





# MPUMALANGA PROVINCIAL GOVERNMENT

# DEPARTMENT OF PUBLIC WORKS

2005/2006

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### Foreword by the MEC for Public Works

As one of the key delivery departments in the acceleration of economic growth and development and the fight against poverty in the province, the Department of Public Works can look back on the 2005/2006 financial year as a year of considerable achievements but also of considerable challenges.

In my Budget Speech of 2005/2006, I made particular mention of the challenges facing the department in carrying out its mandate of contributing to opportunities for decent work and sustainable development in Mpumalanga

Province, especially regarding programmes to address the infrastructure backlogs of the past.

As a pro-active strategy, the department has strived during the past financial year to considerably improve services rendered to its client departments. Service level agreements have been put in place, while consultation and feedback systems to client departments have been improved. The department also provided our two main clients, the Department of Education and Department of Health and Social Services with project management and professional services that saw the completion of schools, hospitals and clinics all over the province. It also assisted in preparations for the 2005 World Gold Panning Championship in Pilgrim's Rest by renovating to some of the museum town's buildings and improving infrastructure and equipment. Cutting-edge technology in the form of a Project Management Information System was employed to improve the management and monitoring of building infrastructure projects.

On the property management front, the department is improving service delivery through its asset verification process, which includes the collection of data and relevant documents as well as physical verification of properties. The process promises to be complete by the end of 2006.

However, the department was severely challenged by the huge backlog in maintenance on the provincial property portfolio. With the limited funds available, the department had to make strategic decisions regarding preventative maintenance on provincial buildings while still attending to day-to-day and emergency repairs and maintenance work. As a result, the department focused on 21 preventative maintenance projects which were implemented according to EPWP guidelines, thereby creating job opportunities as well as improving provincial infrastructure. Three departmental EPWP cluster projects were also implemented, adding to the economic growth and infrastructure development as well as poverty alleviation in the province.

The department also supported all initiatives to implement the Construction Transformation Charter that will address the large skills gaps amongst youth, women and historically disadvantaged communities. In this regard, two initiatives are worth a mention, namely the appointment of a consultant to start with the preparatory work for the department's emerging contractor development programme, as well as two successful campaigns to encourage Mpumalanga contractors to register on the Construction Industry Development Board's Register of Contractors. Both the contractor development programme and the CIDB register will contribute to the stimulation and transformation of the province's construction industry and will in future provide government with a pool of tried and tested contractors to carry out government infrastructure work. We are convinced that this will also speed up the procurement process. Although registration on the CIDB register has considerably improved, it is still cause for concern that only a handful of Mpumalanga contractors registered with the CIDB qualify for large projects of more than R3 million.

The department continued with its efforts to implement BEE legislation and is proud to report that with the implementation of the departmental supplier database, it is reaching BEE targets without compromising quality or service. A fraud prevention plan was also drafted and should contribute to fostering a culture of zero tolerance for fraud and corruption in the department.

The province set itself a target of creating 20 000 job opportunities in the 2005/2006 financial year under the Expanded Public Works Programme (EPWP). As there is a six months delay in reporting on EPWP figures due to verification at the National Department of Public Works of all received data, the department could only report up to the third quarter regarding EPWP performance. As mentioned in detail elsewhere in this report, the EPWP for 2005/2006 will, by all indications, reach the 20 000 job opportunity target.

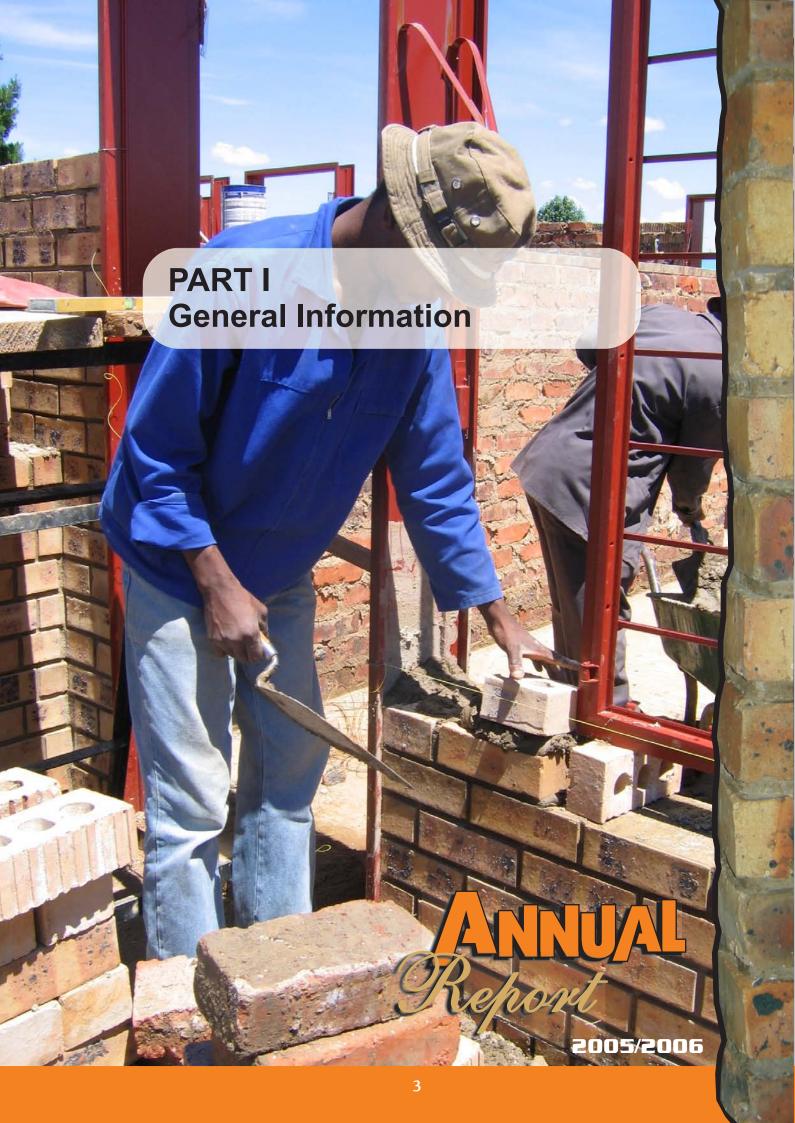
However, it should be mentioned that the EPWP faced several challenges in ensuring that all stakeholders contribute and participate in the EPWP. The Economic Sector, which has huge potential for job creation through SMME's and cooperatives as well as learnerships, is still not fully engaged in the EPWP. There is also huge scope for more learnership programmes at municipal and provincial level. Despite these challenges, Mpumalanga Province rolled out a successful EPWP in this past financial year.

Skills development remains high on the departmental agenda, not only through the skills development programmes under the EPWP, but also through the departmental Human Resource Development function. Through a combination of bursaries, learnerships and internships that were started this year, the department hopes to address some of the critical skills shortages in technical fields which is affecting the department (and the country's) service delivery.

Finally I would like to express my gratitude to all officials of the Department whose commitment and strong work ethic have contributed to the achievements of the 2005/2006 financial year.

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Ms K C Mashego-Dlamini MEC for Public Works



# **Submission of the Annual Report to the Executing Authority**

In terms of Section 40 (1) of the PFMA, I wish to table this Annual Report to the MEC for Public Works for consideration. It is a report that has been put together in accordance with the Annual Report Framework as issued by National Treasury, which is in line with Section 40 (3) of the Public Finance Management Act, 1999 (Act 1 of 1999), as amended.

## **Overview by the Accounting Officer**

The financial year 2005/06 was characterised by acceleration and improvement in the delivery of services to the people of this Province. During this financial year, the department continued with the restructuring process by ensuring that a revised and approved organogram aimed at strengthening the delivery of services was implemented.

In the administration programme, there were achievements in different areas of operations. The department improved in the implementation of the Performance Management and Development System (PMDS) by providing training to 846 officials. Some 1148 performance agreements were signed by individual employees and quarterly performance reviews conducted. A total of 285 officials received performance incentives as a means of motivating them to further improve on their performance.

The department ensured that all officials signed performance agreements for the 2006/07 financial year by the end of March 2006. This will enhance the process of developing their skills based on the identified skills gaps contained in the personal development plans accompanying the performance agreements.

In order to deal with the shortage of technical skills, as well as to create employment opportunities, a total of 45 unemployed youths were enrolled in four learnerships, namely public finance, project management, public administration and human resource management, which were managed by the Public Sector Education and Training Authority (PSETA). Seventeen unemployed graduates participated in the internship programme within technical fields such as quantity surveying, architecture, civil, electrical and mechanical engineering. Moreover, 13 youths were awarded full-time bursaries to study in technical fields at various tertiary institutions.

As part of skills development, the department finalised and implemented the Workplace Skills Plan (WSP) which resulted in the training of 205 officials on ABET levels I-IV, 796 officials on occupation-based training and 76 officials on induction and exit interviews.

To comply with the regulatory framework, the department finalised and approved 16 policies during the financial year.

The department recorded an over-collection of revenue of 62%, due to the signing of new lease agreements by occupants of government properties. On measures to improve financial control, risk management sessions were held to identify potential risks that may have an impact on the performance of the department. To address the risks that were identified, a risk management strategy was developed and approved during the financial year. Furthermore, a Fraud Prevention Plan was approved. The Fraud Prevention Plan will be launched in the next financial year. A shared Audit Committee, servicing the Department of Public Works and the Department of Agriculture and Land Administration, was also put in place.

