and Records Services of South Africa Act (Act 43/1996)
- Public Finance Management Act (Act 1/1999)
- Inter- Governmental Relations Framework Act (Act13/2005)
- Eastern Cape Land Administration Act (Act7/2000)

PART 2: PROGRAMME PERFORMANCE



PART TWO: PROGRAMME PERFORMANCE

2.1 Voted Funds

Appropriation 2005-2006	Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	Over/Under Expenditure R'000
	R522,169	R522,169	R514,420	R7,749
Responsible Minister	Honorable Member Christian Martin			
Administering Department	Department of Public Works			
Accounting Officer	Mrs N Maneli			

2.2 Aim of the Vote

The aim of vote 5, the Department of Public Works is the management and maintenance of the provincial property portfolio, provisioning of leased accommodation to line departments, management of new works projects and maintenance of new works programmes. The department is the principal implementing agent for the provisioning of the provincial buildings infrastructure and maintenance programmes.

In addition the department is charged with the following responsibilities:

- Coordination of the Expanded Public Works Programme provincially to ensure high participation in the programme to maximize job creation;
- Emerging contractor development through the Construction Industry Development Board objectives and principles;
- Optimal, effective and efficient management of departmental resources and assets;
- Implementation of the integrated Human Resource Development policy for attracting and retaining critical skills;

2.3 Summary of programmes

Programme	Sub-programme
1. Administration	1.1 Office of the MEC 1.2 Management 1.3 Corporate Services
2. Public Works	2.1 New Works 2.2 Maintenance 2.3 Property Management 2.4 Security
3. Community Based Public Works Programme	3.1 Programme Office Support (EPWP and CIDP).

2.3.1 Programme 1: Administration

This programme is responsible for providing strategic leadership and overall management as well as support functions to the entire organisation. These service include political leadership and support from the office of the MEC, strategic planning and research, Information, Communication and Technology functions, the human resources management and financial management.

2.3.2 Programme 2: Public Works

The programme is responsible for the provision and maintenance of buildings infrastructure to all provincial government departments. This includes the provision on lease basis of office space for government departments, implement and manage infrastructure programmes for provincial government departments and responsible for maintenance of government buildings. This programme is also responsible for the management of the provincial property portfolio and the formulation of the necessary policies.

2.3.3 Programme 3: Community Based Public Works Programme

This programme is responsible for the coordination of the Expanded Public Works Programme for all government departments. The Expanded Public Works Programme seeks to massify the participation of individuals in the programme to create jobs and thereby alleviate poverty. In addition, this programme manages the Construction Industry Development Programme for the development of emerging contractors. In line with the Supply Chain Management framework, this programme ensures the maximum participation of Previously Disadvantaged Individuals, in particular the disabled, youth and women in all the programmes of the department through the application of Black Economic Empowerment principles.

2.4 Overview of service delivery environment for 2005/06

The department is responsible for the management and maintenance of the provincial property portfolio, provisioning of leased accommodation to line departments, management of new works projects and maintenance of new works programmes. The department is the principal implementing agent for the provincial buildings infrastructure and maintenance programmes.

A policy shift that has taken place during the year is the transfer of the function of roads construction which was previously done by the Community Based Public Works Programme through the Vukuzakhe initiative.

The department has, in the development of its strategic plans for the year under review, aligned all its planning processes with the Provincial Growth and Development Plan in line with the priorities of the Economic Cluster. This has seen the coordination of infrastructure development plans for all departments to accelerate spending and service delivery.

A major milestone for the department has been the development of an immovable asset register and a maintenance plan for all properties belonging to Provincial Government. This asset register is compliant with the minimum requirements as set by National Treasury for an immovable asset register. The process of vesting the properties to the Provincial Government is continuing and more than 70% of the properties in the register have title deeds.

The department has made endeavours to improve lease management and improve relations with client departments. It is envisaged that in future service delivery standards will be set and agreed to with client departments in order to improve service delivery.

The department continued to capacitate the Public Works programme unit during the year to better assist the departments to coordinate and report on Expanded Public Works Programme achievements. The department has also positioned itself to implement the Construction Industry Development Programme to develop emerging contractors and use the Supply Chain Management framework to maximize the participation of the PDI's, in particular women, the disabled and youth, in the construction industry.

2.5 Departmental Receipts

Departmental Own Revenue	Actual Collections 2004/05 R'000	Budgeted Collections 2005/06 R'000	Actual Collections 2005/06 R'000	% Deviation from target
	15139	7958	13417	69%

Departmental Revenue	Actual Collection 2004/05 R'000	Budgeted Collection 2005/06 R'000	Actual Collection 2005/06 R'000	% Deviation from target
Current revenue				
Tax revenue				
Non-tax revenue	15139	7958	13417	69%
Capital revenue				
(specify)				
Departmental revenue	15139	7958	13417	69%

2.5.1 Specific challenges and responses

Challenges	Responses
The weaknesses in internal control systems as identified by the office of the Auditor General resulted in a qualified audit report.	The department has developed policies and procedure manuals for all functional areas. These have been implemented during the last quarter of the financial year. The department is continuing with the implementation process with the assistance of the Internal Audit unit.
The implementation of the Supply Chain Management Framework and the necessary structures and capacity building.	The Supply Chain Management structures have been implemented. A policy and procedure manual was developed and implemented during the financial year. There are ongoing processes to capacitate the SCM units through training and additional personnel.

Establishment of a Risk Management to facilitate the implementation of the risk management strategy.	The department is in the process capacitating the Risk Management Unit to ensure the implementation of the risk management strategy.
Sustainability of the Internal Audit function.	Development and implementation of an exit strategy for the Internal Audit unit.
Scarce skills in project management	Scarce skills plan has been developed that addresses the scarce skills shortage

Issues requiring ongoing attention:

Issue	Action required
Risk Management	Monitor implementation of Risk Management Strategy and implementation of Fraud Prevention Plan
Revenue Management	Integration of revenue management systems and continuous support for satellite offices
Internal Audit exit strategy	Implementation
Supply Chain Management	Training and capacity building
Implementation of internal controls	Continuous monitoring of effectiveness of internal controls

2.6 Departmental payments

Programmes	Voted for 2005/06	Roll-overs and adjustments	Virement	Total voted	Actual Expenditure	variance
Administration	144 348			144 348	147 148	-2 800
Public Works	310 495			310 495	305 253	5 242
Public Works Programme	67 326			67 326	62 019	5 307
Total	522,169			522,169	514 420	7 749

Specific challenges and responses:

Challenge	Response
Non integration of creditors and debtors' management system	The ICT department is in the process of finalizing the integration of the ACCESS and Pastel creditors' and debtors' management systems
Supplier database management system	The updating of the supplier database was started half way through the financial year and has been completed

2.7 Programme Performance

2.7.1 Programme 1: Administration

2.7.1.1 Finance

Vision

To provide best practice financial and human resources management systems to support good corporate governance, ensure optimal and efficient and effective use of departmental assets and resources.

Mission

To provide financial and human resources management support to business units of Public Works by producing accurate and reliable financial information to support sound decision making by management.

Overview

During the 2004/05 financial year the roads function moved to the Department of Transport together with the relevant staff previously working within the Roads Programme. However, this move was not complete as support staff under Administration had to be split on 60/40 basis between Roads and Public Works. This exercise was completed during the year under review and had a negative impact in newly established offices like the rebates office, the creditors reconciliation office and the Supply Chain Management unit. The Supply Chain Management Unit was most affected and as such recruitment processes have been started to populate the SCM unit.

The Internal Audit function is currently operated as an outsourced service. The department has developed an exit strategy for approval by the Audit Committee and recruitment processes to fill the post of Senior Manager Internal Audit have started. In addition, the recruitment processes for the rest of the functions are in the process of being completed to ensure impartation of skills at the termination of the contract for the outsourced service.

The department has developed policies and procedure manuals for both the Corporate Services sub-programme in response to the challenges raised by the Auditor General in the audit report and management letter. These were implemented during the later part of the financial year and the Internal Audit unit is to assist the department in continuous evaluation of the effectiveness of the internal control systems for improvement.

The Risk Management Strategy has been developed and the Risk Management function established. The department is in the process of completing recruitment processes.

The department introduced a creditors management system through ACCESS. However, the system is currently run as a stand alone system and the ICT unit is in the process of integrating the system for control purposes. In addition, the PASTEL management system was introduced for debtor management. Again the ICT unit is in the process of integrating this system for control purposes.

The department has developed a movable asset register during the year under review. The assets have been verified, marked and reconciled against the asset register.

An action plan was put together at the completion of the audit for the last financial year. Specific projects were embarked on to address leave management which was raised as a qualification in the audit report. In addition, a project to respond to lease administration, properties register and other matters raised in the audit report was initiated. Significant progress has been made in particular to the property management related challenges. The endeavour to deal with the audit queries is an ongoing exercise as the department targets to achieve a clean audit report.

PROGRAMME 1: ADMINISTRATION

Sub-Programme, MEC Office: Total budget for 2005/06					
Strategic objective	Measurable objective	Performance measure/indicator	Actual Progress	Budget 2005/06	Expenditure 2005/06
<p>1. To provide guidance and strategic leadership in fulfilling departmental goals as informed by provincial priorities and plans.</p> <p>2. To provide departmental support in respect of continuous research, planning, strategy development and the implementation thereof.</p>	Champion efficient management of the MEC's diary.	Diary properly managed and updated accordingly to accommodate 240 meetings.	60 meetings held	3,882	3, 562
	Provide an effective link between the department and the Executing Authority	Facilitate 30 meetings with the HOD, and 24 with managers,	12 Weekly meetings with the HOD facilitated 6 monthly meetings with management organised		
	Provide leadership in the development and implementation of media strategy	Strategy in place by end April and effectively implemented	10 press/media statements released		
	Champion the establishment of a properly functioning registry	Functional registry in the office of the MEC	Properly managed registry with information easily accessible		
	Review procedure manual for the proper functioning of the office of the MEC.	Manual reviewed by end May 2005 and operational	Manual recommended by top management and approved by the MEC		
	Facilitate capacity building and training for MEC core staff	Capacitated and sufficiently trained staff (each staff member to attend at most three courses)	New staff members trained		

	Facilitate completion of appeal cases and grievances	Appeal cases processed and completed within 14 days	All received cases attended to and completed within 14 days		
	Facilitate and monitor responses to parliamentary questions	Parliamentary questions are responded to within 10 days	Receive, record questions Coordinate, compile, and submit responses within the required timeframes		
	Monitor implementation of cabinet, house resolutions, and Portfolio committee recommendations	Resolutions and recommendations responded to and implemented within 14 days	Facilitate and coordinate responses and submit within 14 days		
	Organize community outreach programmes/Imbizo's	24 Imbizo's organized	Nine community meetings organised		
	Facilitate the organisation and reorientation of reception	Inculcate Batho Pele principles in receiving and serving clients, and MEC's guests. Attend to Clients and clients' guests within 5 minutes of their arrival.	Attend and serve clients and guests within 5 minutes		
	Facilitate and monitor the installation of security systems in residential houses of Executive Council members	Security systems upgraded, installed and completed on time	Installations begin		
TOTAL BUDGET				3,882	3,562

MANAGEMENT

Sub Programme: Management						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Progress	Budget 2005/06 R'000	Expenditure 2005/06 R'000	Comments
	Development and implementation of service delivery improvement plan (SDIP)	Infrastructure Development Plan developed and implemented	Draft developed in-house	166	Staff salaries and general admin costs 163	Work in progress spilled over into 2006/07
	To provide quality, integrated information systems	Transversal systems functioning adequately	Service Level Agreement signed and services invoked	2,100	2,059	Service provided through SITA
		Master Systems Plan (MSP) developed and aligned to the provincial MSP	IMST Assessments and Senior Managers interviews completed			
		Electronic document management system implemented	None	109	Cost entire project 107	Request funding for project submitted to implement in 06/07
		Fully functional ICT and GIS offices	GIS Office fully functional			GIS Hardware, personnel and software acquired, using ESRI 's ArcSDI
		Fully integrated and functional information systems	Public Works Facilities Management System implemented in-house through SITA			Staff appointed for managing the function.

Sub Programme: Management						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Progress	Budget 2005/06 R'000	Expenditure 2005/06 R'000	Comments
	Establishment of customer care centres	One centre established at head office and operational, 15-30 days turnaround time to resolve complaints	Centre functional at Ground Floor Head Office	1,872	1,835	Full time staff appointed for the function
	Provisioning of cleaning services	Clean offices at head office and regions	Routine cleaning services performed	3,105	3,044	
	Regional admin support	Business plans aligned to head office developed and implemented . Quarterly reports submitted. Monitoring and evaluation conducted and business plan targets achieved.	Regional Plans submitted every planning cycle. Regional reports submitted every month and integrated with Head Office reports	55,693	50,830	Cacadu, Chris Hani and Amatole Regions were consistent during the year. Challenges were encountered regarding OR Tambo and Alfred Nzo.

SUB PROGRAMME MANAGEMENT: (STRATEGIC PLANNING AND RESEARCH)						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Progress	Budget 2005/06 R'000	Actual Expenditure R'000	Comment

SUB PROGRAMME MANAGEMENT: (STRATEGIC PLANNING AND RESEARCH)						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Progress	Budget 2005/06 R'000	Actual Expenditure R'000	Comment
1. To provide departmental support in respect of continuous research, planning, strategy development and the implementation thereof. 2. To render policy development and research support to the department.	Departmental plans and reports available in line with prescribed formats and templates	Strategic Plan, Annual Performance Plan and Business Plan	Departmental plans and reports were developed in accordance with the prescribed formats and templates	8,350	8,186	Strategic Plans and Business Plans were submitted to the Legislature
		Oversight Report, Quarterly Report	Completed and submitted on time			
		Annual Report	Work in progress			Will be completed and submitted on time
	Monitoring and evaluation of the implementation of departmental strategy	Programme performance review sessions held	Quarterly, and monthly Performance review were discussed in management meetings	508	498	Assisted by the OTP we are developing an M & E system
	Manage and maintain an Electronic Policy Documents Management System (EPDMS)	5 approved departmental policies captured in the database	23 corporate services policies captured in E-database.	620	608	Recruitment and selection policy; Debtors Write-off policy Disposal of state assets policy Revised Employment Equity policy Internship policy Policy Management Audit Report

SUB PROGRAMME MANAGEMENT: (STRATEGIC PLANNING AND RESEARCH)						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Progress	Budget 2005/06 R'000	Actual Expenditure R'000	Comment
		Accessibility of policies in the website.	Policies are accessible on website			Work in progress
	Monitoring and evaluation of policy Implementation	Branch assessment reports.	3 branch assessment report produced, submitted and discussed			Nil deviation
		Development of Transversal Policies	SCM, Team Reward, Disposal policy, Property management policies			Nil deviation
		Internal consulting on policy development	Support rendered to Buildings, PWP, HRD.			ECDP Policy review Bursary policy review Training and Development policy review
3. To facilitate and coordinate departmental Special Program in Respect of Gender, Youth, Disability,	Roll out the Provincial Gender Policy framework.	10 Awareness Workshops on SPU issues	2 workshops at H/O held and regional visits in all regions			Work in progress

SUB PROGRAMME MANAGEMENT: (STRATEGIC PLANNING AND RESEARCH)						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Progress	Budget 2005/06 R'000	Actual Expenditure R'000	Comment
Children and Elderly persons.						
	Monitoring and evaluation of employment Equity Plan Implementation	Quarterly Report with statistical data on employment of women, youth and disabled people.	Data on EE status available			
		Report on tenders awarded to women	13 tenders awarded to women			
	Monitors facilitate the participation and empowerment of youth.	A departmental Youth Development implementation Strategy	Draft developed	541	530	
	Facilitate the empowerment of disabled people	Sign language training for 30 employees	Training did not take place due to non availability of service providers.			
		Disability audit report	Audit report available			
	Promote the welfare of children/ elderly persons all departmental programmes	Information campaigns	Build up events to Child protection week Spearheaded the National Children's day			

SUB PROGRAMME MANAGEMENT: (STRATEGIC PLANNING AND RESEARCH)						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Progress	Budget 2005/06 R'000	Actual Expenditure R'000	Comment
4. Implement the Department Communication Strategy	Effective internal and external communication	Quarterly Newsletter / Bulletin	2 issues of Newsletter produced different bulletins produced	771	756	
		Departmental stakeholder Meetings	Three sessions held with contractors			
		Profile departmental programs in Magazines, newspapers and Radio slots	Some adverts were placed in newspapers and radio			
To provide guidance and strategic leadership in fulfilling departmental goals as informed by provincial priorities and plans.	Organisational design and human resource planning	Organisational structure designed in line with the strategic plan 2005 / 09.	Structure reviewed to fit the strategy			
				1,181	1,158	
MANAGEMENT TOTAL				71,173	69,773	

SUB-PROGRAMME: HUMAN RESOURCES MANAGEMENT

KPA	Strategic Objective	Measurable Objective	Performance measure/ indicator	Actual Progress	Budget (R'000)	Expenditure (R'000)	Comment
ORGANISATIONAL DESIGN	Organisational design and human resource planning	Organisational structure designed in line with the strategic plan 2005 / 09.	Perform consultation process on the DPW structure, complete the redesign and obtain the approval of DPW structure. Loading of structure on PERSAL. Job evaluation of 38 posts.	Organisational structure completed and approved. Creation of Employee Wellness Programme and Restructuring of Customer Care Services undertaken. Creation of Strategic Management Unit. Creation of Risk Management Unit. Posts of Project Admin. Managers created. 14 EPWP management posts (L9-13), and 4 posts of Persal Controller, Admin. Officer, BAS Controller and Transport Officer were evaluated Two posts of Administrative Officer (Fleet Services and Asset Management) evaluated. 3 Posts attached Risk Management Unit evaluated. 3 SMS posts for Prop. Dev and 6 Proj. Admin Man 8 Managers for Prop. Man. 1 Asst. Man for Budget	22,554	22,056	

HUMAN RESOURCE S MANAGEM ENT	1. HR planning	Human resources plan developed and available for implementation	Complete plan, monitor vacancies and filling of posts. Monitor reasons for mortality to estimate impact of HIV / AIDS.	Prioritisation for filling of posts done and incorporated into HR plan. Report on mortality done.	1,450 (includes recruitment and selection below)		
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	<p>2. To facilitate the recruitment and selection of competent employees to satisfy organizational imperatives and employment equity requirements</p>	<p>All vacant, funded posts filled with competent employees according to the applicable approved organogramme</p>	<p>Appointment of 221 employees performing work in higher positions with posts completed. Continue selection process for 41 posts advertised in previous financial year. Finalise transfer of support service staff to Dept of Transport. Commence recruitment process for PWP posts: 1 GM and 3 SM's; facilitate transfer of excess staff to fill other posts. Determine and finalise possible internal placement of all 349 excess employees. Consult with other departments regarding possible placement. Facilitate appointment of bursars that completed studies at end of 2005.</p>	<p>Selection of 152 support staff to be transferred to Department of Roads and Transport (DRT) finalized. Fast-tracking cases finalised. 28 appointments made in terms of the fast-tracking process. Remainder referred to Dept of Roads and Transport for implementation. Process of identifying possible posts to place excess employees has commenced. Amatole and O.R Tambo regions have submitted their lists of possible placements. Number of excess employees was reduced to 138. Consultations took place with Depts of Health and Local Government to place excess staff, but with limited success as employees were not willing to relocate (only 5 accepted the offer). The process of prioritising critical posts for filling was facilitated. Required information submitted to NIA to commence the security screening of various categories of staff members.</p>	<p>(Included under HR planning)</p>	<p>The workstudy unit investigated claims by Alfred Nzo region that their structure had insufficient posts to implement the fast-tracking there. The finding was that there are sufficient posts, but the employees do not meet the criteria of these posts (e.g. the requirement of a trade test to become an artisan). DPSA has instructed that the department should redraft the scarce skills policy in conjunction with the NDPW. These processes will continue during February 2006.</p>
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	<p>3. Continuous rolling out of performance management and development system at all levels</p>	<p>Every employee (total of 1600) contracted according to performance. Approval and implementation of system of team rewards. Implementation of SA Excellence Foundation system of measuring performance.</p>	<p>Facilitate that all employees are contracted for 2005/06. 12 managers to receive training on SA Excellence Foundation system of measuring performance. Approval of policy for rewards for teams in line with PGGA with assistance from OTP. Sample of contracts validated. Implementation of policy on team rewards. Assessment of the department by means of SAEM. Monitor implementation of team rewards.</p>	<p>Assessments for 2004 / 05 finalised. Level 9 – 12: out of 125 employees, 79 contracted (63%). Below level 9, out of 1987 employees 1983 have signed performance agreements (99,8%). 14 out of 15 SMS contracted. A sample of 250 contracts were validated. Policy on team rewards approved. SA Excellence Model (SAEM) training conducted. Alternative means of departmental assessment and team rewards will be considered in line with changes to the PGGA as being facilitated through OTP. These means were introduced in the department during the strategic planning process through the “Balasela” (excellence) framework.</p>	750		
	<p>Quarterly and annual appraisal for all 1600 employees.</p>	<p>Facilitate implementation of pay progression for 2003 / 04 and 2004 / 05. All quarterly and annual assessments for 2004/05 submitted and quality checked.</p>	<p>Pay progression for 2003 / 04 and 2004 / 05 implemented. All quarterly and annual assessments for 2004/05 were submitted and quality checked. Special measure adopted and being implemented to facilitate assessment for pay progression for employees that did not contract for 2003 / 04.</p>				