Under the Public Works programme, a Project Management Information System was developed and implemented. This will lead to improvement in the planning, monitoring and reporting on the implementation of building infrastructure projects. The department continued its cooperation with client departments by ensuring that Service Level Agreements were revised and signed by all parties involved.

As part of preventative maintenance, the department through its regional offices implemented 21 building maintenance projects that amounted to R20 million. Such projects were implemented in terms of the EPWP guidelines and created a number of job opportunities. The department implemented three (3) cluster projects in each region at a cost of R9 million. The Emjindini Cluster in Barberton in the Ehlanzeni Region, the Botleng Cluster at Delmas in Nkangala Region was completed while the Embalenhle Cluster at Secunda in Gert Sibande stood at 83% complete by the end of the financial year. During the construction period, communities were provided with training and employment opportunities.

In its efforts to manage the immovable asset portfolio of the Province, the department continued with the process of identifying and verifying assets. By the end of the financial year, a total of 6 297 properties were verified. The department renovated building infrastructure and equipment in Pilgrim's Rest, as part of preparations for the World Gold Panning Championship that was held in September 2005. Over and above these, a fire engine, refuse removal truck and an ambulance were purchased for the town.

In the Expanded Public Works Programme, the department improved the coordination process and registered 1720 EPWP projects, of which 1487 came from Provincial departments and 233 from municipalities. The EPWP conducted 31 workshops in different municipalities and regions to raise awareness on the implementation of the programme. Three sectors, namely the Infrastructure Sector, Social Sector and Environmental and Cultural Sector, finalised their implementation plans, to provide guidance in the implementation process.

According to the third quarter report released by the National Department of Public Works, the Province is on course to reach the target of 20 000 job opportunities set for the 2005/06 financial year. A total of 15 771 net job opportunities were created by 31 December 2005. In terms of the demographic breakdown, 55% women, 51% youth and 1, 3% persons with disabilities benefited. 645 Early Childhood Development (ECD) and 123 Home Community Based Care (HCBC) sites are operational with 2 199 and 732 beneficiaries respectively. As part of the monitoring of EPWP projects, 34% (that is 391 out of 1165 active registered projects) were visited to verify the reliability of data submitted by departments.

A total of 22 officials from provincial departments and municipalities, participating in the Infrastructure, Social and Environmental and Cultural sectors were trained on EPWP requirements in terms of the Division of Revenue Act (DoRA). The department coordinated four (4) learnership programmes, namely one in Emalahleni Local Municipality, two in Nkangala District Municipality and one in the Department of Roads and Transport. Thirty-four learner contractors and 78 learner supervisors benefited from the training provided on these learnership programmes.

A total of 653 beneficiaries were trained in life and hard skills. A further 46 officials were also trained on NQF level 5 and 7 respectively. In order to develop emerging contractors in the Province, a service provider was appointed and a framework for contractor development and training was developed. The implementation will be done in the next financial year.

Ms P.N.NKWINIKA

**HEAD OF DEPARTMENT: PUBLIC WORKS** 

31 August 2006



#### 1.1 Mission statement

The mission of the Mpumalanga Department of Public Works is to provide infrastructure, maintenance and coordination of EPWP through effective utilisation of public resources.

### 1.2 Legislative mandates

The following constitutional and legislative, functional and policy mandates inform what the department does:

The Constitution of South Africa, (Act 108 of 1996): Elaborates on the procedures and guidelines on basic values and principles governing public administration.

The Public Service Act, (Act 103 of 1994): The regulation of the conditions of employment, discipline and matters connected therewith.

The Labour Relations Act, (Act. 66 of 1995): To promote and maintain sound labour practice.

Basic Conditions of Employment Act, (Act 75 of 1997): Seeks to advance economic development and social justice by fulfilling the primary objects such as to give effect to and regulate the right to fair labour practices conferred by Section 23(1) of the Constitution.

Employment Equity Act, (Act 55 of 1998): Seeks to promote equal opportunity and fair treatment in employment through the elimination of unfair discrimination through affirmative action measures to redress the imbalances of the past.

Skills Development Act, (Act 97 of 1998): Seeks to provide an institutional framework to devise and implement strategies to develop and improve the skills of the workplace.

Public Finance Management Act, (Act 29 of 1999, as amended): Seeks to secure transparency, accountability and sound management of revenue, expenditure, assets and liabilities of various public institutions.

Preferential Procurement Policy Framework Act, (Act 5 of 2000 and the regulations thereof): A system for proper evaluation in the provision of all services.

Construction Industry Development Board Act, (Act 38 of 2000): Seeks to develop and capacitate construction companies, especially emerging ones.

Occupational Health and Safety Act, (Act 85 of 1993): For ensuring safe working conditions and safe equipment at all times.

State Land Disposal Act, (Act 48 of 1961): For the disposal of state land through the Department of Land Affairs.

Expropriation Act, (Act 63 of 1975): In the event that the department has to expropriate land or any other property.

Environmental Conservation Act of 1989: For Environmental Impact Assessment studies prior to the implementation of projects and conservation measures after completion of the project.

National Environmental Management Amendment Act, (Act 56 of 2002: Regulates the impact that construction and installation have on the environment.

Promotion of Access to Information Act, (Act 54 of 2002): The public needs to be kept informed and have access to information according to certain procedures.

Deeds Registries Act, (Act 47 of 1937): For registration of title deeds and related matters.

Promotion of Administrative Justice Act, (Act 3 of 2000)

Council for the Built Environment Act, (Act 43 of 2000).

Architectural Professional Act, (Act 44 of 2000).

Landscape Architectural Profession Act, (Act 45 of 2000).

Engineering Professions Act, (Act 46 of 2000).

Property Valuers Act, (Act 47 of 2000).

Projects and Construction Management Profession Act, (Act 48 of 2000).

 $Quantity\,Surveying\,Profession\,Act,\,(Act\,49\,of\,2000).$ 

Town and Regional Planning Act, (Act 36 of 2002).

Rating of State Property Act, (Act 79 of 1984).

Land Affairs Act, (Act 101 of 1987).

Land Titles Adjustment Act, (Act 111 of 1995).

National Building Regulations and Building Standards Amendment Act, (Act 49 of 1995).

Housing Act, (Act 107 of 1997).

Rental Housing Act, (Act 50 of 1999).

National Heritage Council Act, (Act 11 of 1999).

National Heritage Resources Act, (Act 25 of 1999).

Municipal by-laws (as applicable to relevant municipality).

Protected Disclosure Act, (Act 26 of 2000): Protection of whistle blowers.

Control of Access to Public Premises and Vehicle Act, (Act 53 of 1985).

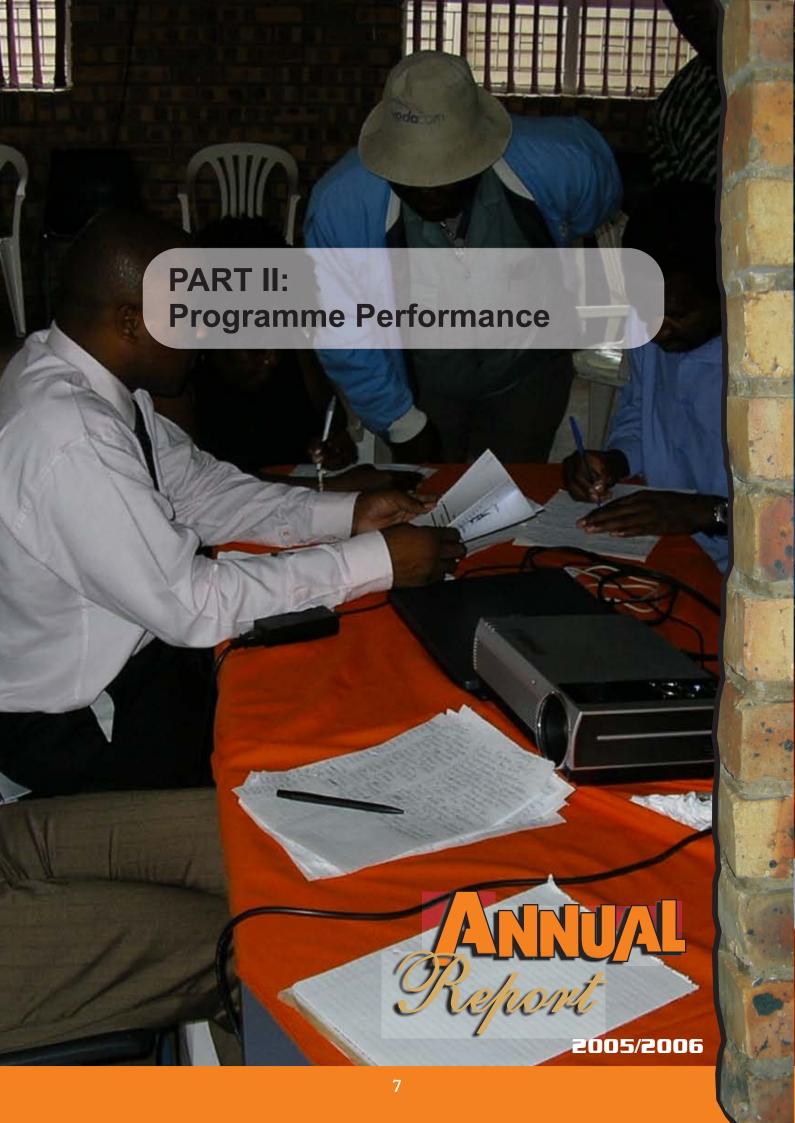
MISS Minimum Information Security Standards.

ANC's Election Manifesto of 2004.

President's State of the Nation Address of 11 February 2005.

Premier's State of the Province Address of 18 February 2005.

Provincial Growth and Development Strategy, 2004-2014



#### 2.1. Voted Funds

Table 1: Voted Funds

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure	
	272,301	302,364	301,055	1,309	
Responsible Minister	Minister of Public Works				
Administering Department	Department of Public Works				
Accounting Officer	Deputy Director-General of Public Works				

#### 2.2. Aim of the Vote

The aim of the Mpumalanga Department of Public Works is to provide, manage and maintain Provincial Government's immovable properties and equipment as well as the coordination of the Provincial Expanded Public Works Programme to ensure that a 100 000 job opportunities is achieved within the period of five years, starting from the 2004/5 financial year.

Table 2: Summary of programmes

Programme	Sub-programme
1. Administration	1.1 Office of the MEC
	1.2 Admin Management (HOD)
	1.27 diffilit Managomoni (1102)
	1.3 Corporate Support
	1.0 Corporate Capport
2. Public Works	2.1. Programme Support
	2.2.Other Infrastructure
	2.3. Property Management
3.Expanded Public Works Programme	3.1. Programme Support
	3.2. EPWP Coordination
	3.3. Monitoring and Evaluation
	3.4. Emerging Contractor Development and Training

#### 2.3. Overview of the service delivery environment for 2005/06

During the 2005/2006 financial year, the department managed to achieve most of its the set targets, despite ongoing challenges that were experienced and that had a direct impact on the day-to-day delivery of services.

In the Administration Programme, the department managed to deal with the impact of HIV and AIDS in the workplace by implementing a variety of programmes to address issues of gender, women, youth, people with disabilities and HIV and AIDS. External risks that can negatively impact on the performance of the department were identified during the risk assessment process and strategies to manage them were developed and implemented.

In the Public Works Programme, the department continued with the implementation of building infrastructure projects despite the challenges that were faced with some emerging contractors who could not complete work in time. Shortage of building material also contributed to the delays in completing certain projects. In responding to the unavailability of the building maintenance plan, the department through its regional offices conducted building maintenance audits on all clinics within the Province to determine the condition of such structures. This process resulted in the drawing up of a material list that needs to be purchased for the maintenance of such clinics in the coming financial years.

The department played a key role in ensuring that Pilgrim's Rest was well prepared to host the World Gold Panning Championships in September 2005, by renovating different building infrastructure and equipment.

In the implementation of departmental cluster projects, weather conditions hampered the completion of the projects. Widespread floods and heavy rains during late 2005 and early 2006 caused delays and damage to completed projects.

In the EPWP Programme, the department continued with the coordination of the Provincial Expanded Public Works Programme in an effort to reach the five-year target of job opportunities. However, it has to be taken into consideration that not all stakeholders are bound to submit reports to the provincial coordinating department. Municipalities submit their reports to the Department of Provincial and Local Government as required in terms of the Division of Revenue Act. This makes it difficult for the Province to have a fully consolidated provincial report without relying on the National Department of Public Works.

The different financial year periods between Provincial/National and Municipalities pose a challenge when it comes to the monitoring and evaluation of projects as well as the compilation of quarterly progress reports using the template design in terms of the Division of Revenue Act (DoRA).

#### 2.4. Overview of the organisational environment for 2005/06

#### 2.4.1. Organizational transformation

(a) Implementation of the Employment Equity Plan

The department did not finalise the process of reviewing the current Employment Equity Plan, due to unforeseen circumstances. The review process will be completed during the second quarter of the new financial year.

(b) The development of an appropriate structure

A work study investigation was conducted and a report compiled on the inclusion of Matibidi Hospital's technical component. The report was approved and the implementation process carried out.

(c) Integrated disability and gender implementation plans

The department is in the process of developing integrated disability and gender implementation plans. Several experts were consulted on a program of action and policy development. The national and provincial department started to capacitate the Gender machinery in the planning area, from as early as February 2006. As a result there is a delay in the finalisation of the department specific Comprehensive Integrated Programme of Action for the GDCY programme.

(d) Evaluation of all new and redesigned jobs

A total of 19 SMS posts, 25 MMS, 18 junior management, 5 highly skilled and 2 lower skilled posts were evaluated.

#### 2.4.2. Human resource management

(a) Forecasting and planning for future human resource requirements

The development of a Human Resource Plan still remains a challenge. However, human resource needs within the technical fields have been identified and strategies are being developed to address them.

(b) Ensuring compliance with recruitment procedures and policies

The department ensured that the recruitment and appointment of personnel were done in terms of the applicable procedures and policies. A departmental policy on recruitment, selection and appointment was approved.

(c) Compliance with Employment Equity Plan

The department did not achieve the 2% target for employing people with disabilities. However, a total of 18 officials are currently employed. There is a challenge to address the remaining number.

#### (d) Promoting teamwork

The department held a variety of sessions involving senior and middle managers to discuss issues ranging from strategic planning, risk management, mid-term expenditure and policy development. Over and above this, top management and sectional meetings were held regularly to ensure that decisions taken during the Executive Council and Heads of Department meetings are communicated and implemented.

(e) Recognition of outstanding performance

The department has implemented a performance management and development system. Officials who performed exceptionally well, received performance incentives in the form of an incentive bonus. This measure is intended to motivate performing employees and challenge those who did not perform well to improve performance.

#### 2.4.3. Human resource development

(a) Drafting of Workplace Skills Plan for the department.

The department developed and approved a Workplace Skills Plan, which was submitted to the PSETA and CETA (Construction Education and Training Authority) as part of compliance with the Skills Development Act, 1998 (Act 97 of 1998). Some 10% of 1% of the skills levy was paid to the CETA.

(b) Promoting education development and training.

Various training programmes ranging from ABET, induction, PERSAL, BAS, LOGIS and other occupation-based training programmes were implemented by the department. A total of 1 086 officials were trained.

(c) Implementation of learnership programmes.

Five learnership programmes administered by the PSETA (Public Sector Education and Training Authority) were implemented. A total of 45 unemployed youth and five serving officials participated in the programme, which lasted 12 months.

An internship programme was also implemented, with 17 unemployed graduates taking part in technical fields such as architecture, building, quantity surveying, mechanical, civil and electrical engineering.

#### 2.4.4. Human rights issues

(a) Compliance with Employment Equity Plan.

Although the department did not finalise the process of reviewing the current Employment Equity Plan, due to unforeseen circumstances, it managed to achieve 50% representation of women in senior management positions as well as appointing people with disabilities.

(b) Promoting HIV/Aids awareness and Employee Assistance programmes.

The department approved policies on Employee Wellness Programme and on HIV and AIDS. Eight Employee Assistance Programme marketing sessions were held and 137 officials attended. As a result, 54 officials consulted with the programme regarding different problems. Comparative studies of EAPs (Employee Assistance Programmes) were conducted in KwaZulu-Natal, Limpopo and Gauteng Provinces to establish best practices in the implementation of such a programme.

(c) Mainstreaming of gender equality.

The development of a gender mainstreaming programme was not finalized. However, the department participated in a survey coordinated by Umhlaba, aimed at developing a comprehensive programme. Various events such as August Month, "Take a girl child to work", Youth Day and 16 Days of Activism were coordinated by the department.

(d) Creating an attractive and professional environment responsive to diversity.

The department capacitated officials on ways and means of lodging grievances as a way to improve professionalism regarding the communication of work problems that employees experience on a daily basis.

(e) Alignment and mutual respect between top management and personnel.

The department convened various sessions comprising junior, middle and top management to discuss issues such as risk management strategies, policies, procedure manuals and strategic plans. Monthly sectional meetings were held to communicate decisions that were taken at top management meetings. The meetings also address issues that affect the day-to-day operations within the sections.

(f) Promoting teamwork.

The department is improving internal communication by holding more regular management and sectional meetings.

#### 2.4.5. Internal communication

(a) Promote the new direction of the department to all communities.

The new direction of the department was promoted internally through a variety of mediums. This included monthly in-house bulletins which contains issues concerning staff. Its objective is to keep employees up to date with activities and new policies and developments within the organisation and also to build an organisational culture of openness and transparency. Staff notices, posters and other relevant information are also distributed via notice boards.

The department developed and distributed several brochures to promote departmental activities, amongst others a general departmental brochure, a brochure regarding the EPWP, a brochure regarding bursaries, learnership and internship opportunities, brochures for the EAP and Transversal programme as well as a brochure on the Performance Management and Development System.

Employees are further kept abreast of departmental achievements and projects through quarterly newsletters. The departmental strategic plan, annual report and policies are distributed throughout the organisation to members of management, who are expected to communicate such information to staff members at regular staff meetings.

(b) To develop a strategic communication plan.

A provincial strategic communication strategy was developed in April 2005 at which seven strategic communication goals for the province were identified. The strategy is informed by the State of the Nation Address and the State of the Province Address. All provincial departments aligned their strategic communication plans to the Provincial communication strategy. The department's strategic communication action plan was adopted in May 2005 by Senior Management and implemented during the course of 2005/2006.