	<p>4. The effective management of labour relations</p>	<p>No backlog disciplinary cases. Reports submitted on the resolution of grievances and disputes. Grievances handled within 30 days; disputes managed.</p>	<p>All grievances and disputes dealt with in terms of prescripts. Training of 18 employer reps. Awareness training on disciplinary code and Code of Conduct for 400 employees. Training of 80 employees on Promotion of Administrative Justice Act. No backlog disciplinary cases. On the job coaching of 60 presiding officers.</p>	<p>48 grievances resolved, 2 not yet resolved, but referred to Public Service Commission. 19 disputes finalised, 6 pending. 95 disciplinary cases finalised, 14 pending due to chairpersons' reports, postponements and investigation. 55 managers have been trained as employer representatives. 374 employees attended an awareness session on Code of Conduct and grievance procedures. 55 managers have been trained as presiding officers and on the Promotion of Administrative Justice Act and Promotion of Access to Information Act. 6 senior managers have been trained as presiding officers.</p>	<p>1,992</p>		
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<p>5. Effective management of conditions of service, e.g. implementation of pay progression and provincial incentive scheme, and appropriate policies in place and effective management of staff records both manually and electronically</p>	<p>Staff records complete and updated on PERSAL and personnel files for all 1600 employees.</p>	<p>Focus resources on AG audit. All pensions and leave gratuities processed by the time employees exit. KTRS done on 75% of all personnel files.</p>	<p>Support directed towards Auditor General Audit. Arrear terminations due to roads transfer rectified. Routine claims were dealt with and information was supplied to labour relations to assist in dealing with grievances and disputes. Employees were informed in writing of the outcome of their assessment results. Work attendance was monitored within the department and salary disallowances made where necessary. Audits on 2000 – 02 camping claims, qualification bonuses and appeals completed. 80 terminations processed. The revised housing and rental allowance scheme within the Public Service was implemented. Leave applications processed. Unpaid suspension implemented on PERSAL on instruction from labour relations section. A workshop with stakeholders on the new leave procedure was held. Section heads were advised which employees have not yet taken the minimum prescribed leave days at the end of December 2005. The departments submitted the required information on rank and leg promotions to the OTP as part of the HROPT revision exercise.</p>	<p>10,650</p>	<p>KTRS remains an ongoing challenge. A quote has been obtained for assistance in monitoring this from PWC. The focus will be on HR registries and resolving AG queries pertaining to the reconciliation of attendance registers, leave forms and PERSAL.</p>
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				Pay progression implemented for 2003 / 04 and 2004 / 05. The Interim Performance Assessment Questionnaire (IPAQ) was introduced in the department to cater for employees that have not been assessed during 2003 / 04.					
			Pay progression for 2003/04 and 2004 / 05 implemented.	Performance bonuses for 2003 / 04 and 2004 / 05 implemented.					
			Pay progression implemented	Performance bonuses for 2003/04 and 2004 / 05 implemented, if any.					
			Performance bonuses implemented						
									Organised labour has been consulted prior to the implementation of the bonuses.

	<p>6. To facilitate, manage and monitor the training, education and development of all departmental employees in a manner that will not only benefit the department but will also empower the individual employee as well</p>	<p>Development of Workplace Skills Plan and Annual Training Report</p>	<p>Complete ATR for 2004/05. Review (i.e. remove roads function requirements) and implement WSP.</p>	<p>28 artisans prepared for the Olifantsfontein trade test. 61 Artisans assessed to determine training needs as part of the Buildings Maintenance Unit Programme (BMUP). 50 General Assistants on ABET. 4 sewing machines for ABET have been purchased. 12 Finance personnel are registered for a certificate on Supply Chain Management. 2 Senior Managers are registered for a certificate on SCM. 9 Finance personnel are trained on Budgeting in the Public Sector. 12 Finance personnel are trained on Revenue Management. 10 Finance personnel are trained on Public accounting. 3 Finance personnel are registered for a Diploma in Public Sector Accounting. 20 HR personnel completed a certificate on HR. 20 training officers completed a certificate on Skills Development Facilitator. 60 artisans trained on Bricklaying, Painting and Plumbing. 20 Technicians from buildings completed a certificate on Project Management. 20 personnel trained on computers. 4 property managers trained on property management. 5 internal auditors trained on internal auditing.</p>	<p>6,970</p>		
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20 Managers trained on South African Excellence Model.
 56 Managers trained as presiding officers.
 57 managers trained as investigators.
 Training needs identified for 18 female managers at middle management in compliance with the EE Plan.
 Draft Memorandum of Understanding with CETA has been developed.
 2 Managers from Buildings have been trained on Autodesk Revit for the Beginners.
 2 staff members have undergone training on CCS IT Computer Training.
 2 employees from policy o-ordination and Research sub-directorate have attended SAAPAM Annual National Conference.
 15 Mechanical staff have attended In – house training Pumps by IIR.
 18 Women Managers have attended Leadership training by Powerhouse.
 5 employees from Buildings have undergone Supply Chain Management training.
 15 Managers have been trained by SAMDI on Job and Evaluation Panel.
 On BMUP 200 buildings personnel have been assessed and 160 have undergone training.
 39 finance staff attended short courses on finance, budgeting and supply chain management.
 50 newly appointed employees attended an induction course.
 20 employees attended an HRD policy workshop.
 10 employees attended a project management.

			<p>12 employees attended a computer course.</p> <p>20 employees attended an HRD policy workshop.</p> <p>10 employees attended a project management.</p> <p>10 employees have been registered for grade 11 and 12 with FET college.</p> <p>13 artisans for driving skills.</p> <p>3 employees for fire safety training.</p> <p>5 internal auditors attended a conference on internal auditing.</p> <p>Procedures for bursaries and internship were developed.</p> <p>Information brochures for employment equity and fields of study related to buildings have been developed</p>			
	256 bursars	<p>Maintain the current bursars.</p> <p>Investigate transfer of roads bursaries to Department of Roads and Transport.</p> <p>Determine available budget and advertise bursaries for 2006.</p>	<p>54 employees on bursaries and 130 non – employees.</p> <p>New bursaries put on hold as department is considering following provincial guidelines in terms of participating in National Students Financial Aid systems (NSFS)</p> <p>A pamphlet has been designed and distributed in the province to educate school – going children on the subjects required to pursue studies in building sciences. Most bursaries with required information have been paid. The Civil and Mechanical Engineering bursary files updated and ready to be sent to Roads and Transport. 7 Students are finishing their B Tech degrees.</p>			<p>Roads bursaries budget to be transferred with adjustment estimates.</p>

		40 learnerships and 30 interns	Engage learners and interns and maintain the determined number. Revive and expand collaboration with institutions of higher learning and Department of Education. Enter into agreements with these institutions.	30 PSETA learnerships introduced in the department for 12 months. 25 supervisors trained on mentorship to mentor the learners. 33 interns appointed for finance, office services and buildings. Draft collaboration agreement with Border Technikon. Partnership with COEGA (CIDB) for buildings capacitation plan. The learnership programme is progressing well with learners preparing for the end of the year examinations with two Public Sector learners started in September. 48 interns have been contracted by the department until end of March.			
TOTAL					22,554	22,056	

EMPLOYEE WELLNESS	1. Integration of EAP, OHS and HIV / AIDS programmes	Creation of an integrated unit to deal with employee wellness	Finalise the structure for the unit and define functions of the unit. Current staff to continue related duties. Complete interim job descriptions for posts in the unit.	Structure for wellness component approved. Post of Manager: Employee Wellness advertised. REFER TO ATTACHED REPORT ON HIV / AIDS.	Budget incorporated under management.	
	2. Monitor occupational health and safety	Inspections; legal compliance	96 routine inspections; inspect all projects; manage all IOD's; monitor legal compliance.	<p>Awareness event on injury of duty to Head Office employees.</p> <p>Meeting with Supply Chain Manager regarding OHS in tender documents.</p> <p>30 inspections done to departmental existing buildings and findings reported to relevant directorates.</p> <p>75 Construction sites inspected and site meetings attended to monitor adherence.</p> <p>Safety Plans submitted by contractors and approved by the section.</p> <p>Awareness Day at Alfred Nzo</p> <p>20 First Aiders nominated and trained.</p> <p>Safety structures revived and in place in Alfred Nzo. 95% of backlog medical bills paid to doctors.</p> <p>1 fatal Injury reported to Compensation Commissioner.</p> <p>1 injury reported. Submitted final medical report.</p> <p>2 Awards of Compensation paid to injured employees.</p> <p>3 cases in the process of being awarded compensation.</p>	1,780	1,183

	3. Provide Employee Assistance Program (EAP)	No of employees counselled; No of training sessions.	Employees seeking assistance counselled. Life skills training conducted.	A workshop on stress management was conducted at Chris Hani as part of Life Skills during the period under review. Again at Amatole an awareness campaign on cancer was conducted with the assistance of SA CANCER ASSOCIATION. 19 employees received counselling. 2 employees were referred for rehabilitation for alcohol addiction. 1 employee was referred for psychotherapy. HIV / AIDS awareness road shows were held at Mthatha and Lusikisiki. An awareness campaign on substance abuse was conducted at Amatole, Chris Hani and Head Office. This was done with the assistance of the South African Council on Alcohol and Drug Dependency	Budget incorporated under management	
TOTAL					1,780	1,183

Finance

Measurable Objective	Performance measure indicator	Budget R'000	Expenditure R'000	Progress	Comments
Budget Planning and Control	Departmental budget aligned to plans and submitted on time per Treasury Guidelines.	R286		<ul style="list-style-type: none"> • IYM and monthly management report submitted timeously. • 05/06 budget loaded. • 1st draft budget submitted. • Budget hearings and adjustment estimate done. • Submission of 06/07 budget. • Annual cash flow projections submitted. 	
Optimal investment in total assets required to support service delivery.	Movable asset register.	R508		<ul style="list-style-type: none"> • Update movable asset register with acquisitions. • Verification and marking of assets. • Reconciliation of assets to asset register. • Monitor inter-departmental transfers. • Monitor transfer of remaining assets to Roads and Transport. 	The transfer of the administration staff from this component to Roads and Transport has affected the roll-out of the action plan for movable asset management.
	Revenue and debtors' management system.			<ul style="list-style-type: none"> • Created individual debtors' accounts on 	The Pastel programme is not yet integrated.

				<p>Pastel.</p> <ul style="list-style-type: none"> • Issue debtors' statements monthly. • Development of tariff register. • Increase rentals to minimum of R1000 per cabinet resolution. • Hand over of overdue accounts for collection. • Compile EC3 for revenue estimates. • Develop and implement revenue policy and procedure manual. 	<p>The department is experiencing capacity challenges at Alfred Nzo and Graaf Reinett and the system for these areas is administered from head office.</p>
	Inventory management.			<ul style="list-style-type: none"> • Monitor regional quarterly stock takes. • Follow up disciplinary processes on shortages, surpluses and losses. • Conduct and monitor annual stock taking processes. • Generate annual stock reports and recommendations. • Identification of redundant and obsolete stock items. • Reconciliation of physical stores to 	<p>The transfer of the administration staff from this component to Roads and Transport has affected the roll-out of the action plan for movable asset management.</p>

				Logis.	
Financial management and reporting.	Annual Financial Statements.	31,454	32,258	<ul style="list-style-type: none"> • Clearance of suspense accounts. • BAS/Persal reconciliations and exception. • Bank reconciliations. • General ledger accounts reconciliations. • Preparation of Annual Financial Statements. 	
	Auditor General Report.	2	2	<ul style="list-style-type: none"> • Coordination of the annual audit. • Ensure information availability and respond to queries. • Continuous implementation of the recommendations of the Auditor General. 	
Monthly signed, certified, returned and filed payrolls.	<ul style="list-style-type: none"> • Appointment and training of paypoint managers. • Correct placing and verification of personnel. 			<ul style="list-style-type: none"> • Head counts conducted in all regions and results thereof reconciled back to payroll. • Appointment and training of pay point managers and officials. • Development, implementation and workshopping of pay point guide. 	

				<ul style="list-style-type: none"> • Appointment of distribution officers. • Correct placing of verified personnel. • Filing system and electronic data base developed and implemented in head office and regions. 	
Expenditure management and control.	<ul style="list-style-type: none"> • Payment of creditors within 30 days. • Creditors' reconciliation and expenditure control. 			<ul style="list-style-type: none"> • Creditors' payment period reduced from an average of 87days to an average of 36 days. • Creditors' statements reconciled to creditors data base monthly. • Monitoring of creditor payment through ACCESS data base cascaded to OR Tambo and Amathole regions. 	The department is currently rolling out the system to the Cacadu, Chris Hani and Alfred Nzo regions.
Monitoring and evaluation of risk management and internal controls.	Risk Management Report.			<ul style="list-style-type: none"> • Conducted a departmental business risk assessment. • Developed a Risk Management Strategy and Fraud Prevention Plan. • Developed and 	The department is in the process of appointing a Risk Manager and Assistant Managers to drive risk

				maintained risk registers for all programmes, directorates and regions.	management and fraud prevention processes.
	Internal Audit reports.			<ul style="list-style-type: none"> • Internal audit reports issued for revenue, expenditure, asset management and human resources management for head office and regions. • Special audits conducted for Vukuzakhe and Expanded Public Works Programme. 	
Implementation of the Supply Chain Management System.	Functional Supply Chain Management Structures and systems.			<ul style="list-style-type: none"> • Developed and implemented a supply chain management policy and procedure manual. • Roll-out of training programme through workshops and courses through PFSA. • Consolidation of the Tech Admin components into the SCM unit. • Centralization of all tender processes under the 	The department is in the process of centralizing contract administration under SCM. Additional personnel is in the process of being sourced to fully capacitate the SCM unit. Training and capacity building is ongoing.

				SCM unit <ul style="list-style-type: none"> • Rationalization of all tender processes done externally. • Introduction of best practice in acquisition. • Rationalization and improvement of the roster system. 	
Transfer to Nelson Mandela Metropole.		3,300	3,291	Transferred to Nelson Mandela Metropole.	
TOTAL BUDGET		35,550	35,551		

2.7.2 Programme 2: Public works

The Department is responsible for the management and maintenance of the provincial property portfolio, provisioning of leased accommodation to line departments, management of new works projects and maintenance of new works programmes. The Department is the principal implementing agent for the provisioning of the provincial buildings infrastructure and maintenance programmes.

The following table indicates the demand by various departments of the services offered by the Department of Public Works:

Table 1: Demand for service delivery space by department

Department	Type of project	Budget over MTEF (2006/07 to 2008/09) (R'000)
Health	Revitalisation	303,253
	Clinic revamping	331,947
	Provincial	1,060,576
	Maintenance	502,360
Education	Rehabilitation	1,454,032
	Special schools	143,522
	Capital	165,710
Social Development	New constructions	83,982
	Rehabilitation	9,470
	Other	8,246
Office of the Premier	All works	30,990
Sports, Arts and Culture	All works	55,935
Transport	Vehicle testing stations	27,756
Total		4,177,779

The following table summarise the number of Province's State Owned Buildings and parcels, leased portfolio as well as the condition of the State Owned properties:

Table 2: Summary of Provinces Property Portfolio

State Owned Portfolio	Land				Buildings	
	Number of properties	Number of vacant urban properties	Number of unutilised rural properties	Total number of hectares	Number of properties with buildings	Square meters of buildings
Whole province	18 544	1 480	5	2 736 232	13 023	3 391 590

Source: List supplied by National Departmental of Public Works

Table 3: Summary of Provinces Leased Portfolio

Leased Portfolio	Land		Buildings		Cost to government (R'000)
	Number of properties leased	Total number of hectares	Number of buildings	Square meters of building	
Whole province	72	0	72	45 251	66 934

Source: Supplied by National Departmental of Public Works

Table 4: Summary of the condition of provincial government buildings

	Condition of State Owned Buildings (Number and Percentage)										Total			
	Very Good (As New)		Good (Maintain)		Fair (Repair)		Poor (Replace)		Very Poor (Demolish or Dispose)					
Health Department (Hospitals Only)	8	Less than 10%	17	From 11 to 30	26	From 31 to 50%	9	From 51 to 60%	9	Greater than 60%	69			
Education Department														
Social Development Department														
Other clients combined	610		188		52		13		29		892			

Specific challenges and responses

Challenge 1: Lack of Legislative Mandate to Administer and Dispose Immovable Assets

The Province does not have the Land Administration Act. The responsibilities within Provincial Government for Land Tenure, Property Management and Development Facilitation are not legislated. Provincial coordination on land administration is lacking, having the effect of increasing poverty levels amongst the Eastern Cape communities.

The delegations for the disposal of provincial properties are limited to the Honourable Premier. Former Transkei and Ciskei properties remain delegated to the MEC of the Department of Local Government, Housing and Traditional Affairs. These two departments do not have asset management as their key competencies. Public Works cannot use legal mechanisms to deal with government tenants.

There was a delay in the disposal of government properties and the legal steps to enforce rental collection could not be implemented.

Response to Challenge 1

Communication with the Office of the Premier has started to issue a Proclamation that gives Public Works a legal mandate to dispose all provincial state properties.

In the communication, the issue of a Legislative Framework on Land Administration has been proposed in terms of the Public Service Commission Study Recommendations on Land Administration.

Challenge 2: Lack of formalised Service Level Agreements with User Departments and Principal Implementation Agents on Infrastructure Programmes

The Department of Public Works has no signed Service Level Agreements with user departments on the roll out of service delivery infrastructure, the provision of office accommodation and municipal service charges. Implementing agents appointed to support Public Works to deliver the service delivery infrastructure have SLA's with the client departments and none with Public Works.

When the roll out of the service delivery infrastructure experiences challenges, a lot of finger pointing in the province takes place with no responsibilities apportioned for specific deliverables.

The budget allocation for the rental, construction, maintenance and municipal payments on government accommodation facilities is not structured according to government requirements. There is always a shortage of office accommodation facilities and electricity cuts by municipalities and Public Works prioritising expenditure on these payments at the expense of building maintenance and construction.

The building maintenance backlog is increasing every year.

Response to Challenge 2

Provincial Forums have been established to communicate with user departments on their accommodation requirements and provision thereof. Infrastructure coordination initiatives have begun with Public Works working with Provincial Treasury and Coega Development Corporation on Infrastructure Development Improvement Programme (IDIP), Rapid Infrastructure Delivery and Supply Chain Management.

Public Works is involved in discussions with client departments on the draft Service Level Agreement for immediate implementation. Public Works is already structured in a way that provides services towards each key client.

Challenge 3: Inadequate Capacity to deliver on the Service Delivery Infrastructure and to Manage Provincial Immovable Assets

Public Works is grossly understaffed at both Head Office and Regions. The remuneration levels for key professionals are low, with little potential to attract scarce skills. There are no systems to manage infrastructure programmes from planning to monitoring as well as support systems for immovable asset management. The department has experienced crisis situations associated with potential under spending on infrastructure programmes without an early warning system for Public Works.

DORA Reporting and In-Year Monitoring Reports picked up the low expenditure trends and Public Works was alerted on the potential under spending.

Response to Challenge 3

A new organogram has been submitted to the MEC for approval. Recruitment of staff and management has been fast tracked. The Capacitation Plan is being implemented.

The Public Works Facilities Management System has been internalized and being developed to provide for the complete Asset Register. Preparations for the integration of the PWFMS with the facility management systems of Health and Education are in place. A monitoring and evaluation system for infrastructure programmes is being investigated in line with IDIP processes.

An Infrastructure Task Team was set up between Public Works and Provincial Treasury to reverse the potential trend towards underspending. The support of ECSECC and Coega Development Corporation was mobilised to speed up the delivery processes. Institutional Arrangements for the Provincial Infrastructure Coordination are being established by the task team composed of Provincial Treasury, Public Works, ECSECC and CDC.

In the communication, the issue of a Legislative Framework on Land Administration has been proposed in terms of the Public Service Commission Study Recommendations on Land Administration.