Table 3:Summary of post vacancies and supernumeraries

Staff Categories	Number			Average
	2003/4	2004/5	2005/6	Annual change
Total staff complement	3483	1009	1279	-735
Number of professional and managerial posts	49	31	20	-10
Number of professional and managerial posts filled	36	12	8	-7
Number of excess staff	Nil	Nil	Nil	Nil

Table 4: Key expenditure indicators

Category of expenditure	Percentages or Rands (000's)			Average
	2003/04	2004/05	2005/06	Annual change
Personnel expenditure as % of total expenditure	40%	40%	42%	0,6%%
Expenditure on maintenance of buildings as % of total expenditure	17%	12%	13%	-1,3%
Expenditure on maintenance of road infrastructure as % of total expenditure	N/A	N/A	N/A	N/A

Table 5: Progress with promoting SMMEs and BEE

Category of expenditure	Percer	Average		
	2003/04	2004/05	2005/06	Annual change
Encouragement of Small Business	69%	86%	97%	9,3%
Number of contacts to SMMEs	159	222	591	0
Total value of contracts to SMMEs	R12,684,100	R28,199,190	R35,498,286	R7,604,728
% of total contracts to SMMEs by value	68,5%	91%	97%	9,5%
Encouragement of Black Economic Empowerment	71%	92%	98,6%	0%
Number of contracts to BEE	218	347	711	0
Total value of contracts to BEE	R16,043,782	R38,215,091	R62,421,888	R15,459,368
% of contracts to BEE by value	73%	96%	99%	0%
% of total budget to BEE				

# 2.5 Strategic overview and key policy developments for the 2005/06 financial year

During the 2005/06 financial year, the department continued to implement a revised organogram that was approved at the end of March 2005. This came as a result of the restructuring that started in May 2004 when the Department of Public Works was established and was operated with an interim organogram.

The department continued with its key service delivery initiatives to ensure that the lives of communities are improved. In addressing these, each programme embarked on the implementation of set targets in the following ways:

In the *Administration Programme*, a learnership programme and an internship programme were implemented, targeting unemployed youth. Some 45 unemployed youth and 17 unemployed graduates were enrolled for the two programmes. This had a far-reaching positive result as most of the participants received permanent employment in different government departments at the end of the contract period.

In order to address the critical shortage of staff with specific skills, the Department has embarked on a bursary programme targeting scarce skills. A total of 13 full-time bursaries were awarded to unemployed youth to pursue studies in technical and related fields at different universities within the Republic of South Africa. In order to reduce the illiteracy levels amongst employees at the lowest levels of the hierarchy, the department continued to enroll employees for an ABET programme that was started five years ago.

To comply with the Public Sector Unions Summit Resolutions, the department appointed an Employee Wellness Practitioner to develop and implement programmes that will assist employees who are affected by issues relating to HIV and AIDS as well as problems relating to gambling and finances.

To comply with the regulatory framework, the department finalised and approved 16 policies during the financial year. On measures to improve financial controls, risk management sessions were held to identify potential risks that may have an impact on the performance of the department. To address the risks that were identified, a risk management strategy was developed and approved during the financial year. A Fraud Prevention Plan was approved. The plan will be launched in the next financial year.

The department recorded an over collection of revenue of 62%, due to the signing of new lease agreements by occupants of government properties.

In the *Public Works Programme*, a Project Management Information System (PMIS) was procured in order to improve the planning, monitoring and reporting on the implementation of capital projects for the department as well as those for the Department of Education and the Department of Health and Social Services. The effective implementation of this system will contribute to the elimination of problems that are currently experienced in the implementation of capital projects within the Province.

The department continued with the asset verification process in an attempt to identify and record all immovable assets that belong to the Provincial administration. Although this process is not an end in itself, indications are that the Province will be able to know the number of assets that are managed, how many of them are in good condition, utilised or underutilised and to decide which of them need to be disposed of.

Continuous day-to-day and planned preventative maintenance activities were carried out and resulted in a number of buildings being renovated. This was aimed at prolonging the lifespan of such buildings since the Province currently does not have a building maintenance plan that can indicate which building needs to be maintained in the particular time period. To improve the livelihood of communities, the department implemented one (1) cluster project in each region, providing employment and training opportunities to local communities with specific focus on women, youth and people with disabilities.

In the *Expanded Public Works Programme*, the department continued to strengthen the coordination process by ensuring that all stakeholders were brought on board and capacitated on EPWP principels and reporting requirements. Each of the four EPWP sectors, namely the Infrastructure, Social, Environmental and Economic Sectors, developed implementation plans to serve as a guide towards the implementation of the programme. In order to provide training and development for emerging contractors, a service provider was brought on board to develop the contractor development framework for the Province.

Table 6: Departmental receipts

Departmental Revenue	Actual Collection 2003/04 R'000	Actual collection 2004/05 R'000	Actual Collection 2005/06 R'000	% Deviation from Target
Current revenue				
Tax revenue	300	3,296	1,898	10.1%
Non-tax revenue	4,841	842	1,738	143.7%
Capital revenue	5,311			
Financial Transactions	42	99	1,270	-61.8%
Departmental revenue	10,494	4,415	4,906	-62.1%

Table 7: Departmental own revenue

Departmental Own Revenue	Actual Collections 2003/04 R'000	Actual Collection 2004/05 R'000	Actual Collection 2005/06 R'000	% Deviation from target
Sales of Goods and Services produced by the Department	3,111	1,897	1,899	-10.1%
Interest and Dividends	2,030	1,124	480	-62.2%
Rent on Land		252	266	-20.3%
Financial Transactions in assets and liabilities	42	302	1,269	61.7%
Sales of capital assets	5,311	840	992	-100%
TOTAL	10,494	4,415	4,906	-62.1%

Table 8: Departmental Payments

Programmes	Voted for 2005/06 R'000	Roll-overs and adjustments R'000	Virement R'000	Total voted R'000	Actual Expenditure R'000	Variance R'000
Administration	53,287	20,284	10,492	84,063	83,487	576
Public Works	197,659	9,749	3,176	210,584	209,946	638
Expanded Public Works Programme	21,355	30	-13,668	7,717	7,622	95
TOTAL	272,301	30,063		302,364	301,055	1,309

# **Programme Performance for Programme 1: Administration**

Sub-programme	Output	Performance	Achie	evements
		measure/ indicator	Target	Actual
Administration	To render efficient and effective administrative service	All employees compensated	Compensate all employees	All existing employees compensated
Office of the MEC	To render efficient and effective administrative service	Effective and efficient provision of administrative support service to the MEC	Provide effective administrative support service to the MEC	Provided effective administrative support service to the MEC
Office of the HOD	To render efficient and effective administrative service	Effective and efficient promotion of accountability by the HOD at all managerial levels and delegation of responsibilities	Promotion of accountability by the HOD at all managerial levels and delegation of responsibilities	Reports compiled and submitted to Legislature, Treasury and Executive Council. EXCO memoranda prepared and submitted to EXCO. Delegation of responsibilities given to General and Senior Managers at Head Office and Regions
Human Resource Management	To render human resource management and development	Officials appointed, transferred	Render effective human resource administration at Head Office	154 posts advertised, 70 appointments made, 20 promotions, 6 transfer in and 11 transfer out processed
		Captured leave and paid pension benefits.		17 557 leave captured, 144 pension processed, 60 service terminations
		Injury on duty claims submitted to Workman's Compensation		Nine (9) injury on duty claims processed
		Collected and distributed mail		Achieved
		Documents correctly filed		Achieved
	To render human resource management and development.	Officials workshopped on PMDS	100% Implementation and monitoring of Performance Management and Development	846 Officials workshopped on PMDS and monitoring done
		Number of annual assessment finalised	System	5 Performance Management and Development Moderating Committee (PMDMC) meetings convened, 285 incentives paid and monitoring done
		Number of Performance agreements signed		1148 performance agreements signed and captured on PERSAL
		Approved Human Resource Plan		Not achieved

Sub-programme	Output	Performance measure/	Achie	evements
		indicator	Target	Actual
Human Resource Management	To render human resource management and development	% Of leave captured  Pension applications processed  Injury on duty cases handled	Render effective human resource admin functions at Regional offices	100% of leave forms received were captured, all pension applications were processed and no injury on duty cases handled
	To render human resource management and development.	Number of learnerships implemented	Training and development of human resources through 100 learnerships	5 Serving officials registered for Public Administration learnership, 45 unemployed youth registered for 4 different PSETA learnerships (5 resigned due to permanent employment while 1 was re-instated)
		Number of internships implemented	60 internships, bursaries and skills programmes	17 interns appointed
		Finalised internship policy		Draft policy developed, discussed and awaits approval
		Trained and workshopped officials as per Workplace Skills Plan		205 officials attended ABET levels I, II, III & IV, 796 officials provided with various occupation-based training
		Number of officials inducted and interviewed		51 appointed officials inducted and 25 exit interviews conducted
		People granted full- time and part-time bursaries		13 bursary confirmation letters issued to successful applicants
		Finalised Workplace Skills Plan and payment of 1% skills levy		Workplace Skills Plan finalised and submitted to PSETA (Public Sector Education and Training Authority). 10% of the 1% skills levy paid to CETA (Construction Education and Training Authority) and quarterly implementation reports submitted

Sub-programme	Output	Performance	Achie	evements
		measure/ indicator	Target	Actual
Strategic Planning and Policy Coordination	To render planning, policy coordination, monitoring and evaluation	Number of strategic planning sessions held, reports compiled and research conducted	Coordinate Strategic planning	Coordinated strategic planning sessions to develop the 1st, 2 and final drafts for 2006/7 financial year  Compiled and submitted 6 months and 9 months report to the Executive Council Makgotla held in October 2005 and February 2006  Compiled 2004/5 annual report, three (3) quarterly service delivery reports to the relevant authorities  Compiled progress report for EXCO outreach programmes and responses to Portfolio Committee and SCOPA queries
		Number of policies drafted and finalised	Coordinate the drafting and review of departmental policies	16 policies finalised and approved. 9 new draft policies and 10 procedure manuals developed
		Availability of and implementation of the Employment Equity Plan	Coordinate the development and implementation of an Employment Equity Plan	Review of EE Plan not finalised
Work Study and Job Evaluation	To render work study and job evaluation services	Work study investigations and post evaluations conducted	Conduct work study investigations and job evaluation	Conducted (1) work study investigation and compiled a report for Matibidi Hospital's technical component  Evaluated 19 SMS posts, 25 MMS, 18 junior management, 5 highly skilled and 2 lower skilled posts

	I	I	l	
Sub-programme	Output	Performance measure/	Achie	evements
		indicator	Target	Actual
Transversal and Special Programmes	To render transversal and special programmes	Availability of implemented transversal and special programmes	Effective implementation and availability of the following programmes: HIV and AIDS, Employee Assistance Programme, gender equality and women empowerment, disability, youth and children	Employee Wellness policy approved, HIV and AIDS draft policy awaiting approval, distributed 1300 male condoms and dispensed 5190 Employee Wellness campaign material  Finalised comparative research on EAP and 50% marketing of the programme, handled 54 EAP referrals, held 27 events on Gender, Disability, Youth and Children (GDYC).  Participated in the survey on gender
Communication Services	To render internal and external communication service to internal and external stakeholders	Communication advisory service	Communication Advisory Service	Communication strategy and action plan developed and implemented, draft communication policy discussed and awaits approval
		Media liaison service	Daily media liaison and monitoring	More than 3 media releases and media responses/per month, 3 radio interviews, 12 news updates, 3 talk shows, 2 magazine advertorials, 3 advertising campaigns
		Production service	Planned departmental publications	Printed Strategic plan, Annual Report, Budget Speech, calendar, Christmas cards, 12 in house bulletins, 4 newsletters, 4 brochures, Invitations and posters, Corporate ID stationery, Promotional items
		Website service	Website development and maintenance	Populated website
		Community liaison service	Community liaison service	Attended and exhibited at COPs, 7 Departmental events, 4 National events
		Number of planned departmental marketing campaigns	EPWP marketing campaign	4 communication and marketing plans compiled and costed (EPWP, Sakh' abak i, Fraud Prevention Plan, CIDB)
		Advertising campaigns successfully completed	Ad hoc departmental campaigns	CIDB registration campaigns implemented

Sub-programme	Output	Performance	Achievements			
		measure/ indicator	Target	Actual		
Legal Services and Labour Relations	To render legal services to the department	Number of legal and labour related cases handled	Deal with current legal and labour relations matters	47 Investigations conducted, 85 consultations held with State Attorney, 18 court cases attended, 136 contracts drafted/checked and amended, 24 legal opinions given, 69 investigations done, 17 charges were drafted, 22 disciplinary hearings held, 4 appeals held, 2 dismissals, 3 conciliations held and 4 arbitrations conducted		
Financial Management	To render budget planning and control service	Timeous submission of budget documents to treasury	Effective compliance with budget circulars	All submissions done timeously.		
	To render revenue services	% Of revenue collected	100 % collection of revenue to the targeted amount of R3, 025 million	Over collected revenue by 62%,( i.e. R4, 9 million collected against R3, 025 million budget)		
	To render expenditure services	All salary and payment vouchers received and processed	Timeous processing of salary and payment vouchers	All vouchers received were processed within 5 working days		
	To render supply chain management services	All invoices received and processed within 30 days	Process all invoices for goods and services	Processed invoices within 30 days of receipt		
		Availability of updated asset register	Continuous updating of asset register	Transferred all movable assets belonging to Dept of Roads and Transport and completed the stock taking programme		
				Verified all assets in the three regions		
		Number of meetings convened	Co-ordinate joint bid committee activities for Department of Education and the Department of Health and Social services	20 meetings convened for Department of Education, 17 meetings convened for Department of Health and Social Services and 28 for Department of Public Works		
	To render system control services such as BAS, LOGIS and PERSAL	All district offices accessing financial systems	Install systems at all district offices	Network points have been installed at Tonga district offices		

Sub-programme	Output	Performance	Achie	evements
Sub-programme	Output	measure/ indicator	Target	Actual
		muicator	Target	Actual
Internal Audit	To render Internal Audit services in accordance with professional	Approved Internal Audit policy	Development of Internal Audit Policy	Approved Internal Audit Policy
	Institute Standards	Risk based annual Internal Audit Plan final Engagement reports	Development of Risk based Annual Internal Audit Plan	Approved and implemented risk based annual Internal Audit Plan
		Monthly, quarterly and annual reports	Conduct risk based audit according to the	Conducted physical head count and payroll verification exercise
			risk based Annual Internal Audit Plan	Conducted human resource, financial management, supply chain management, building and property management, revenue management audits. EPWP audit still continuing
Risk Management	To render risk management services to the department	Risk identification report	Facilitate risk identification process for the department	A report on risks facing the department is in place
		Fraud Prevention plans	Develop risk management framework	Fraud Prevention Plan developed but not officially launched
		Report on risk impact matrix		Risk impact matrix is in place
		Established Risk register		Risk register established
		Established risk information sheet		Risk information sheet established
		Awareness for risk management		Risk management workshops conducted with top management and other staff members, established (4) risk management committees, printed and distributed fraud prevention plan documents

Sub-programme	Output	Performance measure/	Achievements		
		indicator	Target	Actual	
Security Management	To render security management	Reports on investigations and ad hoc assignments	Conduct investigations and inspections	19 Inspections were conducted at various sites around the province, 2 theft cases were investigated at Pilgrim's Rest and Carolina, and awaiting SAPS findings.	
		Number of Security awareness workshop conducted	Conduct 4 security awareness workshops	2 Security awareness workshops conducted at Middelburg in November for Gert Sibande and Nkangala regions	
		Number of officials vetted	Vetting of officials	Applications forms of secretaries, senior managers and members of the bid committee were submitted to National Intelligence Agency (NIA)	

Table 9: Expenditure for Programme 1

Sub-Programme	Actual 2003/04 R'000	Actual 2004/05 R'000	Appropriated Budget 2005/06 R'000	Adjusted Budget R'000	Actual Expen- diture R'000	(Over) or under expen- diture %
1.1. Office of the MEC	670	541	702	2,703	3,156	(17%)
1.2. Administrative Management (HOD)	2,087	3,742	3,823	1,822	1,135	38%
1.3. Corporate Support	39,856	71,802	48,762	79,538	79,196	0,43%
1.4. Programme Support Office	-	-	-	-	-	-
TOTAL	42,613	76,085	53,287	84,063	83,487	0,68%

#### 2.6.1 Specific challenges and responses

Table 10: Specific challenges and responses: Programme 1

Challenge	Response to challenge
Failure to complete Annual Internal Audit Plan in time due to some areas not audited.	Ensure that a realistic Annual Audit Plan is developed and also provide continuous training to Internal Auditors.
2. Inability to launch Fraud Prevention Plan.	A new date has been identified and the launch will take place in the first quarter of the next financial year.
Recruitment and retaining of skilled personnel due to lower salary levels.	Reviewal of specific occupations to ensure that suitable qualified personnel are attracted.

#### 2.6.2 Issues requiring ongoing attention

The management of HIV and AIDS in the workplace remains a challenge.

#### 2.6 Programme Performance for Programme 2: Public Works

This programme is responsible for the provision, management and maintenance of provincial government building infrastructure. It also provides project and professional services to other provincial departments, mainly Department of Education and Department of Health and Social Services.

Table 11: The Province's Property Portfolio by Department

State Owned Portfolio		Land				Buildings		
	Number of proper ties	Number vacant urban properties	Number of unutilised rural properties	Total number of hectares	Number of properties with buildings	Square meters of building		
Health and Social Services Department	2 321	Service provider busy with verification process	Service provider busy with verification process	147,5058 hectares	2 276	43 7084m²		
Education Department	5 855	Service provider busy with verification process	Service provider busy with verification process	1 094,6216 hectares	5 085	134 975m²		
Other clients combined	4 563	Service provider busy with verification process	Service provider busy with verification process	68 217,8444 hectares	2 014	254 104m²		
Unutilised	2 204	Service provider busy with verification process	Service provider busy with verification process	66 426, 8117 hectares	9 (2 schools/ colleges, 1 environ- mental centre and 6 others)	9 850m²		

Table 12: The Province's Leased Portfolio by department

Leased Portfolio	L	and		Buildings		
	Number of properties leased	Total number of hectares	Number of buildings	Square meters of building	In R' 000	
Health and Social Services Department	0	0	62	6 027m² (m² for residential accommodation not known)	3, 495,621 p.a.	
Education Department	0	0	8	12 191m²	1,660, 854 p.a.	
Other clients combined			25	13 988m² (13 buildings). Square meters for 12 residential accommodation not available	5,843,043 p.a.	
Unutilised	0	0	0			

NB: Due to the unavailability of a user-friendly or comprehensive immovable asset register and a maintenance management system, it is difficult to categorise assets according to departments as well as to quantify the maintenance backlog. The department is still busy with the process of verifying immovable assets, which is due to be completed by December 2006.