PROGRAMME 2: BUILDINGS

Strategic Objective	Measurable objective	Performance Measure Indicator	Progress April 2005 to March 2006	2005/06 Budget (R'000)	expenditure	Comment
To manage all provincially owned state properties	Management of all properties leased on behalf of client departments	Ensure that all leased properties have legally plausible leases	New standard lease agreements developed and implemented for all new landlords.	59,161	59,265	Out of the 46 leases, 26 month-to-month leases are in tender processes. 29 leases on satellite and service offices have been transferred to client departments.
	Reduction of leased space and increasing use of government owned properties	Not more than 50 leases for DPW No month-to-month leases All government accommodation needs submitted out on tender	Public Works remains with a responsibility for 46 leases			
	Establish and maintain an asset management system for all immovable assets	Update the Facilities Management System on 850 properties Perform condition assessments for the remaining 270 properties Obtain all original title deeds available within the Eastern Cape province Access the Facilities Management Systems and Asset	880 properties captured on the Public Works Facilities Management System Condition assessments for all 240 properties completed 790 original and copy title deeds filed in the strong room. .			
				10,000	10,018	Access obtained to 6373 properties on the Education Facilities Management System, 5500 properties on the asset list of Local Government and Housing, 879 properties on the Health Facilities Management System and 28 067 provincial properties within the

Strategic Objective	Measurable objective	Performance Measure Indicator	Progress April 2005 to March 2006	2005/06 Budget (R'000)	expenditure	Comment
		Lists of the Departments of Education, Health and Local Government				National Public Works Asset List
	To dispose off all non-core state properties	Develop a policy and procedure manual on disposal Obtain approval from Office of the Premier for disposal of properties Ensure that all provincial properties vest in the eastern Cape Province	The policy on the disposal of immovable properties approved by the Executive Council. 169 properties submitted to MEC for recommendations to Premier's approval processes 4308 properties vested in the Province of the Eastern Cape			
	Establish and manage multi-departmental district offices in designated regions	Completion of at least 10 of the 26 centres	14 of the 26 projects are being implemented already. This is 4 projects above the targeted projects for implementation during the financial year, originally planned for 10.	16,081	16,109	2 projects in Alfred Nzo delayed due to contractor performance
	Ensure speedy payments and reconciliation of municipality services accounts Capacitate and train their	Engage all affected municipalities to resolve disparities in reconciliation of accounts. complete reconciliation of all accounts and identify bottlenecks and ensure that all payments are	Reconciliation completed for all municipalities. Process in place to finalize payments to KSD and OR Tambo Municipalities	17,260	17,570	

Strategic Objective	Measurable objective	Performance Measure Indicator	Progress April 2005 to March 2006	2005/06 Budget (R'000)	expenditure	Comment
	personnel for adoption of best property management practices in all spheres of their work.	effected within 7 workings day of receipt of invoices.				
	Capacitate and train personnel of best practice Property management in all spheres of their skills	Conduct a skills audit together with SPP. Identify skills and training needs in line with key deliverables of SPP. Employ additional personnel	Skills audit conducted, training needs identified (not through SPP as an alternative strategy was followed) Project leader and Valuer employed to beef up capacity			

Strategic Objective	Measurable objective	Performance Measure Indicator	April 2005 to March 2006	2005/06 Budget (R'000)	Expenditure (R'000)	Comment
To implement planned and day-to-day maintenance of provincial and district government offices and residential properties	Renovations of Office Buildings	37 Offices renewed	19 completed 12 in progress 6 Facilities contracts in progress R 25,596m	36,745	25,596	
	Renovations to residential properties	95 Residential Properties habitable, increased to 115	100 residences completed 15 in progress R3,349m	3,904	3,349	
	Management of facilities such as lifts, air conditioners, security systems and fire equipment	1000 units functioning	On-going R 3,739m	4,578	3,739	
	BMUP	300 people trained	230 evaluations completed, 47 people on training R0,815m	1,034	0,815	

Health Programme				
Strategic Objective	Measurable objective	Performance Measure Indicator	2005/06 Budget (R'000)	April 2005 to March 2006
Hospital Revitalization Programme	Rebuild, Refurbish or Close down prioritized hospitals according to national budget quotas per province	10 Revitalization projects increased to 16	72,554	3 Completed 4 under construction 2 on tender 4 in planning stage None closed Expenditure: R72,554m (Conditional Grant)
Provincial and District Hospitals (Hospital Programme)	Renovations, Upgrading and Rationalization of Provincial and District Hospitals	18 hospitals, increased to 34	196,492	18 in planning 8 on tender stage 3 under construction 5 completed. Delays of 3 hospitals due to litigation Total Expenditure: R196,492m
Hospital Maintenance	Provide preventative, planned and emergency maintenance to Hospitals, mainly facilities and plant	100% function of the hospital facilities such as boilers, air conditioners, kitchen and laundry equipment, fire protection and minor electrical maintenance	68,702	8 Lift maintenance contracts 3 Fire Equipment Service Contracts 5 Minor Electrical Maintenance Contracts 4 Boiler Contracts 3 Air Conditioning Contracts 3 Minor maintenance Contract (Various Emergency Repairs)

Health Programme				
Strategic Objective	Measurable objective	Performance Measure Indicator	2005/06 Budget (R'000)	April 2005 to March 2006
				Expenditure: R68,702m
Clinic Revamping Programme	Roll out of new clinics, reduce the maintenance backlog and perform planned maintenance on the provincial clinics and community health centres	86 projects increased to 173	62,201	47 completed 55 under construction 9 on re tender 14 on tender processes 48 in planning stage Expenditure: R62,201m

Other Departments				
Strategic Objective	Measurable objective	Performance Measure Indicator	2005/06 Budget (R'000)	April 2005 to March 2006
Social Development	Planning and implementation of 47 projects	Completion of multi-year projects under construction, planning for new projects	15,716	10 completed 9 in construction stage 28 in planning Total Expenditure: R4,888m
Vehicle Testing Stations Department of Roads and Transport	Implementation of 1 Vehicle Testing Station	1 Project under construction	5,715	1 project under construction Expenditure: R1,399m
Local Government and Traditional Affairs	7 Traditional Courts House of traditional Leaders	4 Projects completed 1 90% completed due to delays by contractor Two projects held back at instruction of	4,186 3,504	4 Projects completed 1 90% completed due to delays by contractor Two projects held back at instruction of Local Government. Problem with design of traditional courts being dealt with by DPW and

Other Departments				
Strategic Objective	Measurable objective	Performance Measure Indicator	2005/06 Budget (R'000)	April 2005 to March 2006
		Local Government. Plan completed		DLG &TA Expenditure: R6,058m
Construction of new SPORTAC facilities and renovations of existing facilities	Renovation of 2 projects and construction of 12 projects	14 projects reduced to 10: 4 projects completed 6 under construction 4 held back due to budgetary constraints	28,150	4 completed 6 under construction Expenditure: R22,695m
Protection of assets and prevention of losses (Public Works)	Access control systems	Nil losses in stock count reports	4,454	80% complete in implementing access control systems at Head Office and Regions Total Expenditure: R4,454

2.9.3 Programme 3: Community Based Public Works Programme

Public Works Programme is responsible for the implementation of the Community Based Public Works Programme and the coordination of the Expanded Public Works Programme. And the Construction Industry Development Programme.

Sub Programme: Community Based Public Works Programme						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Progress	Budget 2005/06 R'000	Expenditure 2005/06 R'000	Comments
Implement the lengthmen (VUKUZAKHE) system	Maintenance of roads and Public facilities with special emphasis on youth, women and disabled.	Number of people employed (1925)	Employment of 1925 contractors	12,492	12,465	Management of the contracts
	Establishment of the savings	Maintenance of 1925km	1925 contractors	16,183	16,196	Maintain 1925 km

Sub Programme: Community Based Public Works Programme						
	clubs.					
	Development of an exit strategy for Vukuzakhe	Exit strategy developed				Present first draft strategy for savings clubs.
Contribute to integrated sustainable rural development and poverty eradication in the rural municipal nodes	Identify and rehabilitate roads and public facilities of municipalities according to their IDP's.	Number of projects (13 projects)	7 Projects implemented	11,109	10, 165	Implementation of 7 projects
Contribute to Urban Renewal in Mdantsane, Motherwell and Ngangelizwe	Upgrading of gravel roads into surface Renovation of Public facilities	10 projects which cover 28 km	Surface 40 km of tarred roads in each of the townships	32,824	32,449	Adjudication of tenders. Implementation of 1 project.
Social facilitate all Departmental infrastructural projects to ensure smooth implementation and maximum community participation prior during and after project implementation.	Ensure community participation in all departmental projects.	137 projects	Only roads projects had community participation			Community participation and training facilitated for all projects submitted to the directorate

Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Progress	Budget 2005/06 R'000	Expenditure 2005/06 R'000	Comment
To coordinate and facilitate the implementation of the expanded Public Works Programme (EPWP) within the department	Coordinate and facilitate EPWP implementation.	200 000 jobs created. Verify targets for each department.	None	1,500	1,600	Monitor implementation of business plan and prepare quarterly reports

and the Province.	Training and development are part of project planning	Number of people trained & Number of people placed on permanent jobs	None	1,500	2,310	Monitor implementation of business plan and prepare quarterly reports
	Develop EPWP communication strategy jointly with the Office of the Premier.	Brochures and flyers	None	300	788	Adopt and implement strategy

Monitoring and evaluation						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Performance	Budget 2005/06 R'000	Expenditure 2005/06 R'000	Comments
Ensure that policy imperatives of the construction industry are informed by baseline information	Conduct research on baseline information	Reports	N/A	351	-	This was aborted as it has been approached as a National Government competency
Monitor the Programme Management Monitoring Information System.	Facilitate the inclusion of all infrastructural information required for tracking and monitoring of projects in reporting.	Reports	Information has been captured			Quarterly Reports produced.
Manage the database on procured infrastructure goods and services	Create database	Produce quarterly reports	4 Quarterly reports produced			Produce quarterly report

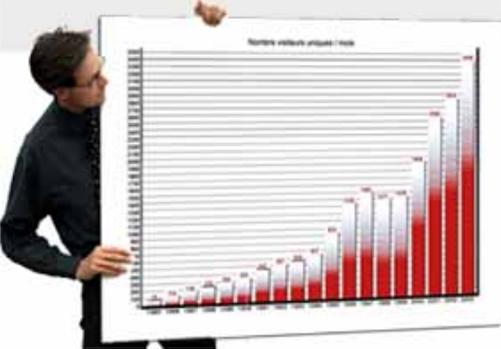
CIDP	<p>Strategic Goals:</p> <p>Contributing to the transformation of the construction industry and to ensure economic growth and development through facilitating transformation of these industries, regulation, capacity building and creation of business opportunities for previously disadvantaged individuals.</p> <p>Promotion of Black Economic Empowerment (BEE) in the procurement of goods and services, assets and property acquisition and disposal.</p> <p>Maintaining good corporate governance by ensuring departmental-wide compliance with government policies, regulations, instructions and enhancement of professional ethos in provision of services.</p>
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Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Performance	Budget 2005/06 R'000	Expenditure 2005/06 R'000	Comments
Build the capacity of emerging contractors on the Sakhasonke database in entrepreneurial, technical skills and through learnerships.	Registration and grading of emerging contractors.	300 registered emerging contractors.	710 Contractors registered and graded			Awareness Programmes for Contractor Registration still continuing
	Acceleration of the participation of women in construction.	60 women contractors.	13 Women Contractors			13 Women
	Facilitation of work opportunities for emerging contractors as per their grade	200 work opportunities	64 Projects awarded to Emerging Contractors			50 projects awarded to emerging contractors
	Provision and facilitation of training learnerships to build the capacity of emerging contractors	105 learnerships	205 learnerships achieved			The training took the form of Business Skills

Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Performance	Budget 2005/06 R'000	Expenditure 2005/06 R'000	Comments
Provide support intervention on mentoring, access to finance, work opportunities, plant and material information and advice to emerging contractors	Provision of mentorship programme for emerging contractors.	30 contractors capacitated through mentorship.	3 Contractors were mentored	1,300	1,300	Capacity of many contractors did not require the attachment of a mentor
	Facilitation of support interventions of business advice, access to finance, material and plant to emerging contractors.	3 memoranda of understanding signed	3 Draft MOU's completed		Draft MOU's not signed at year end	
	Facilitate mechanisms to ensure that emerging contractors are paid on time	Facility that enables contractors to be paid on time is in place	Average payment period achieved is 36 days	65	65	No contractor complaints received on late payments
Regulate the Provincial construction Industry by ensuring that all infrastructure role players conform to CIDB regulations	Facilitate registration of departmental infrastructure projects on the CIDB projects register.	Number of projects registered on the CIDB project register.	All	4	4	Compliance to CIDB Registration needs to be communicated to all departments and municipalities by National Public Works
	Development of tender documents for each category of contractors.	Tender documents	ECDP Draft Tender Documents completed	10	15	Documents awaiting alignment with SCM and CIDB prescripts

Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Performance	Budget 2005/06 R'000	Expenditure 2005/06 R'000	Comments
Transformation of construction industry.	Development of BEE policy.	BEE policy	None	237	-	BEE Policy has been identified to be a National Government competency
	Development and implementation of Itsoseng programme.	Itsoseng programme implementation.	None	234	-	Programme dropped due to other priorities
Manage the consultant roster	Appoint professional service providers in a fair and equitable manner	PDI professional service providers rotate fast	Roster reviewed and relocated to SCM			
TOTAL BUDGET				67,326	62,019	

PART 3: REPORT OF THE AUDIT COMMITTEE



For the year ended 31 March 2006

We are pleased to present our report for the financial year ended 31 March 2006.

Audit Committee Members and Attendance:

The Audit Committee was first appointed on 1st February 2005 following the split of the Department of Roads and Public Works into two (2) separate departments.

The Audit Committee consists of the members listed hereunder and met four (4) times as per approved terms of reference.

Name of Member	Number of meetings
<i>Attended</i>	
V.. Nondabula (Chairperson)	4
A. Smith	4
N, Hlongwane	4

For the year under review, the Audit Committee operated under very difficult and challenging conditions within the department. Consequently, it was not able to do its work for six (6) months.

Audit Committee Responsibility

The committee reports that it has complied with its responsibilities arising from section 38 (1)(a) of the PFMA and Treasury Regulation 3.1.13. Section 38 (1)(a) of the PFMA states the following:

- (1) “The accounting officer for a department must ensure that the department has 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”.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Internal Audit

During the 2005/2006 financial year, the department had its own internal audit unit, consisting of four (4) employees. Four additional officials were appointed and assumed duties on 01 August, 2006. Currently, there is no Head of Internal Audit. However, some progress has already been made in this area, because a recommendation has been submitted to the Executive Authority for appointment. Furthermore, internal audit is resourced by an outside consortium. The consortium operates under a contract and annual plan (under the direction of the Audit Committee), which outline their key performance areas and outputs. The consortium submits quarterly reports to the audit committee and to management, summarizing the results of its audit activities and recommendations for control improvement.

The effectiveness of internal control

During the year under review, some significant strides were made within the control environment. For example, the disciplinary actions taken by the department against officials implicated in the Auditor General’s reports on investigations, the strengthening of controls in the regions and head office, the signing of performance agreements by all senior managers, the filling of vacant posts (including internal audit) and the formal appointments in senior

positions, an improvement in systems and processes as well as the writing of policies and procedures are some of the department's noteworthy achievements.

Despite the important progress made by the department within the control environment compared to last year, much more work needs to be done to address control defects. For the year under review, there continued to be weaknesses in respect of the department's procurement system and processes, personnel and internal control systems which did not always function effectively and efficiently in all areas. The Auditor General had highlighted a number of control weaknesses in his management letter and under emphasis of matter. The effect of these internal control weaknesses is that they form the basis of the Auditor General's qualified opinion on the annual financial statements. Internal audit reports also gave more details of inadequacies in internal controls, stating that although the policies and procedures were adequate, yet they were not always effective in mitigating critical risks.

Finally, the Audit Committee also notes that the recording of land and buildings continues to be an on-going challenge for the department and as such, is currently under consideration by National Treasury. We urge the department to continue with its consultative process among all relevant stakeholders until the matter is satisfactorily resolved.

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

The Audit Committee is satisfied with the format and timely submission of monthly and quarterly reports issued by the Accounting Officer and the department during the year under review. It was, however, noted in the A-G's report that there was no regular review and reconciliation of bank statements, no review of outstanding debts and major contracts. Internal audit also confirmed these inadequacies in their reports. In our opinion, addressing these issues will result in more effective controls and will also improve the quality and accuracy of reports.

The approach adopted by the Audit Committee in reviewing the monthly and quarterly reports was not to place reliance on internal audit (partly due to under-staffing in the unit). Instead, the Committee relied on the Acting Chief Financial Officer (i.e. the person who prepares the information and is its custodian) for reliability, completeness and accuracy. Additionally, since the Audit Committee had always reviewed the submitted reports to Provincial Treasury and other stakeholders, it also placed reliance on the Accounting Officer who reviewed and signed off on these reports.

Evaluation of Financial Statements

The Audit Committee reviewed the first draft of annual financial statements prepared by management, and commented on what was available to it. The Committee also identified the work that was still outstanding and presented a specific plan of action for the department to follow before the final submission of the annual financial statements. The Committee also gave additional input to the department when new and additional information became available to it afterwards. Furthermore, the Committee had suggested that the department should implement some checks and quality assurance review by internal audit and the Chief Financial Officer in order to minimize errors, as well as a final review by the Audit Committee before submission to the A-G on the 31st May, 2006. All these steps were taken.

Treasury Regulations Guidelines require the Auditor General to formally present his audit report on the annual financial statements to the Audit Committee for extensive review and discussion with both the Auditor General and management (not after the report has been submitted by the Auditor General). Unfortunately, the Auditor General deliberately decided not to observe this important protocol.

This is a matter of great concern to us, because the Auditor General purposefully prevented the Audit Committee from effectively carrying out its responsibilities as per the Public Finance Management Act, Treasury Regulations and its Audit Committee Charter.

Consequently, the Audit Committee was never given sufficient time by the auditor general to:

- 1 Review and discuss the audited annual financial statements to be included in the annual report with the Auditor-General and the Accounting Officer;

- 2 Review the Auditor-General's management letter and management response thereto;
- 3 Review significant adjustments resulting from the audit;

Also significantly, the Auditor General's findings on internal audit and the Audit Committee were reached before the Audit Committee's report was finalized. Consequently, important and relevant information on these issues had been excluded by the A-G before conclusions were reached. Furthermore, the Auditor General did not consult any of the Audit Committee members on the issues raised. As a result, the Audit Committee was not able to discuss this report with the Auditor General on time.

Conclusion

On the whole, the Audit Committee is in agreement with the issues raised by the A-G which form the basis of findings for qualifications of the audited annual financial statements. However, on the basis of our comments above, we would like to express our profound displeasure at the process followed by the A-G in dealing with the internal audit and the Audit Committee comments and findings. Moreover, we were equally perturbed by the Auditor General's refusal of our written request for some of his working papers in order for us to understand the basis of some of his findings. His refusal was a violation of the Treasury Regulations guidelines on the Audit Committee's evaluation of the annual financial statements.

As stated earlier, the Audit Committee is heartened with the following positive developments within the department:

- Corrective actions taken by the department against officials implicated in the A-G's investigations
- The recent staffing and formal appointments of officials in an acting capacity
- Appointments of internal audit officials, including progress made towards the appointment of the head of Internal Audit
- The re-affirmation of the department to address internal and external audit issues
- Better and improved communication between the Audit Committee and the department

In conclusion, we strongly believe that one of the keys to a significant turnaround in the department lies in improved communication, cooperation and commitment between the Audit Committee, the external auditors, the internal auditors and management. This will assist the department in addressing internal control, risk management, governance issues and in improving service delivery on a more sustainable basis.



.....
Chairperson of the Audit Committee

21/8/2006
.....
Date

PART 4: ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006



PART FOUR: ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

4.1 REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2006

Report by the Accounting Officer to the Executive Authority and Provincial Legislature of the Eastern Cape.

The Department presents this report in terms of the Public Finance Management Act and the relevant Treasury Regulations. The foregoing legislative prescripts require the Accounting Officer to fully account on the financial activities of the year under review and the results thereof are contained in detail in the Annual Report. These Annual Financial Statements as set out in pages 76 to 110 have been prepared in terms of the Guide to the preparation of the Annual Report and Specimen to the Annual Financial Statements issued by National Treasury.

1. General review of the state of financial affairs

Important policy decisions and strategic issues facing the department:

In the year under review the department's activities were informed by a myriad of policy imperatives and strategic intents including but not limited to the following: (a) Implications of the transfer of the roads function; (b) Registration of Contractors as informed by the Construction Industry Development Board Act; and (c) The Property Disposal Initiative as pronounced in the Executing Authority's 2005/06 policy speech. Over and above these, the Provincial Growth and Development Plan (PGDP), National Spatial Development Initiatives and the Integrated Development Plans (IDP's) of Municipalities provided an overarching Service Delivery framework for the province in general and the department in particular.