Table 13: The condition of government buildings by department

Province	Condition of State Owned Buildings (Number and Percentage)					Total
	Very Good	Good	Fair	Poor	Very Poor	
Whole province	5%	10%	20%	40%	25%	100%

Table 14: Demand for new space

New Demand for Space	Number	Number of square				
		meters	Budget	Actual	Deviation f	rom Target
					Unit	%
Health and Social Services Department total	60	5 510m²	Budget with client department			
Hospitals (specify by name) Clinics (give number) Other	60	5 510m² (4 office buildings) Square meters for 56 residential accommodation not known	Budget with client department	Budget with client department	Budget with client department	Budget with client department
Education Department total	Unknown	Unknown	Budget with client department			
Primary schools Secondary schools Other	Unknown	Unknown	Budget with client department	Budget with client department	Budget with client department	Budget with client department
Other clients combined  May give details by department	24	8 655m²	Budget with client department	Budget with client department	Budget with client department	Budget with client department

## 2.6.1 Service delivery achievements for Programme 2: Public Works

Sub-	Outputs	Performance	Achiev	rements
programme		measure/	Target	Actual
		indicator		
Buildings and Properties	To render efficient and effective administrative service	All employees compensated	Compensate all employees	All existing employees compensated
Programme Management	To provide building infrastructure and equipment according to client's specifications	Finalised Programme Implementation Plan	Develop a Programme Implementation Plan	Programme Implementation Plans developed and 9 monthly and 3 quarterly progress reports were submitted to client departments
		Finalised Provincial Infrastructure Plan	Develop a Provincial Infrastructure Plan	Draft plan not finalized. As part of the development process, the department visited 2 provinces to conduct comparative studies and engaged 1 client department.
		Finalised Project Management Information System (PMIS)	Develop and implement a Project Management Information System	Appointed a service provider to implement the PMIS, collected data and customised the system as well as training of officials to work on the system
Planning and Design	To provide building infrastructure and equipment according to client's specifications	Reduced extension of time and variation costs	Well planned and designed projects	Updated standard documentation, received project list for 2006/07 from client departments and appointed consultants for the drafting of plans for 2006/07 financial year  3 projects for the Department of Health and Social Services were submitted on time and 397 projects are 40% at planning stage due to late submission by client department
Construction	To provide building infrastructure and equipment according to client's specifications	Projects completed in time	Implementation of the construction of projects. Deliver 80 % construction of planned projects as per the implementation plan	Education projects: 956 projects handled and 443 completed  Health Projects: 66 projects handled and 9 completed

Sub-	Outputs	Performance	Achiev	ements
programme		measure/	Target	Actual
Building Maintenance	Maintain building infrastructure and equipment	indicator  Finalised comprehensive audit list of building maintenance backlog	Conduct a comprehensive maintenance audit to address the building maintenance backlog	Audit carried out in 5 districts of Nkangala with 65 health facilities and 13 own buildings audited, 3 districts of Gert Sibande with 28 health facilities audited and 3 districts of Ehlanzeni with 72 health facilities, 250 houses, and 7 own buildings audited in 4 districts
		Finalised maintenance plan for provincial buildings and equipment	Develop an accurate and user-friendly maintenance plan for provincial buildings and equipment	Completed maintenance plans for 4 districts in Nkangala region, 2 districts in Gert Sibande and 3 districts in Ehlanzeni region
		Number of projects for the maintenance of provincial facilities	To attend to all day-to- day maintenance	33 776 maintenance requests were received in the 3 regions, of which 26 174 were attended to and completed and 7 602 outstanding due to shortage of material from the Department of Health and Social Services.
				21 building maintenance projects were implemented in the Nkangala, Gert Sibande and Ehlanzeni regions
		Completion of 3 EPWP cluster projects	Implement 3 EPWP cluster projects	Nkangala and Ehlanzeni cluster projects 100% complete, Gert Sibande project at 80% completion
Professional Services	Maintain building infrastructure and equipment	% of maintenance of life supporting equipment	Maintain 90% supply of life supporting equipment	Achieved 90%, inspected and monitored the following:  74 autoclaves 33 boilers 30 elevators, 8 large laundries 32 compressors 78 standby generators and fire equipment Incinerators, medical gas and medical vacuum at 16 hospitals. 6 tenders advertised and 3 service providers appointed for 3 tenders
		Available Occupational Health and Compliance Plan	Develop and implement 80% of the planned OHS Act Compliance Plan for shared building infrastructure	Achieved 50% at Riverside Government Complex

Sub-	Outputs	Performance	Achiev	
programme		measure/ indicator	Target	Actual
		% of radio communication network coverage	Maintain 90 % radio communication network coverage	Maintained 90% and serviced the following equipment:
				66 Repeaters 580 Mobiles 225 Base 75 Portable 3 Solar 31 Powered high sites 319 Flashing revolving lights 26 High sites. Upgrading 11 Radio high sites
Property Management	To render property management services	Verified 6000 properties	Verify 50% (6 000) of Provincial government properties for this financial year	Verified 6 297 properties
		Finalised policy document	Policy document available on acquisitions and disposals	Policy on hiring and letting approved and draft policy on acquisition and disposal developed and awaiting approval
		Conducted lease audits of 600 residential accommodation	Increased revenue by recovering outstanding rentals, service charges and lease audit	625 lease audits were conducted which resulted in stop orders for arrears amounting to R125 358 signed and processed
		Client departments accommodated as per request	Provision of accommodation by purchase, hiring and space planning and attend to 80% of accommodation requests	Finalised 88% (128 requests received and finalised 113) of accommodation requests
		Revenue collected from sale of government houses	Dispose of 6 government houses	Office of the State Attorney instructed to attend to the transfer of 6 houses
Facilities Management	To render management and maintenance of the Riverside Government Complex	A well managed and maintained Government Complex	Keep the Government Complex a safe and healthy working environment and sustained management and attend to 80% of maintenance requirements	22 maintenance and service contracts in place and managed effectively

Sub-	Outputs	Performance	Achiev	ements
programme		measure/ indicator	Target	Actual
	To render management and maintenance of Pilgrim's Rest	A well managed and maintained town	Keeping the town of Pilgrim's Rest in a safe and healthy state by doing maintenance and providing municipal services, sustained management and attend to 80% of maintenance requirements	Achieved 80% of sustained management and maintenance of the town
		Upgrading of sewage plant	Upgrading of sewage plant	100% complete
		Revamping of reservoir	Revamping of reservoir	100% complete
		Installation of pre- paid meters	Installation of pre-paid meters	70% complete  Purchased ambulance, refuse removal truck and fire engine  40% completion of Scott's House  Completed the Gold Panning site

Table 15: Expenditure for Programme 2: Public Works

Sub-Programme	Actual 2003/04 R'000	Actual 2004/05 R'000	Appropriated Budget 2005/06 R'000	Adjusted Budget R'000	Actual Expendi ture R'000	(Over) /under expendi- ture %
2.1. Programme Support Office	6,765	15,762	19,156	1,178	7,127	(505%)
2.2. Other Infrastructure	9,249	5,609	7,260	4,260	3,930	8%
2.3. Property Management	153,407	162,088	171,243	205,146	198,889	3%
TOTAL	169,421	183,459	197,659	210,584	209,946	0,3%

#### 2.7.2 Specific challenges and responses

Table 16: Specific challenges and responses: Programme 2

Specific challenge	Response to the challenge
Late issuing of orders by client departments.	Request relevant authorities, namely Executive Council, Provincial Legislature and Provincial Treasury to transfer funds from the relevant client departments, to the implementing agent (Department of Public Works), as a way of expediting the payment process.
Insufficient funds for radio communications maintenance.	Client departments were engaged to come to an agreement as to the amount they should contribute towards the maintenance cost for their radio networks.
Lack of funds to efficiently run the public address system service for client departments.	Same as above, except that the public address system could as an option be run by the client departments for themselves so as to reduce the financial burden from the Department of Public Works.
5. Inadequate skilled personnel.	Upgrading of professional posts so as to attract the required skilled personnel and upgrading of internal personnel skills' level through training.
6. Consultants are slow to provide information for the compilation of Project Implementation Plan and updating the PMIS website for Education projects.	Implementation of IDIP (Infrastructure Delivery Improvement Programme) to assist departments to plan on a long-term basis has started. National Treasury appointed a consultant to assist in this process.

#### 2.7.3. Issues requiring ongoing attention

Unavailability of a user-friendly and computerised immovable asset register will continue to be a serious challenge to the Department. Inadequate budget for the maintenance of buildings infrastructure is negatively affecting the condition of government buildings.

# 2.6 Programme performance for Programme 3: Expanded Public Works Programme

This programme is mainly responsible for coordinating the Provincial Expanded Public Works Programme to ensure that the target of creating 100 000 job opportunities within the period of five years is realized.