In the face of government service delivery challenges in respect of Public Service transformation, intergovernmental relations, interdepartmental relations, integration, and coordination are pivotal in optimising service delivery impact at all levels. Whilst the Office of the Premier through the Programme Coordinating and Management Unit and the Intergovernmental Relations office are responsible for the overall provincial integration and coordination, Public Works has the responsibility of coordinating developments in the infrastructure sector.

(d) Implications of the transfer of the roads function

The remaining programmes resulting from the transfer of the roads function have since been handed over to the Department of Transport with the necessary budgets.

They are as follows:

- Urban Renewal Programme
- Integrated Sustainable Rural Development Programme
- Vukuzakhe Roads Maintenance programme

The transfer of these programmes has had budget implications as the department saw a decrease in its allocation. However, the transfer of the Roads function to the Department of Transport, has provided the department with an opportunity to refocus its strategy towards –

- Provision, maintenance and management of provincially owned buildings.
- Coordination of the Expanded Public Works Programme.
- Effective and efficient management of departmental assets.
- Provide skilled, motivated and competent personnel and other support services for the department.

(e) Registration of Contractors as informed by the Construction Industry Development Board Act

The registration of contractors has been a major strategic drive in implementing the CIDB Act within the context of Construction Industry Transformation.

(f) The Property Disposal Initiative

The property disposal policy has been developed and the first group of redundant properties to be disposed has been identified. The Provincial State Land Disposal Committee has been approached for approval. These properties are to be sold in terms of the policy framework. Consultation with the affected municipalities has been done.

Significant events that have taken place during the year.

(i) Policy Development Discourse

A landmark process was the review of the organizational structure of the department with a view to creating an institutionally solid department that will appropriately be responsive to the needs of the clients.

The department has made significant strides in the area of provisioning and management of state assets. The immovable asset register has been developed for the department and all properties have been recorded. The department has finalised the asset disposal policy that will enable the disposal of government assets in a manner that strengthens service delivery in all spheres of government while at the same time contributing to economic growth, and support Broad Based Black Economic Empowerment.

The department has started contributing to initiatives to address poverty and unemployment levels in the province in line with PGDP objectives through, amongst other things, co-ordination of the implementation of EPWP.

Four major policies have been developed and are in the process of being implemented. These are:

- Movable asset management policy.
- Housing policy.
- Supply chain management policy and procedure.
- Property disposal policy and procedure manual.

(ii) Service Delivery Enhancing Initiatives

The schools building programme has been successfully managed and Local Government projects of traditional courts were 95% complete. The departmental own projects were 99% complete.

The planning for the 2006/07 projects have been finalized for the Department of Social Development, Health and Education. The department has overcome the constraints caused by the stoppage of the infrastructure planning during the belt tightening phase.

It has been necessary for the department to reorganize itself as Public Works upon departure of Roads. To this end, the new service delivery model has been crafted and being consulted upon with affected departments.

Leases

Significant improvement has been effected on the lease management function. A project team focussing on the implementation of the Auditor General's recommendations and skills transfer has been appointed. The appropriate policies and systems have been developed and are being implemented.

A comprehensive debtor's management system, which includes tariff and asset registers, has been implemented fully. This has resulted in improvements in the revenue collection.

The GIS has been revamped by inter alia appointing a GIS specialist to manage the system. This has helped improve buildings infrastructure planning in the department.

Public Works Facilities Management System has been developed to assist in managing the immovable asset register. A number of Service level Agreements (SLA's) have been developed and entered into with client department in order to improve client relations and service delivery.

Major projects completed

The following projects have been completed:

Community Based Public Works Programmes resulting in a total of 12920 man days created have been completed. The projects are Ikamvelihle Roads and Stormwater Reticulation in Motherwell, Mdantsane Urban Renewal in Mdantsane and Lubisi Dam Roads Project in Cofimvaba.

Maintenance projects amounting to R10, 556m for revamping and renovations to government offices and other public facilities have been implemented. The projects are renovations to Dukumbana Building in Bhisho, renovations to Tyamazshe Building in Bhisho, alterations to Legislature Building in Bhisho, revamping of Bhisho Post office and renovation to PE Walton.

Spending trends

Revenue

The department collected an own revenue of R13,417m against a budget of R7,958m. The eviction process with respect to defaulters is being managed by the State Attorney. The Prevention of Illegal Eviction of Unlawful Occupiers Act AIA process has been followed with respect to the properties in King William's Town, Dimbaza, Seymour, Alice and Peddie.

Under-spending

The total expenditure was R514,420m against the budget allocation of R522,169m thus having an under spending of R7,749m.

Administration is over spent by R2,765m, Public Works is under spent by R5,242m and Public Works Programme by R5,307m

The under spending is in respect of the Personnel budget which resulted from the inability to recruit successfully professionals within the built environment due to uncompetitive salary packages offered by the Public Sector.

2. Services rendered by the department

- a. The department is responsible for the management and maintenance of the provincial property portfolio.
- b. The department provided technical engineering services to client departments for development of the provincial buildings infrastructure such as schools, hospitals, clinics, heritage sites etc.
- c. Implementation of Extended Public Works Programmes to eradicate poverty.
- d. Co-ordination of integrated planning and development of infrastructure.
- e. Implementing agent for the construction industry development transformation through monitoring of the construction industry stakeholders.

Tariff Policy

A tariff register is in place and the tariffs have been reviewed in line with the policy.

Inventory

Items	Costing method used	31 March 2006	31 March 2005
	Weighted Average		
Consumables		R 979	R 7 492
Non - Consumables		R 683	R 1 762
Fuel – Oils		-	R 987
Totals		R 1 662	R 10 241

3. Capacity constraints

The capacity constraints currently experienced within the buildings industry is being managed in a multi pronged strategy. A programme involving awarding of bursaries, provisioning of the experiential training, mentorship and the participation in the scarce skills programme has been initiated.

4. Corporate Governance arrangements

A risk assessment was conducted for identifying, managing and controlling the business risk of the department. As a consequence a Risk Management Strategy and Fraud Prevention Plan have been developed. The department is currently in the process of implementing the same. The function will be capacitated with personnel in the coming financial year.

The audit committee is in place and has been functional during the year under review.

The internal audit function has been established with the assistance of external service providers. The Internal Audit Unit is in the process of being capacitated with skilled personnel. Mechanisms are being put in place to ensure that skills are transferred to the internal personnel while an exit strategy is being drawn for implementation in preparation for the termination of the contract with the service providers.

In response to the Auditor General's findings on the weaknesses in internal controls, policies and procedure manuals have been developed and implemented to enhance and strengthen the systems of internal control.

5. Asset Management

The movable asset register has been developed and is being maintained. To date 1,134 properties have been captured on the Facilities Management System on which the asset register is maintained. An asset management unit of the department has been affected by the movement of personnel to the Department of Transport as part of transfer of support staff emanating from the transfer of Roads function.

The department is in the process of re-establishing an asset management unit. Systems will then be put in place to ensure that moveable asset update and verification is performed on a periodic basis.

An immovable asset register of all known properties has been developed during the year under review. The immovable asset register is compliant with minimum requirements of National Treasury with the exception of the availability of title deeds for the properties. However, the department is engaged in the vesting process and by the end of the year under review a significant amount of title deeds have been obtained.

Performance Information

The department utilises performance reporting template to report on the departmental annual plans. Monthly and quarterly reports are generated and management meetings are used for reporting and discussing performance by all departmental programmes, and plan corrective actions.

6. SCOPA resolutions

The department did submit the responses from SCOPA to enable them to either condone or make recommendations for all the financial years up to 2004/05 financial year. There have been no recommendations from SCOPA after the Department responded to all questions for the previous financial years.

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
Leave Entitlement	Leave	SCOPA Questions were responded to, Public Works appeared in front of the SCOPA Hearings and findings are still pending
Exceeding the current budget allocations for Property Management	Unauthorised Expenditure	
Ex post facto approval, transfers to RIDA, exceeding the personnel budget and Virement from capital to current not approved	Irregular Expenditure	
Expenditure incurred on unused building, overpayments, rental overpayments and rates	Fruitless and wasteful expenditure	
Absence of internal audit activities	Internal Audit	
Internal Control Weaknesses in Personnel and Salary System, Supplier Payments and Asset Management	Internal Controls	
Failure to surrender funds to Provincial Treasury regarding unauthorised expenditure, prior-year surrenders and capital budget under spending	Voted funds to be surrendered	

7. Other

The strategic issues addressed in the Annual Financial Statements excludes the Roads function as it has been transferred to the Department of Transport through a Proclamation that was passed in September 2004 and implemented on 1 April 2005.

8. Approval

The Annual Financial Statements set out on pages 76 - 110 have been approved by the Accounting Officer.



ECN Maneli

Head of Department

31 May 2005

4.2 Report of the Auditor General

REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL LEGISLATURE OF THE EASTERN CAPE PROVINCE ON THE ANNUAL FINANCIAL STATEMENTS OF VOTE 5 – PUBLIC WORKS FOR THE YEAR ENDED 31 MARCH 2006

1. AUDIT ASSIGNMENT

The annual financial statements as set out on pages 76 to 110 for the year ended 31 March 2006, have been audited in terms of section 188(1)(a) 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) and section 40(2) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). The fixed asset opening balances have not been audited because of the timing of guidance from National Treasury to the departments relating to the treatment, valuation and disclosure of fixed assets. These annual 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 annual financial statements, based on the audit.

2. SCOPE

The audit was conducted in accordance with the International Standards on Auditing read with *General Notice 544 of 2006*, issued in *Government Gazette* no. 28723 of 10 April 2006 and *General Notice 808 of 2006*, issued in *Government Gazette* no. 28954 of 23 June 2006. These 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
- evaluating the overall financial statement presentation.

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

3. BASIS OF ACCOUNTING

The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as described in note 1.1 to the annual financial statements.

4. QUALIFICATION

4.1 Inadequate monitoring

Management did not adequately and effectively monitor and supervise the department's activities and financial processes that resulted in the preparation of the annual financial statements.

This inadequate monitoring and lack of supervision impacted on the extent to which the department was able to ensure that its financial administration operated effectively throughout the year under review. The most significant consequence of inadequate monitoring and supervision is:

4.1.1. Procurement processes

It was evident during the audit that deficiencies existed in the procurement processes of the department and that these deficient processes are contrary to the various laws, regulations and other directives. Audit tests on a sample of tenders awarded during the year revealed that the requirements of the department's supply chain management policy and Treasury regulation 16 A were not always followed resulting in irregular expenditure of R1.5 million. This irregular expenditure has been disclosed in note 26 to the annual financial statements.

The possibility of collusion, fraud and corruption in these circumstances cannot be excluded. Consequently it was not possible to determine the full extent of irregular expenditure that should have been disclosed in note 26 to the annual financial statements.

4.2. Ownership of land and buildings

The department did not have adequate policies and procedures in place to ensure that all assets that are owned by the department are properly recorded and that losses are prevented. Of particular concern is the ownership of land and buildings recorded in the immovable property register.

The department is currently undertaking a vesting exercise during which it is attempting to ensure that all properties recorded in the register are registered in its name. Of the 1 134 properties of the department, 561 have been submitted to the appropriate committee for consideration and transfer into its name.

Audit tests on a sample of properties selected from the property register confirmed that a large number of properties recorded thereon were not registered in the name of the department. These properties have been reflected on annexure 4 to the annual financial statements at cost, where the cost was readily available or at R1 each, however no disclosures relating to their registration in the department's name have been made.

Furthermore, uncertainty exists as to which of the provincial departments of the Eastern Cape own the various buildings and other fixed structures that are reflected in the financial statements of these departments. This matter is currently under the consideration of National Treasury.

As no specific policy, in this regard, currently exists, it was not possible to confirm the completeness and ownership of all buildings and structures of R88.8 million that are disclosed in Annexure 4 to the annual financial statements.

5. QUALIFIED AUDIT OPINION

In my opinion, except for the effect on the financial statements of the matters referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of the department at 31 March 2006 and the results of its operations and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury of South Africa, as described in note 1.1 to the financial statements, and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999).

6. EMPHASIS OF MATTER

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

6.1. Inadequate monitoring

The further consequences of the inadequate monitoring referred to in paragraph 4.1 are:

6.1.1. Unauthorised expenditure

According to the appropriation statement that is included in the annual financial statements the budgeted expenditure of programmes 1 to 3 was exceeded by R26.8 million. Details are:

Programme	Current payment R'000	Transfers R'000	Total R'000
Administration	2 566	651	3 217
Public Works	9 285	-	9 285
Public Works programme	14 275	5	14 280
TOTAL	26 116	656	26 782

The unauthorised expenditure of R9.3 million in the *programme: Public Works* is a result of incorrectly budgeting for service charges on properties as transfer payments.

This is considered to be unauthorised expenditure as defined in Section 1 of Public Finance Management Act, 1999 (Act no. 1 of 1999) and has been disclosed as such in note 9 to the annual financial statements.

6.1.2. Fruitless and wasteful expenditure

The department has disclosed fruitless and wasteful expenditure of R29.7 million in note 10 of the annual financial statements. Details are:

- (a) The department did not take adequate steps to ensure that fruitless and wasteful expenditure that was reported in paragraph 5.3 of the audit report for the financial year ended 31 March 2005 was adequately dealt with. As a result of this, note 10 to the annual financial statements reflect an opening balance of R20.5 million.
- (b) It was reported in paragraph 5.3 (d) on page 91 of my audit report for the year ended 31 March 2005 that the officials responsible for property management did not implement the recommendations contained in a special report on leases that was issued by me. As a result, overpayments of R7.7 million were incurred on leases identified by the special investigation. These costs were regarded as fruitless and wasteful expenditure. Further overpayments of R7.6 million were incurred on these leases during the year under review.
- (c) Furthermore, officials in the property management section did not exercise due care in the management of properties leased from various landlords in the province. As a result of this it was noted that payments of R620 305 were made on two leased properties which were no longer occupied by the provincial government. Further payments of R159 743 were made on one of these properties since the year end.
- (d) As a result of the non payment of one of its creditors, the high court ordered the department to pay interest of R534 000. As no benefit was derived from the payment of this interest, this expenditure is regarded as fruitless and wasteful and has been disclosed as such.
- (e) It was also reported in paragraph 5.3 (c) on page 91 of the audit report for the financial year ended 31 March 2005 that costs of R621 456 relating to rates and security was incurred on the Amatola Sun Hotel whilst it was not occupied. This property remained unoccupied for the entire

year under review and as a result thereof, the rates and security costs of R411 000 paid on this property have been disclosed as fruitless and wasteful in the note 10 of the annual financial statements.

6.1.3 Irregular expenditure

Irregular expenditure of R109.2 million is elucidated by means of note 26 of the annual financial statements. A detail of this irregular expenditure is:

- (a) The department did not take sufficient steps to ensure that the irregular expenditure that was reported in paragraph 5.2 on page 90 of the audit report for the financial year ended 31 March 2005 was adequately dealt with. As a result of this, note 26 to the financial statements reflects an opening balance of R107.7 million.
- (b) The known irregular expenditure of R1.5 million identified as a result of tests performed on a sample of expenditure transactions reported in paragraph 4.1.1 above is also reflected in note 26 to the annual financial statements.

6.1.4 Poverty alleviation programme

Included in the unauthorised expenditure reported in paragraph 6.1.1. is an amount of R13.3 million that was incurred on a poverty alleviation programme. Of this amount R6 million was paid to the affected communities whilst R7.3 million was absorbed by consultants' fees and costs. As the programme concerned is by its nature not complex and does not require specialised knowledge to manage, I am of the view that it was not necessary to appoint consultants to supervise it. Correspondence provided to me indicates that the department requested permission, during 2003, from the Provincial Treasury to load the beneficiaries of this programme onto the PERSAL system. The required permission was not granted. The R7.3 million paid to the consultants should have been avoided and in addition to being unauthorised is also considered to be fruitless and wasteful expenditure.

6.1.5 Receivables

Management did not ensure that the department's staff debt accounts were properly reconciled and recovered from its personnel. As a result it was noted that the debt account of R1.7 million that is included in the accounts receivable balance of R2.8 million disclosed in the statement of financial position is not recoverable because the termination and pension benefits due to the personnel concerned were paid out before the debts were raised. This irrecoverable debt is disclosed in note 13 to the annual financial statements.

6.1.6 Revenue collection

Lease agreements for only 439 out of the 1048 occupied properties reflected in the rental register had been concluded during the year under review. Consequently, lease agreements required to support the existence of rental receivables disclosed in the annual financial statements could not be provided for audit purposes.

The lack of valid lease agreements together with management's inability to implement effective property management processes has resulted in R2.7 million of the R4.5 million disclosed as rental receivables in note 25 being considered irrecoverable.

6.1.7 Bank overdraft

In terms of section 3 of the Borrowing Powers of Provincial Government Act, 1996 (Act No 48 of 1996), a provincial department may not take up bridging finance unless with the written approval of the Member of the Executive Committee for Finance.

According to Section 1 of the above-mentioned Act, bridging finance includes overdrafts on a bank account that is operated by a provincial department.

The department could not provide evidence of the approval of the Provincial Member of the Executive Committee for Finance for the bank overdraft of R175 million reflected in the annual financial statements at 31 March 2006.

6.1.8 Performance management

A proper management monitoring framework for the preparation and reporting on performance information does not exist. This inadequate monitoring has resulted in significant inconsistencies between the measurable objectives contained in the annual report, the budget, quarterly reports and the strategic plan.

Furthermore, actual performance reported in the annual report differed significantly from that reported in the quarterly reports.

6.1.9 Material changes to the annual financial statements

Due to the lack of monitoring and independent check by management the financial statements did not comply with the requirements of the preparation guide sent out by National Treasury and as a result material changes were made to the financial statements.

6.2 Audit committee and Internal Audit

Section 38 (a)(ii) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) requires the accounting officer to ensure that a system of internal audit under the control and direction of the audit committee and internal audit. During the review of the audit committee and the internal audit function the following was revealed:

The audit committee did not adequately address all of the matters contained in its terms of reference. The following is reported in this regard:

- (a) Only limited guidance, if any, was provided to management on implementation of the fraud prevention plan. As a result, the fraud prevention plan that was prepared for the department by consultants during 2003 had still not been implemented at the date of this management letter.
- (b) The audit committee did not ensure that the quarterly reports detailing the department's performance against its Strategic plan were reviewed by internal audit before their submission to the Provincial Treasury. As a result significant differences between the performance reported in the quarterly reports and the annual report were noted.
- (c) The audit committee did not critically evaluate the performance of the internal audit function. As a result it was noted that only one out of two internal audit reports that were issued during the year covered periods applicable to the 2005-06 financial year. This limited the reliance that could be placed on the work of the internal audit function.
- (d) The review of the annual financial statements that were presented to me for the audit was not adequate as significant adjustments, disclosures and presentation matters affecting fair presentation were detected during the audit process that should have been addressed by the audit committee.

6.2.1 It is expected of the audit committee members to act with integrity, honesty and in the best interest of the entity that they are serving. It was noted that all three of the audit committee members submitted fee invoices that included value added tax (VAT) whilst none of these members were registered as VAT vendors. Although the department has subsequently recovered the VAT amounts from the members concerned this matter is reported in the public interest because the act of submitting VAT invoices whilst not being registered as a VAT vendor is defined as a criminal offence in terms of Section 58 (j) of the Value Added Tax Act 1991.

7. APPRECIATION

The assistance rendered by the staff of Eastern Cape Department of Public Works during the audit is sincerely appreciated.



SM Ngqwala for Auditor-General

East London

31 July 2006



AUDITOR - GENERAL

4.3 STATEMENT OF ACCOUNTING POLICIES for the year ended 31 March 2006

The 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 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), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2005.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The 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 or when the final authorisation for payment is effected on the system (by no later than 31 March of each year)..

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand ® which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

A comparison between actual and budgeted amounts per major classification of expenditure is included in the appropriation statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund, unless approval has been given by the National/Provincial Treasury to rollover the funds to the subsequent financial year. These rollover funds form part of retained funds in the annual financial statements. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is paid into the National/Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the statement of financial performance when received.

2.2.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

2.2.3 Fines, penalties & forfeits

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

2.2.4 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

2.2.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

2.2.6 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. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

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.

2.2.7 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the National/Provincial Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the financial statements.

2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised in the financial records when notification of the donation is received from the National Treasury or when the department directly receives the cash from the donor(s). The total cash amounts received during the year is reflected in the statement of financial performance as revenue.

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance. A receivable is recognised in the statement of financial position to the value of the amounts expensed prior to the receipt of the funds.

A payable is raised in the statement of financial position where amounts have been inappropriately expensed using local and foreign aid assistance, Unutilised amounts are recognised in the statement of financial position.

3. Expenditure

3.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the statement of financial performance¹.

All other payments are classified as current expense.

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

3.1.1 Short term employee benefits

Short term employee benefits comprise of leave entitlements (capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the notes to the financial statements. These amounts are not recognised in the statement of financial performance.

3.1.2 Long-term employee benefits

3.1.2.1 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

¹ This accounting policy is only relevant where the department elects to capitalise the compensation paid to employees involved on capital projects.

3.1.2.2 Post employment retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National/Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used on a capital project.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures.

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.7 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

3.8 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year)..

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

4.3 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party. Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.4 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

4.5 Loans

Loans are recognised in the statement of financial position at the nominal amount. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.6 Inventory

Inventories on hand at the reporting date are disclosed at cost in the disclosure notes.

4.7 Asset Registers

Assets are recorded in an asset register, at cost, on receipt of the item. Cost of an asset is defined as the total cost of acquisition. Assets procured in previous financial periods, may be stated at fair value, where determinable, or R1, in instances where the original cost of acquisition or fair value cannot be established. No revaluation or impairment of assets is currently recognised in the asset register. Projects (of construction/development) running over more than one financial year relating to assets, are only brought into the asset register on completion of the project and at the total cost incurred over the duration of the project.

Annexure 4 and 5 of the disclosure notes, reflect the total movement in the asset register of assets with a cost equal to and exceeding R5000 (therefore capital assets only) for the current financial year. The movement is reflected at the cost as recorded in the asset register and not the carrying value, as depreciation is not recognized in the financial statements under the modified cash basis of accounting. The opening balance as reflected on Annexure 4 and 5 will include items procured in prior accounting periods and the closing balance will represent the total cost of capital assets on hand.

The difference in the opening balance is due to change in basis of accounting for fixed assets. Previously fixed assets were disclosed at cost of additions for the previous three years. For the year under review the fixed asset register has been used to determine cost. As a result the difference in the opening fixed asset balance and the 2005 closing fixed asset balance is attributable to this change in calculation.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the statement of financial position.

5.2 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures to the financial statements.

5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.4 Contingent liabilities

A contingent liability 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 contingent liability is 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 included in the disclosure notes.

5.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

6. Net Assets

6.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the National/Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

6.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made and recognised in a previous financial year becomes recoverable from a debtor.

7. Related party transactions

Related parties are departments that control or significantly influence the department in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.

8. Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department.

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

9. Public private partnerships

A public private partnership (PPP) is a commercial transaction between the department and a private party in terms of which the private party:

- Performs an institutional function on behalf of the institution; and/or
- acquires the use of state property for its own commercial purposes; and
- assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and
- receives a benefit for performing the institutional function or from utilizing the state property, either by way of:
 - consideration to be paid by the department which derives from a Revenue Fund;
 - charges fees to be collected by the private party from users or customers of a service provided to them; or
 - a combination of such consideration and such charges or fees.

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

4.4 APPROPRIATION STATEMENT for the year ended 31 March 2006

Appropriation per Programme										
		2005/06						2004/05		
		Adjusted Approp	Shifting of Funds	Virement	Final Approp	Actual Exp	Variance	Exp as % of final approp	Final Appro	Actual Exp
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration										
Current payment	131,332	-	-	131,332	133,898	(2,566)	102.0%	162,630	159,201	
Transfers and subsidies	11,007	-	-	11,007	11,658	(651)	105.9%	15,432	16,113	
Payment for capital assets	1,275	-	-	1,275	823	452	64.5%	2,019	1,024	
2. Public Works										
Current payment	289,431	-	-	289,431	298,716	(9,285)	103.2%	257,027	253,113	
Transfers and subsidies	19,670	-	-	19,670	5,335	14,335	27.1%	3,555	8,242	
Payment for capital assets	1,394	-	-	1,394	1,202	192	86.2%	38,487	38,040	
3. Roads Infrastructure										
Current payment	-	-	-	-	-	-	-	446,556	441,749	
Transfers and subsidies	-	-	-	-	-	-	-	20,638	21,230	
Payment for capital assets	-	-	-	-	-	-	-	816,413	819,273	
4. Public Works Programme										
Current payment	12,493	-	-	12,493	26,768	(14,275)	214.3%	33,175	29,299	
Transfers and subsidies	52	-	-	52	57	(5)	109.6%	97	(72)	
Payment for capital assets	54,781	-	-	54,781	35,194	19,587	64.2%	25,102	20,692	
Subtotal	521,435	-	-	521,435	513,651	7,784	98.5%	1,821,131	1,807,904	
Statutory Appropriation										
Current payments	734			734	769	(35)	104.8%	662	756	
Transfers and subsidies					-	-	0.0%			
Payment for capital assets					-	-	0.0%			
Total	522,169	-	-	522,169	514,420	7,749	98.5%	1,821,793	1,808,660	
Reconciliation with Statement of Financial Performance										
Add: Prior year unauthorised expenditure approved with funding					-				-	
Departmental receipts				5,459				1,367		
Local and foreign aid assistance				4,308					-	
Actual amounts per Statement of Financial Performance (Total Revenue)				531,936				1,823,160		
Investments acquired and capitalised during the current financial year, but expensed for appropriation purposes										
Other payments in Appropriation Statement, not accounted for in the Statement of Financial Performance										
Add: Local and foreign aid assistance					2,877				457	
Prior year unauthorised expenditure approved										
Prior year fruitless and wasteful expenditure authorised										
Actual amounts per Statement of Financial Performance Expenditure					517,297				1,809,117	

**APPROPRIATION STATEMENT
for the year ended 31 March 2006**

Appropriation per Economic classification									
	2005/06							2004/05	
	Adjusted Approp	Shifting of Funds	Virement	Final Approp	Actual Exp	Variance	Exp as % of final approp	Final Approp	Actual Exp
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	232,800	-	-	232,800	225,671	7,129	96.9%	399,817	395,106
Goods and services	200,456	-	-	200,456	233,710	(33,254)	116.6%	499,810	487,540
Interest and rent on land	-	-	-	-	-	-	0.0%	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	0.0%	-	-
Transfers & subsidies									
Provinces & municipalities	20,506	-	-	20,506	5,262	15,244	25.7%	6,876	5,412
Departmental agencies & accounts	-	-	-	-	-	-	0.0%	-	-
Universities & technikons	-	-	-	-	-	-	0.0%	-	-
Foreign governments & international organisations	-	-	-	-	-	-	0.0%	-	-
Public corporations & private enterprises	-	-	-	-	-	-	0.0%	-	-
Non-profit institutions	-	-	-	-	-	-	0.0%	-	-
Households	9,837	-	-	9,837	11,575	(1,738)	117.7%	32,608	40,117
Gifts and donations	-	-	-	-	-	-	0.0%	-	-
Payment for capital assets									
Buildings & other fixed structures	54,778	-	-	54,778	35,108	19,670	64.1%	875,350	874,357
Machinery & equipment	2,653	-	-	2,653	1,953	700	73.6%	6,618	5,317
Biological or cultivated assets	-	-	-	-	-	-	0.0%	-	-
Software & other intangible assets	405	-	-	405	372	33	91.9%	52	55
Land & subsoil assets	-	-	-	-	-	-	0.0%	-	-
Total	521,435	-	-	521,435	513,651	7,784	98.5%	1,821,131	1,807,904

Statutory Appropriation									
Direct charge against Provincial Revenue Fund	2005/06							2004/05	
	Adjusted Approp	Shifting of Funds	Virement	Final Approp	Actual Exp	Variance	Exp as % of final approp	Final Approp	Actual Exp
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
List all direct charges against the Revenue Fund							0.0%		
President and Deputy President salaries							0.0%		
Member of executive committee/parliamentary officers	734			734	769	(35)	104.8%	662	756
Judges salaries							0.0%		
Sector education and training authorities SETA							0.0%		
National skills fund							0.0%		
Total	734	-	-	734	769	(35)	104.8%	662	756

APPROPRIATION STATEMENT

Detail per programme 1 - Administration
for the year ended 31 March 2006

Programme per subprogramme	2005/06							2004/05	
	Adj Approp	Shifting of Funds	Virement	Final Approp	Actual Exp	Variance	Exp as % of final approp	Final Approp	Actual Exp
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Office of the MEC									
Current payment	2,951			2,951	2,678	273	90.7%	2,542	2,028
Transfers and subsidies	5			5	31	(26)	620.0%	5	5
Payment for capital assets	157			157	84	73	53.5%		
Management									
Current payment	67,804			67,804	69,821	(2,017)	103.0%	78,670	66,911
Transfers and subsidies	2,934			2,934	3,332	(398)	113.6%	3,225	4,554
Payment for capital assets	435			435	615	(180)	141.4%	986	308
Coporate Support									
Current payment	60,577			60,577	61,399	(822)	101.4%	81,418	90,262
Transfers and subsidies	8,068			8,068	8,295	(227)	102.8%	12,202	11,554
Payment for capital assets	683			683	124	559	18.2%	1,033	716
Total	143,614	-	-	143,614	146,379	(2,765)	101.9%	180,081	176,338

Economic classification	2005/06							2004/05	
	Adj Approp	Shifting of Funds	Virement	Final Approp	Actual Exp	Variance	Exp as % of final approp	Final Approp	Actual Exp
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	84,708			84,708	83,317	1,391	98.4%	95,670	95,039
Goods and services	46,624			46,624	50,590	(3,966)	108.5%	66,960	63,851
Transfers & subsidies									
Provinces & municipalities	4,887			4,887	4,798	89	98.2%	1,132	318
Households	6,120			6,120	6,851	(731)	111.9%	14,301	15,795
Payments for capital assets									
Buildings and fixed structures									66
Machinery & equipment	1,275			1,275	823	452	64.5%	2,018	1,269
Total	143,614	-	-	143,614	146,379	(2,765)	101.9%	180,081	176,338

APPROPRIATION STATEMENT

Detail per programme 2 - Public Works

for the year ended 31 March 2006

Programme per subprogramme	2005/06							2004/05	
	Adj Approp	Shifting of Funds	Virement	Final Approp	Actual Exp	Variance	Exp as % of final approp	Final Approp	Actual Exp
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme Office Support									
Current payment	183,411			183,411	178,013	5,398	97.1%	188,792	182,959
Transfers and subsidies	4,368			4,368	5,093	(725)	116.6%	3,299	8,246
Payment for capital assets	1,294			1,294	1,137	157	87.9%	1,804	2,722
Property Support									
Current payment	87,187			87,187	102,856	(15,669)	118.0%	68,235	70,154
Transfers and subsidies	15,259			15,259	12	15,247	0.1%	256	-4
Payment for capital assets	56			56	34	22	60.7%	36,683	35,318
Security									
Current payment	18,833			18,833	17,847	986	94.8%		
Transfers and subsidies	43			43	230	(187)	534.9%		
Payment for capital assets	44			44	31	13	70.5%		
Total	310,495	-	-	310,495	305,253	5,242	98.3%	299,069	299,395

Economic classification	2005/06							2004/05	
	Adj Approp	Shifting of Funds	Virement	Final Approp	Actual Exp	Variance	Exp as % of final approp	Final Approp	Actual Exp
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation of employees	140,968			140,968	135,028	5,940	95.8%	126,784	126,082
Goods and services	148,463			148,463	163,678	(15,215)	110.2%	130,482	126,792
Transfers & subsidies									
Provinces & municipalities	15,609			15,609	440	15,169	2.8%	288	405
Households	3,675			3,675	4,691	(1,016)	127.6%	3,028	7,837
Capital									
Buildings & other fixed structures	386			386	215	171	55.7%	36,251	36,180
Machinery & equipment	989			989	829	160	83.8%	2,184	2,090
Software & other intangible assets	405			405	372	33	91.9%	52	9
Total	310,495	-	-	310,495	305,253	5,242	98.3%	299,069	299,395

APPROPRIATION STATEMENT

Detail per programme 3 - Roads Infrastructure
for the year ended 31 March 2006

Programme per subprogramme	2005/06							2004/05	
	Adj Approp	Shifting of Funds	Virement	Final Approp	Actual Exp	Variance	Exp as % of final approp	Final Approp	Actual Exp
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Planning and Design									
Current payment				-	-	-	0.0%		
Transfers and subsidies				-	-	-	0.0%		116
Payment for capital assets				-	-	-	0.0%		
Construction									
Current payment				-	-	-	0.0%	16,745	17,359
Transfers and subsidies				-	-	-	0.0%	1,136	1,265
Payment for capital assets				-	-	-	0.0%	112	94
Maintenance									
Current payment				-	-	-	0.0%	40,243	38,610
Transfers and subsidies				-	-	-	0.0%	336	811
Payment for capital assets				-	-	-	0.0%	814,483	817,652
				-	-	-	0.0%	389,568	385,780
				-	-	-	0.0%	19,166	19,038
				-	-	-	0.0%	1,818	1,527
Total	-	-	-	-	-	-	0.0%	1,283,607	1,282,252

Economic classification	2005/06							2004/05	
	Adj Approp	Shifting of Funds	Virement	Final Approp	Actual Exp	Variance	Exp as % of final approp	Final Approp	Actual Exp
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation of employees				-	-	-	0.0%	170,211	167,464
Goods and services				-	-	-	0.0%	276,345	274,135
Transfers & subsidies									
Provinces & municipalities				-	-	-	0.0%	5,449	4,669
Households				-	-	-	0.0%	15,189	16,561
Capital									
Buildings & other fixed structures				-	-	-	0.0%	814,081	817,419
Machinery & equipment				-	-	-	0.0%	2,332	1,958
Software & other intangible assets				-	-	-	0.0%		46
Total	-	-	-	-	-	-	0.0%	1,283,607	1,282,252

APPROPRIATION STATEMENT

Detail per programme 4 - Public Works Programme
for the year ended 31 March 2006

Programme per subprogramme	2005/06							2004/05	
	Adj Approp	Shifting of Funds	Virement	Final Approp	Actual Exp	Variance	Exp as % of final approp	Final Approp	Actual Exp
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme Office Support									
Current payment	12,493			12,493	26,768	(14,275)	214.3%	33,175	29,264
Transfers and subsidies	52			52	57	(5)	109.6%	97	-72
Payment for capital assets	54,781			54,781	35,194	19,587	64.2%	25,102	20,692
Poverty Eradication									
Current payment				-	-	-	0.0%		5
Transfers and subsidies				-	-	-	0.0%		
Payment for capital assets				-	-	-	0.0%		
Emerging Contractor Development									
Current payment				-	-	-	0.0%		30
Transfers and subsidies				-	-	-	0.0%		
Payment for capital assets				-	-	-	0.0%		
Total	67,326	-	-	67,326	62,019	5,307	92.1%	58,374	49,919

Economic classification	2005/06							2004/05	
	Adj Approp	Shifting of Funds	Virement	Final Approp	Actual Exp	Variance	Exp as % of final approp	Final Approp	Actual Exp
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation of employees	7,124			7,124	7,326	(202)	102.8%	7,152	6,521
Goods and services	5,369			5,369	19,442	(14,073)	362.1%	26,023	22,762
Transfers & subsidies									
Provinces & municipalities	10			10	24	(14)	240.0%	7	20
Households	42			42	33	9	78.6%	90	-76
Capital									
Buildings & other fixed structures	54,392			54,392	34,893	19,499	64.2%	25,018	20,692
Machinery & equipment	389			389	301	88	77.4%	84	
Total	67,326	-	-	67,326	62,019	5,307	92.1%	58,374	49,919

4.5 NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2006

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

Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 (A-C) 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

No detail of these transactions per programme as no movement in these accounts.

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

4.1 Per programme:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%

Programme name

Administration	144,348	147,148	-2,800	-2%
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Administration is overspent by R 2,765 due to payment of legal fees to Department of Justice.

Programme name

Public Works	310,495	305,253	5,242	2%
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The underspending of R 5, 242 relates to critical posts that were not filled during the year due to scarce skills in the engineering profession.

Programme name

Public Works	67326	62019	5307	8%
Programme				

The underspending of R5,307 relates to projects delayed as a result of the introduction of the learnership system in the implementation of Expanded Public Works Programme Projects.

4.2 Per economic classification:

R'000

Current expenditure

Compensation of employees	7,094
Goods and services	-33,254

Transfers and subsidies

Provinces and municipalities	15,244
Households	-1,738

Payments for capital assets

Buildings and other fixed structures	19,670
Machinery and equipment	700
Software and other intangible assets	33

Total

7,749

4.6 STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
REVENUE			
Annual appropriation	1.	521,435	1,821,131
Statutory appropriation	2.	734	662
Departmental revenue	3.	5,459	1,367
Local and foreign aid assistance	4.	4,308	-
TOTAL REVENUE		<u>531,936</u>	<u>1,823,160</u>
EXPENDITURE			
Current expenditure			
Compensation of employees	5.	226,440	395,862
Goods and services	6.	233,710	487,540
Local and foreign aid assistance	4.	32	457
Total current expenditure		<u>460,182</u>	<u>883,859</u>
Transfers and subsidies	7.	16,837	45,529
Expenditure for capital assets			
Buildings and other fixed structures	8.	35,108	874,357
Machinery and Equipment	8.	1,953	5,317
Software and other intangible assets	8.	372	55
Local and foreign aid assistance	4.	2,845	-
Total expenditure for capital assets		<u>40,278</u>	<u>879,729</u>
TOTAL EXPENDITURE		<u>517,297</u>	<u>1,809,117</u>
SURPLUS/(DEFICIT)		14,639	14,043
Add back unauthorised expenditure	9.	26,781	326
Add back fruitless and wasteful expenditure	10.	9,146	15,353
SURPLUS/(DEFICIT) FOR THE YEAR		<u>50,566</u>	<u>29,722</u>
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds to be surrendered to Revenue Fund	14.	43,676	28,812
Departmental revenue to be surrendered to Revenue Fund	15.	5,459	1,367
Local and foreign aid assistance	4.	1,431	(457)
SURPLUS/(DEFICIT) FOR THE YEAR		<u>50,566</u>	<u>29,722</u>

4.7 STATEMENT OF FINANCIAL POSITION at 31 March 2006

	<i>Note</i>	2005/06 R'000	2004/05 R'000
ASSETS			
Current assets		229,154	193,437
Unauthorised expenditure	9.	193,513	166,732
Fruitless and wasteful expenditure	10.	29,654	20,508
Cash and cash equivalents	11.	-	4,810
Prepayments and advances	12.	3,161	-
Receivables	13.	2,826	1,387
TOTAL ASSETS		<u>229,154</u>	<u>193,437</u>
LIABILITIES			
Current liabilities		229,154	193,437
Voted funds to be surrendered to the Revenue Fund	14.	43,676	163,284
Departmental revenue to be surrendered to the Revenue Fund	15	5,444	21,725
Bank overdraft	16.	175,562	-
Payables - current	17.	458	5,845
Local and foreign aid assistance	4.	4,014	2,583
TOTAL LIABILITIES		<u>229,154</u>	<u>193,437</u>
NET ASSETS		<u>-</u>	<u>-</u>

4.8 CASH FLOW STATEMENT for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		539,894	1,836,932
Annual appropriated funds received	1.1	521,435	1,821,131
Statutory appropriated funds received		734	662
Departmental revenue received		13,417	15,139
Local and Foreign aid assistance received	4.	4,308	-
Net (increase)/ decrease in working capital		(19,133)	(21,572)
Surrendered to Revenue Fund		(192,982)	(13,457)
Current payments		(451,036)	(868,506)
Transfers and subsidies paid		(16,837)	(45,529)
Net cash flow available from operating activities	18.	<u>(140,094)</u>	<u>887,868</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(40,278)	(879,729)
Net cash flows from investing activities		<u>(40,278)</u>	<u>(879,729)</u>
Net increase/ (decrease) in cash and cash equivalents		(180,372)	8,139
Cash and cash equivalents at beginning of period		4,810	(3,329)
Cash and cash equivalents at end of period	19.	<u>(175,562)</u>	<u>4,810</u>

4.9 NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for Provincial Departments

	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation Received 2004/05 R'000
Programmes				
Administration	143,614	143,614	-	180,081
Public Works	310,495	310,495	-	299,069
Roads Infrastructure	-	-	-	1,283,607
Public Works Programme	67,326	67,326	-	58,374
Total	521,435	521,435	-	1,821,131

	Note	2005/06 R'000	2004/05 R'000
1.2 Conditional grants			
Total grants received	ANNEXURE 1A	-	609,002
Provincial Grants included in Total grants received			609,022

2. Statutory Appropriation

Member of executive committee/parliamentary officers		734	662
Total		734	662
Actual Statutory Appropriation received		734	662

3. Departmental revenue to be surrendered to Revenue Fund

Tax revenue		-	-
Sales of goods and services other than capital assets	3.1	7,594	11,817
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land	3.2	1	-
Financial transactions in assets and liabilities	3.3	5,822	3,322
Total revenue collected		13,417	15,139
Less: Departmental revenue budgeted *	18	7,958	13,772
Total		5,459	1,367