Table 18: Demand for and performance of EPWP projects by region

Regions		Number of unemployed people				Community based programmes		
	Female	Male	Total	% of National total	Number of Projects 2005/06	Number of person days employment created		
						Female	Male	Total
Ehlanzeni	78976	55239	134215	2,9%	2	3042	2667	5709
Gert Sibande	89479	66241	155720	3,5%	2	4514	6783	11297
Nkangala	70485	49670	120155	2,7%	1	3267	7315	10582
TOTAL	238940	171150	410090	9,1%	5	10823	16765	27588

Table 19: Training, Empowerment Impact Assessment, Poverty Eradication and Emerging Contractor Development

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
		2004/03	2000/00	2003/00	Unit	%
Input Process						
Number of training programmes	Number of training programmes	3	2	2	0	0
Output						
Number of employment days created	Number of employment days created	1,076,073	27 104	27 588	404	1,5%
% of employment days for Youth	% of employment days for Youth	24%	30%	51%	21	736%
% of employment days for Women	% of employment days for Women	435	40%	38%	-2	-5%
Quality						
Average daily wage paid	Average daily wage	R35-00	R35-00	R45-40	R10-40	30%
Efficiency						
Cost per day employment created	Cost per day employment	83	437	140	297	68%
Average daily wage as % of cost per employment day	Average daily wage as % of cost per employment day	42%	8%	32%	24	300%

## 2.8.1 Service delivery achievements for Programme 3: EPWP

Sub	Outputs	Performance	Ac	hievements
programme		Measure/indicator	Target	Actual
EPWP	To render efficient and effective administrative service	All employees compensated	Compensate all employees	All existing employees compensated
EPWP coordination	To coordinate and facilitate EPWP activities of all sectors including municipalities in order to created 20 000 job opportunities by March 2006	Coordination of the provincial EPWP to assist sectors in an endeavour to reach the target of (100%) of 20 000	To coordinate and facilitate EPWP activities of all sectors including municipalities in order to create 20 000 job opportunities by March 2006	1720 projects were registered, of which 1 487 were from Provincial departments and 233 from municipalities
		Number of EPWP workshops held	Coordinate 6 regional and 4 municipality EPWP workshops	31 EPWP workshops were conducted in the regions and municipalities with 451 beneficiaries
		Number of PSC (Provincial Steering Committee) meetings held	Coordinate 4 EPWP PSC meetings	8 meetings were held and progress was reported by sectors
		Number of Infrastructure Sector meetings held	Coordinate 4 infrastructure sector meetings	6 meetings were held and progress was reported by participating departments and municipalities
		Number of consolidated PMUs' (Project Management Units) meetings held	Prepare and coordinate six 6 PMUs' regional meetings	16 meetings were held to capacitate PMUs
		Number of sector consolidated Implementation Plans	Coordinate the drafting and finalisation of the 4 sector implementation plans	3 Sector Plans (Social, Environment and Infrastructure Sector) were finalised and implemented, the Economic Sector is still in draft form
		Number of consolidated EPWP sectors executive reports	Consolidation of quarterly sectors accumulative executive reports	One executive report was consolidated, based on published job creation figures for the first quarter by the NDPW (National Department of Public Works)
Monitoring and Evaluation		% Sample of EPWP projects monitored and evaluated	Monitor compliance using sampling of EPWP projects	34% (391 out of 1 165) of registered active projects were visited to verify reliability of data, excluding projects from Municipalities

Sub programme	Outputs	Performance Measure/indicator	Target	chievements Actual
ļ. og		Number of jobs created	Facilitate the confirmation of the number of jobs created per sector	15 771 net job opportunities were created by the end of the 3 <sup>rd</sup> quarter (April-December 2005) as confirmed by NDPW. (This figure excludes 4 <sup>th</sup> Quarter and also job opportunities created by Municipalities)
		Number of consolidated reports compiled in terms of DoRA (Division of Revenue Act)	Consolidate quarterly reports of the four (4) sectors in terms of DoRA	4 reports for the 4 sectors were consolidated. The last quarter of 2004/05 and the 1st, 2nd and 3rd quarters of 2005/06. (This excludes data from Municipalities)
		Number of % samples of EPWP projects for cities and municipalities	Monitoring and evaluation of 2 cities and 25% of municipalities	10 projects implemented by cities and municipalities were visited for monitoring.
		Number of M & E (Monitoring and Evaluation) sector committees	Prepare for establishment of 4 M&E sector committees	Not achieved, because of the resolution taken at a PSC meeting that there should be only one (1) committee that will comprise all sectors
		Number of M&E training sessions conducted	Prepare and conduct training of the 4 M & E sectors on reporting template	Training was conducted for 3 Sectors, (Infrastructure, Environment and Culture and Social Sectors) with 20 officials from departments and 2 from municipalities trained.  * (Economic Sector was inactive).
		Number of monitoring and evaluation committee meetings.	Prepare and facilitate 3 M&E meetings.	No committee meeting held due to delays in nomination of members by stakeholders
Emerging Contractor Development and Training	Coordinate and facilitate Emerging Contractor Development and Training and Capacity Development	Number of coordinated learnership programmes for emerging contractors	Coordinate learnership programme for Emerging Contractors on EPWP projects	4 learnership programmes were coordinated, 2 at Nkangala District Municipality, 1 at Emalahleni Local Municipality and 1in the Department of Roads and Transport comprising 34 contractors and 78 supervisors
		Number of new learnerships identified and concluded in various sectors	Facilitate the identification of new learnerships by Sectors' stakeholders	A learnership programme for 50 farm workers was approved to be implemented by MADC, of which 40 have been selected to undergo training
		Number of coordinated training programmes on life and hard skills	Coordinate and facilitate life skills and hard skills training on EPWP projects	653 beneficiaries (task workers) were trained on life skills

Sub	Outputs	Performance	Ac	hievements
programme		Measure/indicator	Target	Actual
		Number of beneficiaries on NQF level 5 and 7 capacity development programme	Coordinate NQF level 5 and 7 on Capacity Development for EPWP projects	46 officials trained on NQF level 5. *(The figure does not include Municipalities and individuals)
		Number of Provincial EPWP representatives trained on EPWP guidelines	Train Provincial departmental representatives on EPWP guidelines	16 workshops on guidelines were conducted to departments and municipalities participating in the Infrastructure Sector
		Number of new training programmes for emerging contractors	Coordinate and facilitate contractor development training on EPWP projects	Appointed a service provider and developed an implementation framework for the Contractor Development and Training
		Number of EPWP training committee meetings	Prepare and facilitate EPWP Training Committee Meetings	37 monthly meetings for coordination of learnerships were held

Table 20: Expenditure for Programme 3

Sub-Programme	Actual 2003/4	Actual 2004/5	Appro- priated Budget 2005/6	Adjusted Budget	Actual Expendit ure	(Over) /under expendit ure
	R'000	R'000	R'000	R'000	R'000	%
3.1 Programme Support						
	370	697	4,862	3,308	3,130	5%
3.2 Training Programme						
	238	722	468	-	379	-
3.3 Empowerment Impact Assessment						
	892	1,128	472	1,966	1,378	30%
3.4.Community Development						
	13,464	10,793	1,848	-	-	-
3.5. Emerging Contractor	924	1,641	13,705	2,443	2,736	(12%)
Total Programme 3	15,888	14,981	21,355	7,717	7,622	1%

# 2.8.2 Specific challenges and responses

Table 21: Specific challenges and responses: EPWP

Challenge	Response to challenge
The department cannot report on the Provincial total picture from time to time as some of the public bodies in the Province do not report to the department. Secondly the time lag from closing and publishing national reports is long.	To avoid reporting differences in EPWP achievements the department, only report on published figures by the National Department of Public Works.
Reporting agencies are not populating the template with all required information, thus delaying the process of finalizing quarterly reports and publishing achievements.	The department will facilitate training on EPWP reporting to relevant officials.
The delay in the appointment of Training Service     Providers left some beneficiaries untrained as the training took place after project completion.	The Department of Labour has been approached to expedite the appointments so that beneficiaries are trained while the project is in progress.
Some of the school projects earmarked for EPWP do not have enough workers to get the minimum number of beneficiaries for training on hard and/or life skills.	Bigger projects will be identified where there will be enough beneficiaries for the implementation of hard skills and/or life skills.

# 2.8.1 Issues requiring ongoing attention

The implementation process is continuously weakened by the lack of consistent representation of sector stakeholders during meetings. The difference in financial years between National/Provincial and Municipalities is a challenge.

# 2.9. Transfer payments

Table 22: Transfer payments

Name of Institution	Amount Transferred
Transfers to Provinces and municipalities	430
Transfers to Households	1,505

# 2.10. Capital Investment

Table 23: Departmental Cluster Projects implemented during the financial year

Description of project	Budget R'000
Upgrading of street and storm water drainage at Ext 10 Emjindini township, in Ehlanzeni Region.	3,000
Upgrading of community clinic and construction of ablution facilities and fencing in the stadium at Botleng in Delmas, Nkangala Region.	3,000
Stone pitch storm water channel main road services at entrance to Ext 18, 20, 21 and 22, pave walkway at Embalenhle Avenue and pave block road from main road to Ext 18 up to bridge at Embalenhle in Gert Sibande Region.	3,000

All unused/under-utilised properties will be identified and disposed off. During the 2005/06 financial year the department conducted a comprehensive maintenance audit in various districts in the three regions, to try and address the building maintenance backlog. This resulted in the finalisation of maintenance plans for some of the health facilities that were audited. Continuous under-budgeting over several years has led to the serious deterioration of infrastructure.

### 2.11. Maintenance

During the 2005/06 financial year the department conducted a comprehensive maintenance audit in various districts in the three regions, to try and address the building maintenance backlogs. This resulted in the finalisation of maintenance plan for some of the health facilities that were audited

# 2.12. Asset Management Plan

Although the department does not have a user-friendly asset register for immovable properties, there are a number of assets that were disposed off. The process of identifying and verifying properties that belong to the Provincial Government is still continuing until the end of this calendar year. The information obtained during this process will assist the Province to have a picture of the number of properties being utilised, underutilised and those that need to be disposed of.