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	<i>Note</i>	2005/06 R'000	2004/05 R'000
3.1 Sales of goods and services other than capital assets			
Sales of goods and services produced by the department		7,594	-
Sales by market establishment		7,594	-
Sales of scrap, waste and other used current goods			
Total		7,594	-
3.2 Interest, dividends and rent on land			
Rent on land		1	
Total		1	-
3.3 Financial transactions in assets and liabilities			
Nature of loss recovered			
Loans			
Receivables		5,822	
Other receipts including recoverable revenue			3,322
Total		5,822	3,322
4. Local and foreign aid assistance			
4.1 Assistance received in cash from RDP			
Local			
Opening Balance		2,583	3,040
Revenue		4,308	
Expenditure		2,877	457
Current		32	457
Capital		2,845	-
Closing Balance		4,014	2,583
Total			
Opening Balance		2,583	3,040
Revenue		4,308	-
Expenditure		2,877	457
Current		32	457
Capital		2,845	-
Closing Balance		4,014	2,583
Analysis of balance			
Local and foreign aid receivable			
Local and foreign aid unutilised		4,014	2,583
Local foreign aid payable to RDP fund/donors			
Closing balance		4,014	2,583

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	<i>Note</i>	2005/06 R'000	2004/05 R'000
5. Compensation of employees			
5.1 Salaries and wages			
Basic salary		160,556	285,944
Performance award		7,328	5,647
Service Based		462	687
Compensative/circumstantial		1,809	2,968
Other non-pensionable allowances		22,925	33,118
Total		<u>193,080</u>	<u>328,364</u>
5.2 Social contributions			
5.2.1 Employer contributions			
Pension		20,617	42,863
Medical		12,678	24,446
Bargaining council		63	189
Insurance		2	-
Total		<u>33,360</u>	<u>67,498</u>
5.2.2 Post retirement benefits		-	-
Total		<u>-</u>	<u>-</u>
Total compensation of employees		<u>226,440</u>	<u>395,862</u>
Average number of employees		<u>2,153</u>	<u>5,040</u>
6. Goods and services			
Advertising		568	455
Bank charges and card fees		57	113
Bursaries (employees)		-	1,490
Communication		5,892	9,961
Computer services		2,093	1,859
Consultants, contractors and special services		110,142	329,948
Entertainment		667	807
External audit fees	6.1	1,899	2,766
Equipment less than R5 000		57	-
Inventory	6.2	6,103	19,385
Legal fees		2,945	71
Maintenance, repair and running costs		-	12,324
Operating leases		60,945	57,090
Professional bodies and membership fees		-	5
Resettlement costs		309	979
Owned and leasehold property expenditure		17,577	14,467
Transport provided as part of the departmental activities		8,382	14,829
Travel and subsistence	6.3	13,102	13,709
Venues and facilities		113	6,735
Protective, special clothing & uniforms		-	52
Training & staff development		2,859	495
Total		<u>233,710</u>	<u>487,540</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	<i>Note</i>	2005/06 R'000	2004/05 R'000
6.1 External audit fees			
Regulatory audits		1,866	2,071
Performance audits		4	664
Other audits		29	31
Total external audit fees		<u>1,899</u>	<u>2,766</u>
6.2 Inventory			
Construction work in progress		3	310
Other inventory		2,015	-
Domestic Consumables		1,316	1,837
Fuel, oil and gas		29	11,232
Other consumables		(201)	594
Parts and other maint mat		2,941	3,912
Stationery and Printing		-	1,464
Road construction and supplies		-	36
Total Inventory		<u>6,103</u>	<u>19,385</u>
6.3 Travel and subsistence			
Local		13,102	13,675
Foreign		-	34
Total travel and subsistence		<u>13,102</u>	<u>13,709</u>
7. Transfers and subsidies			
Provinces and municipalities	<i>ANNEXURE 1B</i>	5,262	5,412
Households	<i>ANNEXURE 1C</i>	11,575	40,117
Unauthorised expenditure approved by Parliament			
Total		<u>16,837</u>	<u>45,529</u>
8. Expenditure on capital assets			
Buildings and other fixed structures	<i>ANNEXURE 4</i>	35,108	874,357
Machinery and equipment	<i>ANNEXURE 4</i>	1,953	5,317
Software and other intangible assets	<i>ANNEXURE 5</i>	372	55
Total		<u>37,433</u>	<u>879,729</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

9. Unauthorised expenditure	Note	2005/06 R'000	2004/05 R'000			
9.1 Reconciliation of unauthorised expenditure						
Opening balance		166,732	166,406			
Unauthorised expenditure – current year		26,781	326			
Unauthorised expenditure awaiting authorisation		<u>193,513</u>	<u>166,732</u>			
Analysis of current unauthorised expenditure						
Incident						
		Total				
Administration - Ovespending due to legal fees paid to Justice		3,217				
Public Works - Under spend on Tranfers, subsidies. Overspend on curr expens		9,285				
Public Works Programme - Underspend on capital and overspend on current		<u>14,279</u>				
		<u>26,781</u>				
10. Fruitless and wasteful expenditure						
10.1 Reconciliation of fruitless and wasteful expenditure						
Opening balance		20,508	5,155			
Fruitless and wasteful expenditure – current year		9,146	15,353			
Current		<u>9,146</u>	<u>15,353</u>			
Capital						
Fruitless and wasteful expenditure awaiting condonement		<u>29,654</u>	<u>20,508</u>			
Analysis of current fruitless and wasteful expenditure						
Incident	Disciplinary steps taken/criminal proceedings					
Interest on overdue account after litigation		534				
Security and rates cost for Amatole building under utilised		411				
Lease overpayments		8201				
Total		<u>9,146</u>				
11. Cash and cash equivalents						
Consolidated Paymaster General Account			4,810			
Total		<u>-</u>	<u>4,810</u>			
12. Prepayments and advances						
Advances paid to other entities		3,161	-			
Total		<u>3,161</u>	<u>-</u>			
13. Receivables						
		Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	Total R'000
Households	13.1	-			-	-
Private enterprises	13.2	74			74	73
Staff debtors	13.3	1,835			1,835	873
Other debtors	13.4	(719)			(719)	441
Claims recoverable	Annex 6	1,636			1,636	-
Total		<u>2,826</u>	-	-	<u>2,826</u>	<u>1,387</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	<i>Note</i>	2005/06 R'000	2004/05 R'000
13.1 Households and non profit institutions			
Total		-	-
13.2 Private enterprises			
Telephone		74	73
Total		74	73
13.3 Staff debtors			
Clearing Accounts		368	873
Staff debtors		1,467	
Total		1,835	873
An amount of R1,638m in staff debtors is considered to be irrecoverable that relates to debts of ex employees.			
13.4 Other Debtors			
Hlumisa		53	441
Clearing accounts		(772)	
Total		(719)	441
14. Voted funds to be surrendered to the Revenue Fund			
Opening balance		163,284	134,472
Transfer from Statement of Financial Performance		43,676	28,812
Voted funds not requested/not received	14.1	-	-
Paid during the year		(163,284)	
Closing balance		43,676	163,284
14.1 Voted funds not requested/not received			
Funds to be rolled over		-	-
Funds not to be requested		-	-
15. Departmental revenue to be surrendered to the Revenue Fund			
Opening balance		21,725	20,043
Transfer from Statement of Financial Performance		5,459	1,367
Departmental revenue budgeted *	3	7,958	13,772
Paid during the year		(29,698)	(13,457)
Closing balance		5,444	21,725
16. Bank overdraft			
Consolidated Paymaster General Account		175,562	
Total		175,562	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

17. Payables – current

Description		30 Days R'000	30+ Days R'000	2005/06 Total R'000	2004/05 Total R'000
Amounts owing to other entities				-	5,316
Advances received	17.1	157		157	-
Clearing accounts	17.2	301		301	458
Other payables	17.3			-	71
Total		<u>458</u>	<u>-</u>	<u>458</u>	<u>5,845</u>

17.1 Advances received

Other departments				43	-
Other Institutions				114	-
Total				<u>157</u>	<u>-</u>

17.2 Clearing accounts

Description					
Salaries and other deductions				301	458
Total				<u>301</u>	<u>458</u>

17.3 Other payables

Advance from national departments					71
Total				<u>-</u>	<u>71</u>

18. Net cash flow available from operating activities

	Note	2005/06 R'000	2004/05 R'000
Net surplus/(deficit) as per Statement of Financial Performance		50,566	29,722
(Increase)/decrease in receivables – current		(1,439)	1,116
(Increase)/decrease in prepayments and advances		(3,161)	-
(Increase)/decrease in other current assets		(35,927)	(15,679)
Increase/(decrease) in payables – current		(5,387)	(7,335)
Surrenders to revenue fund		(192,982)	(13,457)
Expenditure on capital assets		40,278	879,729
Budgeted revenue		7,958	13,772
Net cash flow generated by operating activities		<u>(140,094)</u>	<u>887,868</u>

19. Cash and cash equivalents at end of period

Consolidated Paymaster General Account		(175,562)	4,810
Total		<u>(175,562)</u>	<u>4,810</u>

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

		<i>Note</i>	2005/06 R'000	2004/05 R'000
20. Contingent liabilities				
	Liable to			
	Nature			
	Motor vehicle guarantees	Employees	ANNEXURE 2 233	233
	Housing loan guarantees	Employees	ANNEXURE 2 8,859	9,028
	Claims against the department		ANNEXURE 3 50,858	5,703
	Other departments unconfirmed balance		ANNEXURE 7 2,007	-
	Total		<u>61,957</u>	<u>14,964</u>
21. Commitments				
	Current expenditure			
	Approved and contracted		7,582	40,694
	Approved but not yet contracted		6,100	
			<u>13,682</u>	<u>40,694</u>
	Capital expenditure			
	Approved and contracted		-	622,965
	Approved but not yet contracted		-	485
			<u>-</u>	<u>623,450</u>
	Total Commitments		<u>13,682</u>	<u>664,144</u>
22. Accruals				
	By economic classification			
		30 Days	30+ Days	Total
		R'000	R'000	R'000
	Goods and services	12,917	-	12,917
	Transfers and subsidies	-	-	-
	Buildings and other fixed structures	-	-	-
	Machinery and Equipment	-	-	-
	Total	<u>12,917</u>	<u>-</u>	<u>12,917</u>
	Listed by programme level			
	Administration			6,054
	Public Works			11,656
	Roads Infrastructure			6,564
	Public Works Programme			-
	Total			<u>299</u>
				<u>12,917</u>
23. Employee benefit provisions				
	Leave entitlement		92,478	164,674
	Thirteenth cheque		7,062	12,644
	Performance awards		7,311	1,502
	Capped leave commitments		7,508	
	Total		<u>114,359</u>	<u>178,820</u>

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

24. Lease Commitments

24.1 Operating leases	Land R'000	Buildings & other fixed structures R'000	Machinery and equipment R'000	Total R'000	Total R'000
Not later than 1 year		9,842	5,936	15,778	16,647
Later than 1 year and not later than 5 years	-	13,661	6,703	20,364	14,377
Later than five years	-	2,061	5,763	7,824	4,818
Total present value of lease liabilities	-	25,564	18,402	43,966	35,842
24.2 Finance leases					
Total value of finance leases	-	-	-	-	-

25. Receivables for departmental revenue	Note	2005/06 R'000	2004/05 R'000
Sales of goods and services other than capital assets		4,533	-
Irrecoverable Debt		(2,700)	-
Total		1,833	-

26. Irregular expenditure

26.1 Reconciliation of irregular expenditure

Opening Balance	107,735	56,672
Irregular expenditure – current year	1,487	51,063
Amounts condoned	-	-
Irregular expenditure awaiting condonement	109,222	107,735

Analysis

Current	1,487	51,063
Prior years	107,735	56,672
Total	109,222	107,735

27. Key management personnel

The aggregate compensation of the senior management of the department showing separately major classes of key management personnel and the respective benefits according to the headings indicated for the current and comparative period.

Description	No of Individuals	Total R'000	Total R'000
Officials			
Level 15 to 16		179	435
Level 14		1,111	1,498
Total		1,290	1,933

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS RECEIVED
FOR THE YEAR ENDED 31 MARCH 2006

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2004/05	
	Division of Revenue Act/Provincial Grants R'000	Roll Overs R'000	Adjustments	Total Available R'000	Amount received by department R'000	Amount spent by department R'000	% of Available funds spent by department %	Division of Revenue Act R'000	Amount spent by departments R'000	
Division of Revenue Act	-	-	-	-	-	-	0.0%	609,002	611,623	
	-	-	-	-	-	-		609,002	611,623	

ANNEXURE 1B										
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES										
FOR THE YEAR ENDED 31 MARCH 2006										
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2004/05
	Amount	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	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Buffalo City	15,239			15,239	-	0.0%	-	-	0.0%	1,200
Nelson Mandela	3,341			3,341	3,340	100.0%	3,340	3,340	100.0%	1,800
Cacadu	-			-		-			0.0%	175
Ukhahlamba District	-			-	5		5	5	100.0%	30
Chris Hani	85			85	91	107.1%	91	91	100.0%	179
Amatole District	398			398	324	81.4%	324	324	100.0%	429
Alfred Nzo District	66			66	64	97.0%	64	64	100.0%	146
Kei District	99			99	192	193.9%	192	192	100.0%	300
Claims against state Provincial Departments	1,277			1,277	1,246	97.6%	1,246	1,246	100.0%	1,153
	20,505	-	-	20,505	5,262		5,262	5,262		5,412

ANNEXURE 1C
 STATEMENT OF TRANSFERS/SUBSIDIES TO HOUSEHOLDS
 FOR THE YEAR ENDED 31 MARCH 2006

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2004/05
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Transferred %	Final Appropriation Act R'000
Social Benefits	6,867			6,867	8,630	125.7%	28,952
Bursaries - Non Employees	2,970			2,970	2,945	99.2%	3,656
	<u>9,837</u>	<u>-</u>	<u>-</u>	<u>9,837</u>	<u>11,575</u>		<u>32,608</u>
Total	<u>9,837</u>	<u>-</u>	<u>-</u>	<u>9,837</u>	<u>11,575</u>		<u>32,608</u>

ANNEXURE 2

**STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2006 - LOCAL
FOR THE YEAR ENDED 31 MARCH 2006**

Guarantor institution	Guarantee in respect of	Original Guaranteed capital amount R'000	Opening Balance 01/04/2005 R'000	Guarantees issued during the year R'000	Guarantees released/paid/cancelled/reduced during the year R'000	Guaranteed interest outstanding as at 31 March 2006 R'000	Closing Balance 31/03/2006 R'000	Realised losses not recoverable R'000
	Motor Vehicles							
Stannic	Motor Vehicles	-	233	-	-	-	233	-
		-	233	-	-	-	233	-
	Housing							
ABSA	Housing	10,113	2,023	187	252	-	1,958	-
African Bank	Housing	1,550	310	-	-	-	310	-
FNB	Housing	4,978	996	-	-	-	996	-
MEEG Bank	Housing	2,275	455	-	22	-	433	-
Nedbank	Housing	2,024	404	36	110	-	330	-
Peoples Bank	Housing	11,049	2,211	80	266	-	2,025	-
Standard Bank	Housing	7,231	1,446	331	52	-	1,725	-
S.A Home Loans	Housing	202	40	-	-	-	40	-
GBS Mutual	Housing	53	11	-	-	-	11	-
Future Bank	Housing	341	68	-	-	-	68	-
Green Start Bank	Housing	47	9	-	-	-	9	-
Old Mutual	Housing	5,280	1,055	8	126	-	937	-
First National Bank	Housing	-	-	48	31	-	17	-
		45,143	9,028	690	859	-	8,859	-
Totals		45,143	9,261	690	859	-	9,092	-

ANNEXURE 3

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2006

Nature of Liability	Opening Balance 01/04/2005 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/reduced during the year R'000	Liabilities recoverable(Provide details hereunder) R'000	Closing Balance 31/03/2006 R'000
Claims against the department					
Claims against the department	5,703	45,155			50,858
	5,703	45,155	-	-	50,858
Total	5,703	45,155	-	-	50,858

Nature of Liabilities recoverable	Opening Balance 01/04/2005 R'000	Details of Liability and Recoverability	Movement during year R'000	Closing Balance 31/03/2006 R'000
Claims against the department				-
Total	-		-	-

ANNEXURE 4				
CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006				
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	2,416,458	35,108	2,327,496	124,070
Non-residential buildings	88,962	0	0	88,962
Other fixed structures	2,327,496	35,108	2,327,496	35,108
MACHINERY AND EQUIPMENT	20,266	1,953	15,663	6,556
Transport assets	13,170	0	13,170	0
Computer equipment	4,381	0	741	3,640
Furniture and Office equipment	2,715	1,953	1,752	2,916
TOTAL CAPITAL ASSETS	2,436,724	37,061	2,343,159	130,626
ANNEXURE 4.1				
ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006				
	Cash	In-Kind	Total	
	R'000	R'000	R'000	
BUILDING AND OTHER FIXED STRUCTURES	35,108	0	35,108	
Other fixed structures	35,108		35,108	
MACHINERY AND EQUIPMENT	1,953	0	1,953	
Furniture and Office equipment	1,953		1,953	
TOTAL CAPITAL ASSETS	37,061	0	37,061	
ANNEXURE 4.2				
DISPOSALS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006				
	Cost/Carrying Amount	Cash	Profit/(loss) on Disposal	
	R'000	R'000	R'000	
BUILDING AND OTHER FIXED STRUCTURES	2,327,496	-	(2,327,496)	
Other fixed structures	2327496		(2,327,496)	
MACHINERY AND EQUIPMENT	15,663	-	(15,663)	
Transport assets	13170		(13,170)	
Computer equipment	741		(741)	
Furniture and Office equipment	1752		(1,752)	
TOTAL CAPITAL ASSETS	2,343,159	-	(2,343,159)	
ANNEXURE 4.3				
CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005				
	Additions	Disposals	Total	
	R'000	R'000	Movement R'000	
BUILDING AND OTHER FIXED STRUCTURES	874,357	0	874,357	
Non-residential buildings	36,230		36,230	
Other fixed structures	838,127		838,127	
MACHINERY AND EQUIPMENT	5,317	0	5,317	
Transport assets	1,339		1,339	
Specialised military assets	3,978		3,978	
TOTAL CAPITAL ASSETS	879,674	0	879,674	

ANNEXURE 5

CAPITAL INTANGIBLE ASSET COST MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Computer Software	528	372	473	427
TOTAL	528	372	473	427

ANNEXURE 5.1

ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash R'000	In-Kind R'000	Total R'000
Computer Software	372		372
TOTAL	372	-	372

ANNEXURE 5.2

DISPOSALS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cost/Carrying Amount R'000	Cash R'000	Profit/loss on Disposal R'000
Computer Software	473		473
TOTAL	473	-	473

ANNEXURE 5.3

CAPITAL INTANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005

	Additions R'000	Disposals R'000	Total Movement R'000
BUILDING AND OTHER FIXED STRUCTURES			
Computer Software	55		55
TOTAL	55	-	55

**ANNEXURE 6
INTER-GOVERNMENTAL RECEIVABLES
AT 31 MARCH 2006**

Government Entity	Confirmed balance		Unconfirmed balance		Total	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Education	50		6,693		6,743	0
Office of the Premier	9				9	0
Public works	1,377		9		1,386	
Social Development	200		9		209	0
Health			69		69	0
	1,636	0	6,780	0	8,416	0
TOTAL	1,636	0	6,780	0	8,416	0

**ANNEXURE 7
INTER-DEPARTMENTAL PAYABLES – CURRENT
AT 31 MARCH 2006**

GOVERNMENT ENTITY	Confirmed balance		Unconfirmed balance		TOTAL	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000	R'000	R'000

Department

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

Justice			2,007		2,007	0
Subtotal			<u>2,007</u>	0	<u>2,007</u>	<u>0</u>

Total

<u>2,007</u>	<u>0</u>
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**Amounts included in Statement
of financial position**

Current

Other deduction	5,316
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Subtotal

<u>0</u>	<u>5,316</u>
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Total

<u>0</u>	<u>5,316</u>
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PART 5: HUMAN RESOURCE MANAGEMENT



PART 5: HUMAN RESOURCE MANAGEMENT

The statistics and information published in this part of the annual report are required in terms of regulation of the Public Service Regulations (section III, J.3) and have been prescribed by the Minister for the Public Service and Administration for all government 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, 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.

5.1 Expenditure

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 1.1) and by salary bands (Table 1.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

TABLE 1.1 – Personnel costs by programme, 2005/06

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)
Program 1	146,379	83,317	5,522	11,892	57%	130
Program 2	305,253	135,028	282	75,350	44%	92
Program 3	62,019	7,326	0	52,989	12%	140
Program 4	0	0	0	0		0
Total	513,651	225,671	5,804	140,231	44%	105

TABLE 1.2 – Personnel costs by salary bands, 2005/06

Salary bands	Personnel Expenditure (R'000)	% of total Personnel cost	Average personnel cost per employee (R'000'000)
Lower Skilled (level 1-2)	51,596	22.78	23
Skilled (level 3-5)	25,296	11.17	12
Highly Skilled production (level 6-8)	105,557	46.62	43
Highly Skilled supervision (level 9-12)	34,781	15.34	16
Senior and Top mgmt (level 13-16)	9,210	4.02	5
Total	226,440	100	105

The following tables provide a summary by programme (Table 1.3) and salary bands (Table 1.4), of expenditure incurred as a result of salaries, overtime, homeowner's allowances and medical aid. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

TABLE 1.3 – Salaries, Overtime, Home Owners Allowance and Medical Aid by programme, 2005/06

Program me	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	% of personnel costs of program	Amount (R'000)	% of personnel costs of program	Amount (R'000)	% of personnel costs of program	Amount (R'000)	% of personnel costs of program
Program 1	56162	66.68	133	0.16	1163	1.38	4219	5.36
Program 2	99150	73.43	6	0	1836	1.36	8101	6
Program 3	5247	71.62	0	0	112	1.53	317	4.33
Program 4	0	0	0	0	0	0	0	0
Total	160559	66.7	139	0.1	3111	1.37	12637	5.58

TABLE 1.4 – Salaries, Overtime, Home Owners Allowance and Medical Aid by salary bands, 2005/ 06

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	% of personnel costs of salary bands	Amount (R'000)	% of personnel costs of salary bands	Amount (R'000)	% of personnel costs of salary bands	Amount (R'000)	% of personnel costs of salary bands
Lower Skilled	37521	68	46	0.1	929	1.7	3810	6.9
Skilled	18263	68.9	85	0.3	432	1.6	1721	6.5
Highly Skilled Production	74845	67	9	0	1400	1.3	5650	5.1
Highly Skilled Supervision	24377	5.2	0	0	292	0.8	1189	3.2
Senior and Top Management	5553	55.9	0	0	58	0.7	267	3
Total	160559	70.9	140	0	3111	1.37	12637	5.58

5.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: - programme (Table 2.1), salary band (Table 2.2) and critical occupations (Table 2.3). Departments have identified critical occupations that need to be monitored. Table 2.3 provides establishment and vacancy information for the key critical occupations of the department.

In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

TABLE 2.1 – Employment and vacancies by programme, 31 March 2006

Programme	Number of posts on approved structure	Number of posts filled (including officials additional to the establishment)	Vacancy Rate (%)	Number of officials additional to the establishment
Programme 1	724	491	32.2	37
Programme 2	1655	1407	15	70
Programme 3	49	42	14.3	0
Programme 4	0	0	0	0
Total	2428	1940	20.1	107

TABLE 2.2 – Employment and vacancies by salary bands, 31 March 2006

Salary band	Number of posts on approved structure	Number of posts filled	Vacancy Rate (%)	Number of officials additional to the establishment
Lower Skilled	1163	945	18.7	94
Skilled	472	388	17.8	7
Highly Skilled Production	625	473	24.3	4
Highly Skilled Supervision	145	118	18.6	1
Senior and Top Management	23	16	30.4	1
Total	2428	1940	20.1	107

TABLE 2.3 – Employment and vacancies by critical occupation, 31 March 2006

Critical occupations	Number of posts (funded posts only)	Number of posts filled	Vacancy Rate (%)	Number of employees additional to the establishment
Appraisers-valuers and related professionals, Permanent	1	1	0	0
Communication and information related, Permanent	11	9	18.2	0
Engineering sciences related, Permanent	85	68	20	2
Engineers and related professionals, Permanent	3	2	33.3	0
Financial and related professionals, Permanent	34	27	20.6	0
Inspectors of apprentices works and vehicles, Permanent	102	94	7.8	0
Other information technology personnel., Permanent	9	6	33.3	0
Quantity surveyors & rela prof not class elsewhere, Permanent	2	1	50	0
Senior managers, Permanent	24	16	33.3	1
TOTAL	271	224	17.34	3

The information in each case reflects the situation as at 31 March 2006. For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this report.

5.3 Job Evaluation

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

The following table (Table 3.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

TABLE 3.1 – Job Evaluation, 1 April 2005 to 31 March 2006

	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	1163	0	0	0	0	0	0
Skilled	472	0	0	0	0	0	0
Highly skilled production	625	15	2,4	0	0	0	0
Highly skilled supervision	145	37	25,5			0	0
Senior Management Service Bands A	19	5	26,3	0	0	0	0
Senior Management Service Bands B	3	0	0	0	0	0	0
Senior Management Service Bands C	1	0	0	0	0	0	0
Senior Management Service Bands D	0	0	0	0	0	0	0
Total	2428	57	2,3	0	0	0	0

The following table provides a summary of the number of employees whose own positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

TABLE 3.2 – Profile of employees whose positions were upgraded due to their posts being upgraded, 1 April 2005 to 31 March 2006

Beneficiaries	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-
<i>Employees with a disability</i>					-

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

TABLE 3.3 – Employees who have been granted higher salaries than those determined by job evaluation, 1 April 2005 to 31 March 2006

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Deputy Chief Engineer	1	11	12	Retention measure in terms of PSR V.C.3
Control Works Inspector	1	9	10	Retention measure in terms of PSR V.C.3
Assistant Manager: HR	1	9	10	Retention measure in terms of PSR V.C.3
Total Number of Employees whose remuneration exceeded the grade determined by job evaluation in 2004/ 05				3
Percentage of total employment				0.15%

Table 3.4 summarises the beneficiaries of the above in terms of race, gender, and disability.

TABLE 3.4 – Profile of employees who have been granted higher salary bands than those determined by job evaluation, 1 April 2005 to 31 March 2006

Beneficiaries	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	1	-	2	-	3
Total	1	-	2	-	3
Employees with a disability					-

5.4 *Employment Changes*

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 4.1) for critical occupations (Table 4.2). (These "critical occupations" should be the same as those listed in Table 2.3)

TABLE 4.1 – Annual turnover rates by salary band

Salary Band	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled	0	97	9.8
Skilled	0	21	6.3
Highly Skilled Production	16	36	5
Highly Skilled supervision	10	10	8
Senior Management Service Bands A	1	1	7.7
Senior Management Service Bands B	0	0	0
Senior Management Service Bands C	-	-	0
Senior Management Service Bands D	-	-	-
Total	27	165	7.6

TABLE 4.2 – Annual turnover rates by critical occupation

Occupation	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate	Occupation
Appraisers valuers and related professionals, Permanent	0	1	0	0
Communication and information related, Permanent	2	2	0	0
Engineering sciences related, Permanent	29	5	4	13.8
Engineers and related professionals, Permanent	9	2	0	0
Finance and economics related, Permanent	1	0	0	0
Quantity surveyors & rela prof -Permanent	2	0	0	0

Table 4.3 identifies the major reasons why staff left the department. Figures are also provided for the previous three years for comparative purposes.

Table 4.3 – Reasons why staff are leaving the department

Termination Type	Number	% of Total
Death	43	26.1
Resignation	10	6.1
Expiry of contract	3	1.8
Discharge due to ill-health	25	15.2
Dismissal - misconduct	9	5.5
Retirement	75	45.5
Total	165	100

Table 4.4 – Promotions by critical occupation

Occupation	Employees 1 April 2004	Promotions to another salary level	Salary level promotions as a % of employees by occupation
Communication and information related	2	3	150
Engineering sciences related	29	1	3.4
Engineers and related professionals	9	0	0
Finance and economics related	1	0	0
Quantity surveyors & rela prof not class elsewhere	2	0	0
Senior managers	14	2	14.3
TOTAL	43	6	13.95

Table 4.5 – Promotions by salary band

Salary band	Employees 1 April 2005	Promotions to another salary level	Salary level promotions as a % of employees by occupation
Lower Skilled	991	0	0
Skilled	333	0	0
Highly Skilled Production	716	14	2
Highly Skilled Supervision	125	10	8
Senior and Top Management	16	2	12.5
Total	2181	26	1.2

5.5 Employment Equity

5.1 Total number of employees (including employees with disabilities in each of the following occupational categories

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers, Permanent	6	3	0	3	4	0	0	0	16
Professionals, Permanent	125	9	0	16	111	4	0	7	272
Clerks, Permanent	72	2	0	2	74	1	2	3	156
Service and sales workers, Permanent	85	0	0	2	1	0	0	0	88
Craft and related trades workers, Permanent	994	10	0	20	93	0	0	0	1117
Plant and machine operators and assemblers, Permanent	74	0	0	0	0	0	0	0	74
Elementary occupations, Permanent	169	0	1	2	44	0	0	0	216
Other, Permanent	0	0	0	0	1	0	0	0	1
TOTAL	1525	24	1	45	328	5	2	10	1940

5.2 Total number of employees (including employees with disabilities in each of the following occupational bands

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	1	0	0	0	2
Senior Management	6	3	0	3	3	0	0	0	15
Professionally Qualified	110	11	1	17	39	2	0	4	184
Skilled Technical	387	10	0	22	144	3	2	6	574
Semi-Skilled	363	0	0	2	39	0	0	0	404
Unskilled	658	0	0	1	102	0	0	0	761
Total	1525	24	1	45	328	5	2	10	1940

5.3 Recruitment for the period 1 April 2005 till 31 March 2006

Occupational Levels	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	1	0	0	0	0	1
Professionally Qualified And Experienced Specialists And Mid-Management	6	1	0	1	1	1	0	0	10
Skilled Technical And Academically Qualified Workers Junior Management; Supervisors; Foremen And Superintendents	5	0	0	0	10	1	0	0	16
Semi-Skilled And Discretionary Decision Making	0	0	0	0	0	0	0	0	0
Unskilled And Defined Decision Making	0	0	0	0	0	0	0	0	0
Total	11	1	0	2	11	2	0	0	27

5.4 Promotions for the period 1 April 2005 till 31 March 2006

Occupational Levels	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	0	0	0	1	0	0	0	0	1
Professionally Qualified And Experienced Specialists And Mid-Management	37	8	0	4	10	0	0	0	59
Skilled Technical And Academically Qualified Workers Junior Management; Supervisors; Foremen And Superintendents	394	7	0	18	184	1	0	8	612
Semi-Skilled And Discretionary Decision Making	229	0	0	1	21	0	0	0	251
Unskilled And Defined Decision Making	619	0	0	0	110	1	0	0	730
Total	1279	15	0	24	326	2	0	8	1654

5.5 Terminations for the period 1 April 2005 till 31 March 2006

Occupational Levels	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	0	0	0	1
Professionally Qualified And Experienced Specialists And Mid-Management	6	0	0	1	3	0	0	0	10
Skilled Technical And Academically Qualified Workers Junior Management; Supervisors; Foremen And Superintendents	30	1	0	0	5	0	0	0	36
Semi-Skilled And Discretionary Decision Making	19	0	0	0	2	0	0	0	21
Unskilled And Defined Decision Making	80	0	0	0	17	0	0	0	97
Total	136	1	0	1	27	0	0	0	165

5.6 Disciplinary action

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	104	1	0	2	1	1	0	0	109

5.7 Skills development

Occupation categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	3	1	0	0	1	0	0	0	5
Professionals	3	0	0	7	0	0	0	0	10
Technicians and associate professionals	20	10	0	5	6	2	0	0	43
Clerks	138	6	0	6	68	5	0	2	225
Service and sales workers	80	3	0	2	4	0	0	0	89
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	245	5	0	2	0	0	0	0	252
Plant and machine operators and assemblers	175	0	0	0	0	0	0	0	175
Elementary occupations	340	10	0	0	40	0	0	0	390
Total	1004	35	0	20	121	7	0	2	1189

5.6 Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 6.1), salary bands (Table 6.2) and critical occupations (Table 6.3).

TABLE 6.1 Performance Rewards by race, gender and disability, 1 April 2005 to 31 March 2006

	Beneficiary Profile			Cost	
	Number of beneficiaries 03/04 & 04/05 awards	Number of employees	% of total within group	Cost (R'000) 03/04 & 04/05 awards	Average cost per employee 03/04 & 04/05 awards
African					
Male	889	1511	58.8	4,460	5,016
Female	310	325	95.4	2,112	6,815
Asian					
Male	1	1	100	9	8,532
Female	0	2	0	0	0
Coloured					
Male	14	24	58.3	182	13,017
Female	2	5	40	43	21,285
White					
Male	28	45	62.2	296	10,576
Female	11	10	110	147	13,408
Employees with a disability	10	17	58.8	62	6,220
Total	1265	1940	65.7	7,373	5,783

TABLE 6.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2005 to 31 March 2006

Salary Bands	Beneficiary Profile			Cost	
	Number of beneficiaries 03/04 & 04/05 awards	Number of employees	% of total within salary bands	Total Cost (R'000) 03/04 & 04/05 awards	Average cost per employee 03/04 & 04/05 awards
Lower Skilled	454	760	59.7	1,111	2,447
Skilled	207	404	51.2	763	3,686
Highly Skilled Production	537	575	93.4	4,421	8,233
Highly Skilled Supervision	66	184	35.9	1,006	15,242
Total	1264	1923	65.7	7301	5776

TABLE 6.3 – Performance Rewards by critical occupations, 1 April 2005 to 31 March 2006

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries 03/04 & 04/05 awards	Number of employees	Percentage of Total Employment	Cost (R'000) 03/04 & 04/05 awards	Average Cost per Beneficiary (R) 03/04 & 04/05 awards
Appraisers- valuers and related professionals	0	1	0	0	0
Communication and information related	2	7	28.6	13	6,500
Engineering sciences related	7	27	25.9	97	13,857
Engineers and related professionals	4	10	40	36	9,000
Finance and economics related	1	1	100	27	27,000
Quantity surveyors & rela prof not class elsewhere	1	2	50	9	9,000
Senior managers	1	15	6.7	11	11,000
TOTAL	16	63	25.4	193	12,062

TABLE 6.4 –Performance related rewards (cash bonus), by salary band for Senior Management Service

Salary Band	Beneficiary Profile Number of beneficiaries			Total Cost (R'000) 03/04 & 04/05 awards	Average cost per employee 03/04 & 04/05 awards	% of SMS wage bill 03/04 & 04/05 awards
	Number of beneficiaries 03/04 & 04/05 awards	Number of employees	% of total within band			
Band A	1	6	16.7	11	1,100	0.1
Band B	0	9	0	0	0	0
Band C	0	2	0	0	0	0
Band D	0	0	0	0	0	0
Total	1	17	5.9	11	1100	0.1

TABLE 6.5 –Performance related rewards (pay progression), by salary band for Senior Management Service

Salary Band	Beneficiary Profile Number of beneficiaries			Average cost per annum per employee 03/04 & 04/05 awards
	Number of beneficiaries 03/04 & 04/05 awards	Number of employees	% of total within band 03/04 & 04/05 awards	
Band A	-	17	-	-
Band B	-	3	-	-
Band C	-	-	-	-
Band D	-	-	-	-
Total	-	20	-	-

5.7 Foreign Workers

The tables below summarises the employment of foreign nationals in the department in terms of salary bands and by major occupation. The table also summarises changes in the total number of foreign workers in each salary band and by each major occupation.

TABLE 7.1 – Foreign Workers, 1 April 2005 to 31 March 2006, by salary band

By Grade (Salary Band)	1 April 2005		31 March 2006		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled	-	-	-	-	-	-
Skilled	-	-	-	-	-	-
Highly skilled production	-	-	-	-	-	-
Highly skilled supervision	1	100	2	100	1	50
Top and Senior management	-	-	-	-	-	-
Total	1	100	2	100	1	50

TABLE 7.2 – Foreign Worker, 1 April 2005 to 31 March 2006, by major occupation

By Major Occupation	1 April 2005		31 March 2006		Change	
	Number	% of total	Number	% of total	Number	% change
Professionals & managers	1	100	2	100	1	50
Total	1	100	2	100	1	50

5.8 Leave utilisation for the period 1 April 2005 to 31 March 2006

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 8.1) and disability leave (Table 8.2). In both cases, the estimated cost of the leave is also provided.

TABLE 8.1 – Sick leave, 1 April 2005 to 31 March 2006

Grade (Salary Band)	Total days	Percent certification	Number of Employee using sick leave	% of total employees using sick leave	Average per employee	Estimated Cost (R'000)
Lower Skilled	5196	98.2	588	40.7	15	780
Skilled	1864	97.3	238	16.5	8	391
Highly Skilled Production	4222	90.3	523	36.2	11	1,626
Highly Skilled Supervision	653	90.7	87	6	10	445
Senior and Top Management	50	80	8	0.6	11	88
Total	11985	95	1444	100	8	3330

TABLE 8.2 – Disability leave (temporary and permanent), 1 April 2005 to 31 March 2006

Grade (Salary Band)	Total days taken	Percent certification	Number of Employees using disability leave	% of total employees using disability leave	Average per employee	Estimated Cost (R'000)
Lower Skilled	361	100	14	45.2	26	54
Skilled	54	100	3	9.7	18	13
Highly Skilled Production	479	100	13	41.9	37	168
Highly Skilled Supervision	59	100	1	3.2	59	32
Senior and Top Management	0	0	0	0	0	0
Total	953	100	31	100%	31	267

Table 8.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000, requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

TABLE 8.3 – Annual Leave, 1 April 2005 to 31 March 2006

Grade (Salary Band)	Total days taken	Average days per Employee	Number of Employees who took Leave
Lower Skilled	30814.6	16	1891
Skilled	11117.08	17	662
Highly Skilled Production	19131.16	22	861
Highly Skilled Supervision	3228	19	166
Senior and Top Management	336	18	19
Total	64626.84	18	3599

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

TABLE 8.4 – Leave payouts for the period 1 April 2005 till 31 March 2006

REASON	Total Amount (R'000)	Number of Employees	Average per employee (R)
Leave payout for 2005/06 due to non-utilisation of leave for the previous cycle	-	-	-
Capped and current leave payouts on termination of service for 2005/06	432	104	4154
Total	432	104	4154

5.9 HIV/AIDS & Health Promotion Programmes

TABLE 9.1 – Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Employees performing camping away from their homes due to projects being undertaken.	Awareness programmes on HIV / AIDS conducted.
	Condom distribution. First Aid equipment supplied at working areas to provide protection in case of accidents
	Employees were trained as peer educators to serve as support for counterparts.

TABLE 9.2 – Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
<p>1. Have you 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.</p>	X		<p>Mr L van Zuydam- Senior Manager: HR</p>
<p>2. Do you have a dedicated unit or have you 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.</p>	X		<p>25 employees. Budget: R250,000 HIV / AIDS conditional grant and OHS budget of R1,569,000</p>

Question	Yes	No	Details, if yes
<p>3. Have you introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.</p>	X		<p>Counselling; ongoing awareness sessions; training of peer educators; monthly monitoring and evaluation meetings.</p>

Question	Yes	No	Details, if yes
<p>4. Have you 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>	X		<p>HEAD OFFICE</p> <p>AND REGIONS:</p> <p>M Ngqangweni</p> <p>N Setemane</p> <p>Sako</p> <p>Gweva</p> <p>Jacobs</p> <p>N Mtongana</p> <p>N Matwa</p> <p>N Masela</p> <p>L Bangani</p> <p>MM Dlokolo</p> <p>T Soji</p> <p>N Hoboyi</p> <p>B Matolengwe</p> <p>N Tuntulwana</p> <p>B Nosenga</p> <p>Mshweshwe</p> <p>Z Ntshona</p> <p>Jwambi</p> <p>N Mfene</p> <p>Z Lento</p> <p>N Xatisa</p>

Question	Yes	No	Details, if yes
5. Have you reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		HIV / AIDS management; Employment Equity; Occupational Health and Safety
6. Have you 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.	X		HIV / AIDS policy in place. Awareness programmes. Confidentiality.
7. Do you encourage your employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		Yes. 50 employees underwent VCT.

Question	Yes	No	Details, if yes
8. Have you developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.		X	Monthly meetings of the committee are held to evaluate the impact and monitor progress. Monthly and quarterly reports are submitted.

5.10 Labour Relations

The following collective agreements were entered into with trade unions within the department.

TABLE 10.1 – Collective agreements, 1 April 2005 to 31 March 2006

Total collective agreements	None
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

TABLE 10.2 – Misconduct and discipline

Outcomes of disciplinary hearings	Number	% of total
Verbal warning	2	1.9
Written warning	6	5.9
Final written warning	20	19.9
Not guilty	5	4.8
Case withdrawn	14	13.5
Dismissal	12	11.5
Suspended without pay	30	28.8
Demotion	2	1.9
No outcome (Pending)	14	13.5
Total	104	100

TABLE 10.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct (based on annexure A)	Number	% of total
Absenteeism	43	39.5
Assault	3	2.8
Loss of state property	8	7.3
Theft	7	6.4
Misuse of state vehicle	10	9.2
Insubordination	9	8.3
Drunkenness on duty	10	9.2
Corruption	1	0.9
Fraud	2	1.8
Negligence	7	6.4
Falsified records	6	5.5
Abscondment	1	0.9
Dishonesty	2	1.8
TOTAL	109	100

TABLE 10.4 – Grievances lodged for the period 1 April 2005 till 31 March 2006

	Number	% of Total
Number of grievances resolved	48	96
Number of grievances not resolved	2	4
Total number of grievances addressed	50	100

TABLE 10.5 – Disputes lodged for the period 1 April 2005 till 31 March 2006

	Number	% of Total
Number of disputes upheld	9	45
Number of disputes dismissed	2	10
Number of disputes withdrawn	5	25
Number pending	4	20
Total number of disputes addressed	20	100

TABLE 10.6 – Strike actions for the period 1 April 2005 till 31 March 2006

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

TABLE 10.7 – Precautionary suspensions for the period 1 April 2005 till 31 March 2006

Number of people suspended	7
Number of people who's suspension exceeding 30 days	7
Average number of days suspended	148
Cost (R'000) of suspensions	1,159

5.11 Skills development

This section highlights the efforts of the department with regard to skills development.

11.1 Training needs identified 1 April 2005 to 31 March 2006

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training needs			
			Learnership	Skills Programmes & courses	Other forms (Bursaries)	Total
Legislators, senior officials and managers	Female	4	0	2	0	2
	Male	15	0	9	2	11
Professionals	Female	39	0	0	0	0
	Male	98	0	10	4	14
Technicians and associate professionals	Female	108	0	8	3	11
	Male	136	0	40	8	48
Clerks	Female	122	0	100	10	110
	Male	118	0	200	15	215
Service and sales workers	Female	1	0	4	0	4
	Male	100	0	100	0	100
	Female	-	0	0	0	0

agriculture and fishery workers	Male	-	0	0	0	0
Craft and related trades workers	Female	234	0	4	0	4
	Male	2367	0	300	0	300
Plant and machine operators and assemblers	Female	1	0	0	0	0
	Male	353	0	200	0	200
Elementary occupations	Female	77	0	50	0	50
	Male	1033	0	500	0	500
Sub Total	Female	586	0	168	15	183
	Male	4220	0	1359	27	1386
Total		4806	0	1527	42	1569

11.2 Training provided 1 April 2005 to 31 March 2006

Occupational Categories	Gender	Number of employees as at 31 March 2006	Training needs			
			Learnerships	Skills Programmes & courses	Other forms (Bursaries)	Total
Legislators, senior officials and managers	Female	4	0	1	0	1
	Male	12	0	4	2	6
Professionals	Female	48	0	0	0	0
	Male	71	0	10	4	14
Technicians and associate professionals	Female	103	0	8	3	11
	Male	102	0	35	8	43
Clerks	Female	104	0	75	10	85
	Male	100	0	150	15	165
Service and sales workers	Female	1	0	4	0	4
	Male	87	0	85	0	85
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	97	0	2	0	2
	Male	1026	0	250	0	250
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	74	0	175	0	175
Elementary occupations	Female	0	0	40	0	40
	Male	0	0	350	0	350
Sub Total	Female	405	0	130	15	145
	Male	1660	0	1059	27	1086
Total		2065	0	1189	42	1231

5.12 *Injury on duty*

The following tables provide basic information on injury on duty.

TABLE 12.1 – Injury on duty, 1 April 2005 to 31 March 2006

Nature of injury on duty	Number	% of total
Required basic medical attention only	2	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	2	100

5.13 Utilisation of Consultants

Ref no.	Project	Brief	Estimated	Firm name	Focal Point	Date	Contact
Project Title		Description		Project fee			
				No			
SCMU5-06/07-0005	Stormwater & associated work at Old Ezibeleni Hospital	Civil engineering to do stormwater, paving & parking at the centre	60 000.00	CSE Consulting	Queenstown	20/04/06	045-838 4811
SCMU5-06/07-0019	Repairs & renovations to Govt houses	Quantity surveying services for repairs & renovations to govt houses	75 000.00	Bham Tayob Khan Matunda	KWT	20/04/06	043-642 1794
SCMU5-06/07-0015	Renovations to Lovedale FET Colleges (KWT & Zwelitsha)	Quantity surveying services for renovations to Lovedale College in KWT & Zwelitsha	100 000.00	Gerard Fitzpatrick Quantity Surveyors	KWT	25/04/06	043-740 1484
SCMU5-05/06-0392	Construction of EMS control centres for Dept of Health	Quantity surveying services for the construction of EMS control centres for DOH	60 000.00	Roeleveld Quantity Surveyors cc	Queenstown	30/03/06	043-642 5800
SCMU5-05/06-0392	Construction of EMS control centres for Dept of Health	Architectural services for the construction of EMS control centres for DOH	70 000.00	ITM Architects	Bhisho	30/03/06	043-643 3891
SCMU5-06/07 QS0030	Reinstatement of the Steynsburg nurses home	Reinstatement all te facilities at the burnt down Steynsburg nurses home	200 000.00	SVP Quantity Surveyors	Steynsburg	30/03/06	045-839 5260
SCMU5-05/06-0393	Renovations to the EMS control centres for Dept of Health	Quantity surveying services for renovations to the EMS control centres for DOH	80 000.00	SVP Quantity Surveyors	Queenstown	30/03/06	045-839 5260
SCMU5-05/06-0352	Fire detection system	Installation of a new early warning fire detection system at Qhasana Bldg Bhisho	77 000.00	Arcus Gibb	Bhisho	30/03/06	043-706 3600

SCMU5-06/07-0001	Repairs and renovations to old GHT school building	Repairs and renovations to old GHT school building	70 000.00	BVI Consulting Engineers	PE	20/04/06	041-373 4343
SCMU5-06/07-0002	Upgrading & renovations to mov centre Dora Nginza	Upgrading & renovations to mov centre	15 000.00	BVI Consulting Engineers	PE	20/04/06	041-373 4343
SCMU5-06/07-0002	Upgrading & renovations to mov centre Dora Nginza	Upgrading & renovations to mov centre	18 000.00	BVI Consulting Engineers	PE	20/04/06	041-373 4343
SCMU5-06/07-0001	Repairs & renovations to Grahamstown school building	Repairs & renovations to old school building	65 000.00	RJ Waters & Associates	PE	20/04/06	041-463 1694
SCMU5-06/07-0001	Repairs and renovations to old GHT school building	Repairs and renovations to old GHT school building	240 000.00	Stephen Knott	PE	20/04/06	041-368 1967
SCMU5-06/07-0002	Upgrading & renovations to mov centre Dora Nginza	Upgrading & renovations to mov centre	50 000.00	Stephen Knott	PE	20/04/06	041-368 1967
SCMU5-06/07-0001	Repairs and renovations to old GHT school building	Repairs and renovations to old GHT school building	120 000.00	Ted Healy Quantity Surveyors	PE	20/04/06	041-367 4922
SCMU5-06/07-0002	Upgrading & renovations to mov centre Dora Nginza	Upgrading & renovations to mov centre	20 000.00	Ted Healy Quantity Surveyors	PE	20/04/06	041-367 4922
SCMU5-06/07-0002	Upgrading & renovations to mov centre Dora Nginza	Upgrading & renovations to mov centre	15 000.00	Lukhozi Consulting Engineers	PE	20/04/06	041-363 1984
SCMU5-06/07-0001	Repairs & renovations to Grahamstown school building	Repairs & renovations to old school building	55 000.00	Lukhozi Consulting Engineers	PE	20/04/06	041-363 1984
QS 0501-06/07	MT Ayliff Area Office, Maluti CDC	Quantity Surveyors Building Works	20 000.00	Nonty Dazana	Kokstad	13/06/06	047-531 4035

CE 0505-06/07	Upgrading & renovations to mov centre Dora Nginza	Structural design on all engineering matters I.E concrete, roof structures etc	15 000.00	Hugo and Partners	PE	22/06/06	041-368 5962
AE 0506-06/07	upgrading & renovations for mov centre Dora Nginza	Principal agent, contract design and admin, quality control and all Architectural services	50 000.00	Imbono FJA Architects	PE	22/06/06	041-582 5141
QS 0512-06/07	Repairs & renovations to GHT old school building	Compile contract document bill of quantint and quantity surveying	120 000.00	Riddle Kritzinger	PE	22/06/06	041-581 5860
ME 0513-06/07	Repairs and renovation to GHT old school building	Mechanical designs of the air conditions units, fire services and mechanical quantity control	55 000 00	P. D Naidoo and Associates	PE	22/06/06	041-363 3027
EE 0514-06/07	Repairs and renovations to mov centre Dora Nginza	Electrical design, contract documents and engineering services	18 000.00	R.J Walter and Associates	PE	22/06/06	041-463 1694
SE 0509-06/07	Repairs and renovation to GHT old school	Structural design on the engineering matters I.E concrete, roof structures	70 000.00	Dimitri Paizis	PE	22/06/06	041-360 3854
EE 0510-06/07	Repairs and renovations to GHT old school	Electrical designs, contract documents and engineering services	65 000.00	CA DU Toit	PE	22/06/06	041-585 7559
Arch 0511-06/07	Repairs and renovations to GHT old school	Principal agent, contract design and admin, quality control and all architecture services	220 000.00	Alfriplan Associates Architects	PE	22/06/06	041-583 5154
QS 0507-06/07	Upgrading and renovations for mov centre Dora Nginza	Compile contract document bills of quantity surveying fencions	20 000.00	Siseko Quantity Surveyors	PE	22/06/06	041-364 2356

ME 0508-06/07	Upgrading and renovations for mov centre Dora Nginza	Mechanical designs of air conditioning units, fire services and mechanical quality control	15 000.00	SPEC Pty Ltd	PE	22/06/06	041-463 3670
QS 0502-06/07	Tsolo area office sivobusi projects, kd matanzima building Ngqeleni CDC	Quantity surveyors building works	40 000.00	Clarence Bobie and Parners	Umtata	21/06/06	047-537 0053
SCMU5-06/07-EE 0037	Renovations to nurses home Umtata general (level 1)	Electrical engineering services for renovations to nurses home Umtata general (level 1)	30 000.00	Clinkscales Maughan -Brown	Umtata	14/6/2006	043-735 4255
SE 0516-06/07	Pick N Pay bilding - repairs and renovations to concrete roof	Engineering services required to repair water proofing and construction joints to concrete roof	30 000.00	Saunders and Wium Engineering	Bhisho	22/06/06	043-726 0276
SCMU5-05/06-0235	Erecting of overhead bulk water supply tank	Erecting overhead tank for bulk water supply	350 000.00	MBSA Consulting	Nqamakwe	22/06/06	047-532 5285
SE 0517-06/07	Repairs and renovations to Bulembu Bhisho-Airport	Structural engeneering services requires for major repairs and renovations at Bhisho Airport	150 000.00	Ndodana Consulting Engineering	Bhisho	22/06/06	043-721 0852
EE 0518-06/07	Repairs and renovations to Bulembu Bhisho Airport	Electrical engeneering services requires for major repairs and renovations at Bhisho airport	200 000.00	Sawe Consulting Engineers	Bhisho	22/06/06	043-748 4199
ME 0519-06/07	Repairs and renovation to Bulembu Bhisho - Airport	Mechanical engineering services requires for major repairs and renovation at Bhisho Airport	150 000.00	Clinkscales Maughan -Brown	Bhisho	19/06/06	043-735 4255

SCMU5-05/06-0244	converting Educational institutions into office accommodation	Quantity surveyors for converting educational institutions into office accommodation	250 000.00	Gerard Fitzpatrick Quantity Surveyors	Mdantsane	2006/08/06	043-740 1484
SCMU5-06/07-SE 0041	Proposed refurbishment and rehabilitation of Nqeleni DOA Office	Architecture project management services for the refurbishment and rehabilitation of building	20 000.00	UPW Engineers	Nqeleni	15/6/2006	047-531 2935
SCMU5-06/07-QS 0040	Proposed refurbishment and rehabilitation of Nqeleni DOA Office	Architectural project management services for the refurbishment and rehabilitation of building	100 000.00	Senzani Africa	Nqeleni	15/6/2006	047-532 5761
SCMU5-06/07-Arch 0020	Proposed refurbishment and rehabilitation of Nqeleni DOA office	Architectural project management services for the refurbishment and rehabilitation of building	80 000.00	IDC Architects CC	Nqeleni	15/6/2006	047-532 4005
SCMU5-06/07-EE 0025	Proposed access control & security system @ Botha Sigcau building	Electromechanical services for the design supervision and installation of access control system	25 000.00	Albrecht Knight Mvulana	Umtata	14/6/2006	043-735 4270
SCMU5-06/07-0004	MT Ayliff EMS	Civil and structural engineering	500 000.00	COSEC	Queestown	20/4/2006	045-839 2478
SCMU5-06/07-0003	MT Ayliff EMS	Mechanical and electrical engineering	500 000.00	Ballenden and Robb South Africa	Queenstown	20/4/2006	045-838 1815
EE 0500-06/07	PE Provincial Hospital: Electrical survey and report	Investigation and report (with as built drawings) of the state of the existing electrical installation to the theatre areas	75 000.00	A. Rudman	Port Elizabeth	2006/12/06	041-379 2439

SCMU5-06/07-EE 0037	Renovations to nurses home Umtata general (level 1)	Electrical engineering services for renovations to nurses home Umtata general (level 1)	30 000.00	Clinkscapes Maughan -Brown	Umtata	14/6/2006	043-735 4255
SCMU5-06/07 Arch 0027	Local Government and Housing	Space Planning and Implementation of Office Accomodation (Architet)	180 000.00	ITM Architects	Bhisho	30/05/06	040-643 3891
SCMU5-06/07 QS 0028	Local Government and Housing	Bill of Quantities, Tender Documentation	87 500 .00	HRN Quantity Surveyors	Bhisho	30/05/06	043-722 9740
SCMU5-06/07 Arch 0029	Local Government and Housing	Space Planning and Implementation of Office Accomodation	180 000.00	Nkonyama Okpanum & Associates	Bhisho	30/05/06	043-726 0623
SCMU5-06/07-QS 0025	Local Government and Housing	Bill of Quantities, Tender Documentation	84 000.00	Pulana Baxter and Associates	Bhisho	29/05/06	043-721 0984
SCMU5-05/06-159	New Sada CHC in Whittlesea	Quantity serveyors for construction of Clinics and Nurses Home	30 000.00	SVP Quantity Surveyors and Managers	Whittlesea	30/05/06	045-839 5260
SCMU5-06/07-QS 0019	Eastcape Midlands College: High Street Campus	Minor building repairs, convert two existing classes into Practicum rooms for Business Administration of Buildings and Paving	185 400.00	Hepple and Robertson	Uitenhage	30/05/06	
SCMU5-06/07-QS 0018	East Midlands College : Cuyler Streer Campus	Leveling and paving 400M ² of parking area and erecting of 20 linear metres of Boundary wall to match existing boundary wall	37 000.00	Vincent and Fensham QS	Uitenhage	30/05/06	041-585 9168
							041-585 5134

SCMU5-06/07-CE 0017	Eastcape Midlands College: Cuyler Street Campus	Leveling and paving 400M ² of parking area and erecting of 20 linear metres of Boundary wall to match existing boundary wall	37 000.00	Afri- Coast Engineers	Uitenhage	30/05/06	041-585 3432
SCMU5-06/07 EE 0016	Eastcape midlands college: Park Avenue campus	Conversion of the four classrooms into computer Aided drawing classrooms and the upgrade of the electrical circuit to accommodate dedicated Power supply to all computers	28 000.00	Carifro Consulting Engineers	Uitenhage	30/05/06	041-392 9800
SCMU5-06/07-QS 0015	Eastcape Midlands college : Park Avenue Campus	Conversion of the four classrooms into computer Aided drawing classrooms and the upgrade of the electrical circuit to accommodate dedicated Power supply to all computers	28 000.00	Letchmiah Daya Mandindi QS	Uitenhage	30/05/06	041-581 8565
SCMU5-06/07-ME 0007	Port Elizabeth College: Russel Road Campus	Repairs & renovations to Mechanical workshop and installation of Hydraulic motor vehicle lift	88 000.00	Carifro Consulting Engineers	PE	30/05/06	041-392 9800
SCMU5-06/07 SE 0021	Proposed Doctors Quarters at Tabankulu Clinic	Structural design services for Relevant elements in the erection of the proposal structure incl. supervision	50 000.00	Ndodana Consulting Engineering	Tabankulu	15/05/06	047-531 2293
CE 0504-06/07	Paving to Entrance Areas: Hewu Hospital: Whittlesea	Construction of new parking area at the Hewu Hospital	90 000.00	Stewart scott (PTY) LTD	Whittlesea	15/06/06	045-839 2114

SE 0515-06/07	Portal frame stores for Amatole Sub-Region Offices	Structural engineering services required to prepare tender Document and design and specification for portal frame stores	65 000.00	Iliso Consulting	East London	22/06/06	043-748 3933
QS 0520-06/07	Major repairs and renovations Bulembu Bhisho- Airport	Quantity surveying services required for major repairs and renovations at Bhisho Airport	250 000.00	Mokate Monk and Du Plessis	Bhisho	21/06/07	040-635 2110
SCMU5 05/06-0020	Mentor for Lingelihle Senior Secondary School	Mentor for Lingelihle Senior Secondary School		Magula Erasmus (Mentor)		26/05/06	
Arch 0521-06/07	Major repairs and renovations Bulembu Bhisho- Airport	Project leader and architectural services required for major repairs & renovations at Bhisho airport	400 000.00		Bhisho		
SCMU5-06/07-ME 0008	Port Elizabeth College: Russel Road Campus	Repairs & renovations to Mechanical workshop and installation of Hydraulic motor vehicle lift	88 000.00	ITM Architects CA DU Toit	Port Elizabeth	21/06/07 30/05/06	043-643 3891
QS 0503-06/07	Ezibeleni one stop centre Lady Frere area office	Quantity Surveyors Building Works	20 000.00	Francis Williams-Jones Kgole	Queenstown	21/06/06	041-585 7559 045-839 6756
QS 0502-06/07	Tsolo area office, Sibusi projects, KD Matanzima building, CDC Ngqeleni	Quantity Surveyors Building Works	40 000.00	Clarence, Bobie & Partners	Mthatha	15/06/06	047-537 0053
SCMU5-06/07-EE 0034	Power boosting to Provincial Treasury	Electrical engineering services for power boosting to Provincial Treasury	50 000.00	Eyesizwe Consulting Engineers	Bisho	31/05/06	043-748 3830

SCMU-06/07- QS 0035	Emergency roof repairs at KHS school for girls in KWT	Quantity surveying services for the emergency roof repairs at KHS	80 000.00	Siseko Quantity Surveyors	KWT	2006/06/06	043-722 5788
CE 0525-06/07	Emergency roof repairs at KHS school for girls in KWT	Structural engineering services for (roofing trusses) repairs at KHS school for girls	80 000.00	FST Consulting Engineers	KWT	2006/08/08	043-743 8264
Arch0526-06/07	Ebotwe school in Motherwell	Architectural services for the construction of Ebotwe School	95 000.00	Harlech-Jones & Xelo Architect	PE	2006/08/08	041-364 2793
EE0526-06/07	Ebotwe school in Motherwell	Electrical Engineering services for the construction of Ebotwe School	25 000.00	CA DU Toit	PE	2006/08/08	041-585 7559
QS 0526-06/07	Ebotwe school in Motherwell	Quantity Surveying services for the construction of Ebotwe School	80 000.00	Rousseau Probert Elliott	PE	2006/08/08	041-581 4271
Arch0527-06/07	Zanokhonyo School in Lusikisiki	Architectural services for the construction of Zanokhonyo School	25 000.00	Ikamva Architects	Lusikisiki	2006/08/08	039-757 5357
QS 0527-06/07	Zanokhonyo School in Lusikisiki	Quantity Surveying services for the construction of Zanokhonyo School	20 000.00	Imvelo Quantity Surveyors	Lusikisiki	2006/08/08	039-727 4737
EE 0527-06/07	Zanokhonyo School in Lusikisiki	Electrical Engineering services for the construction of Zanokhonyo School	8 000.00	Njilo-Njilo Consultancy Services	Lusikisiki	2006/08/08	047-531 2293

SCMU5-05/06-0357	Security wall at ECLA Complex in Bhisho	Architectural work for Security wall at ECLA Complex in Bhisho, Department of Public Works	340,898.46	ITM Architects	Bhisho	13-Jun-06	043-643 3891
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