Table 24: Departmental refurbishing projects undertaken during the financial year:

Description of Projects	Amount R'000
1. Construction of ABET hall	300
2. Upgrading of Louieville sewerage	1, 400
3. Renovation of house at 23 Boekenhout Street in Nelspruit	300
4. Renovation of 13 prefab houses at Carolina	900
5. Building of a new office block in Elukwatini (Phase I & II)	3,000
6. Renovation of Piet Retief District Office	400
7. Renovation of Standerton District Office	500
8. Renovation of Ermelo District Office	135
9. Renovation of Embhuleni Boiler House and Hot Well Tank	300
10. Converting old boiler house to workshop and office at Ermelo Hospital	100
11. Renovation of Carolina District Offices.	130
12. Renovation of 101 Camp at Middelburg	1,800
13. Upgrading of Vaalbank District Office	1,200
14. Renovation of former Technikon Building at KwaMhlanga	1,800
15. Renovation of library at KwaMhlanga	100
16. Renovation of Ekangala district office	200
17. Renovation of 6 houses at Belfast	341
18. Installation of 1 lift at KwaMhlanga Government Complex	500
19. Partitioning of 1 <sup>st</sup> and 3 <sup>rd</sup> floors at Piet Koornhof Building in Witbank	339
20. Water reticulation project at KwaMhlanga Government Complex	1,900
21. Construction of access ramps at KwaMhlanga Government Complex	1,000

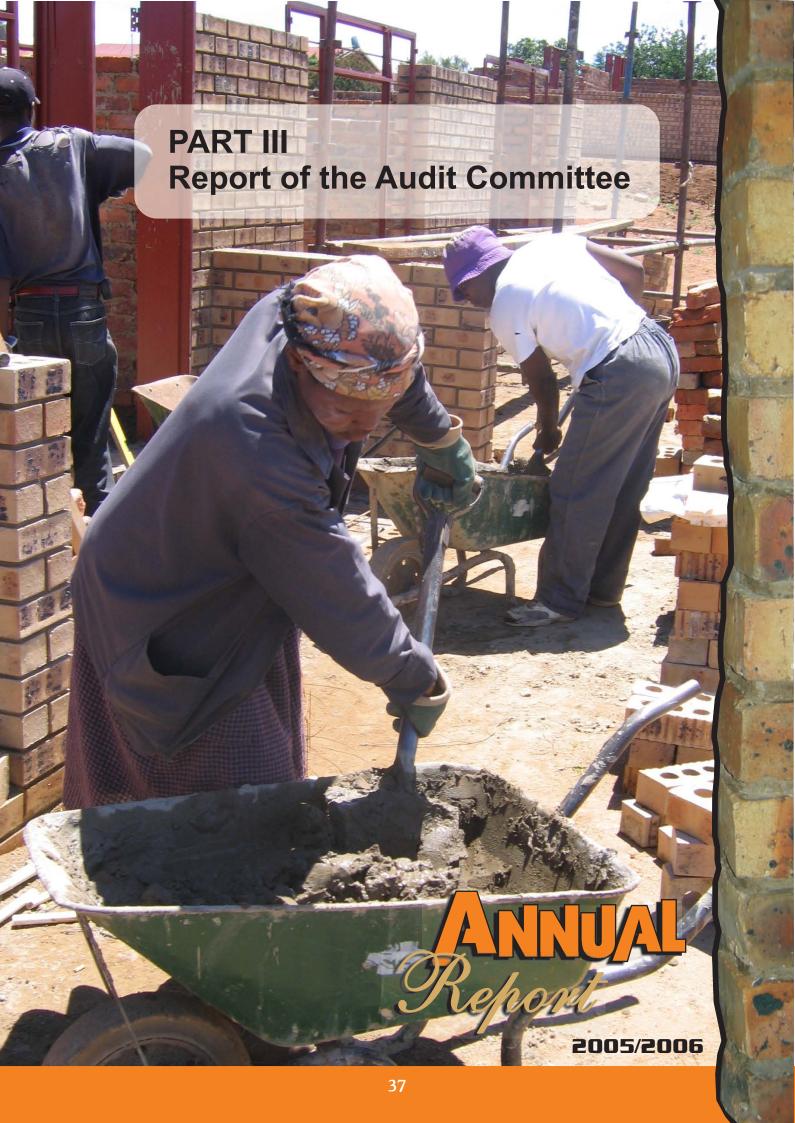
## 2.12.1 Specific challenges and responses

Table 25: Specific challenges and response

Challenges	Response to challenge
Under-performance of some contractors	Registering of contractors in CIDB as well as the Departmental Contractor Development Program for 2006/07.
2. Delay of client department in the supply of material	Development of a maintenance contract.

# 12.12.2 Issues requiring ongoing attention

The unavailability of a maintenance management system to quantify maintenance backlogs continues to be a problem. However, the department embarked on a maintenance audit process to identify buildings that need urgent attention.



### **DEPARTMENT OF PUBLIC WORKS**

#### 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 consists of the members listed hereunder and met four (4) times last year as per approved terms of reference.

Name of MemberNumber of meetings attendedV Nondabula (Chairperson)4T Niozela4

#### **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.** 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.

#### The effectiveness of internal control

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are effectively managed. In line with the PFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the A-G's audit report on the Annual Financial Statements and the various internal audit reports, there were no significant or material issues reported regarding non compliance with the prescribed policies and procedures. However, it was also noted that the A-G's audit report, under matters of emphasis, drew the department's attention to the debtors system at Pilgrim's Rest, which was not functioning effectively.

Accordingly, we can report that the systems of internal control for the period under review were effective and efficient.

# 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 content and quality of monthly and quarterly reports issued by the department during the year under review. It was, however, noted that the asset register was incomplete and incorrect. Additionally, the A-G also commented that the debtors were not charged with interest.

#### **Evaluation of Financial Statements**

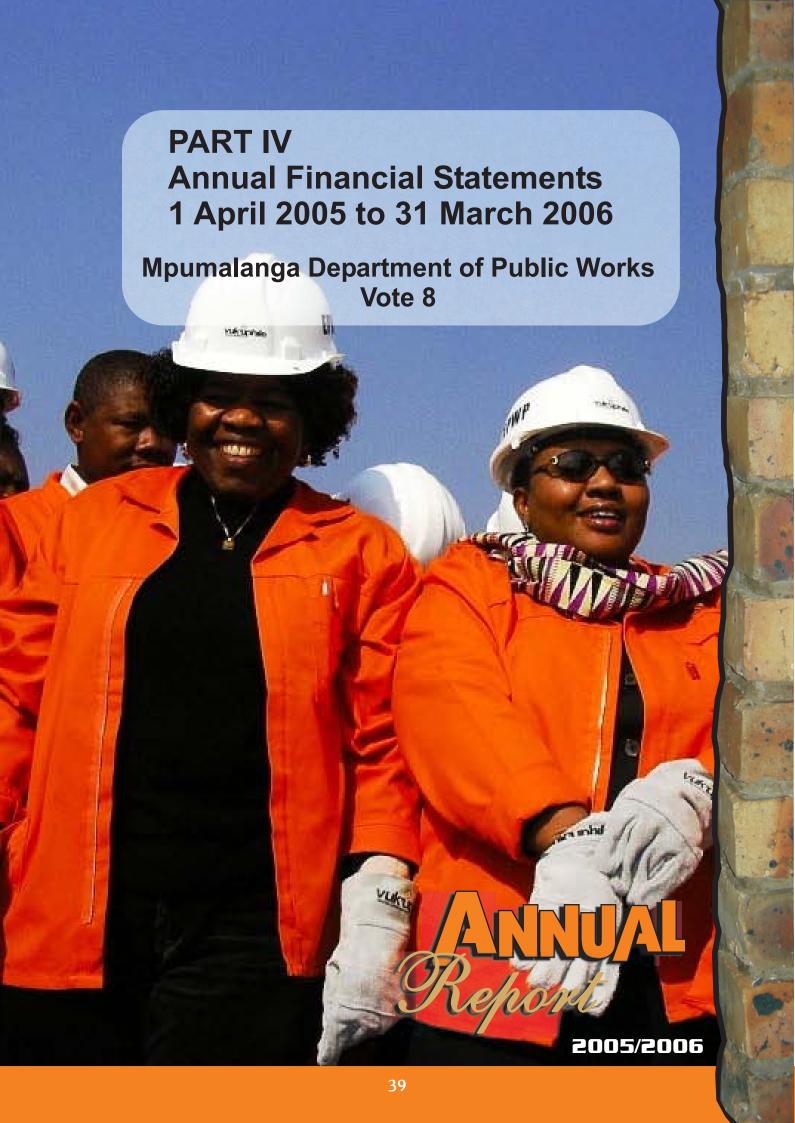
The Audit Committee has

- 1 Reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General and the Accounting Officer;
- 2 Reviewed the Auditor-General's management letter and management response thereto;
- 3 Reviewed significant adjustments resulting from the audit;

The Audit Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

**Chairperson of the Audit Committee** 

20 August 2006



# MPUMALANGA PROVINCIAL DEPARTMENT OF PUBLIC WORKS VOTE 8 ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

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### 1. General Review of the State of Financial Affairs

The Department's original budget allocation for the financial year 2005/2006 was R272 301 million. A further allocation of R30 063 million, adjusted the Department's budget to R302 364 million. The breakdown for the additional funding is as follows:

PROGRAMME	DESCRIPTION	ROLL-OVERS R'000	ADDITIONAL BUDGET
Administration	Computer and Furniture, Securities and Audit Fees	R0,284	R20,000
Public Works	Maintenance of Pilgrim's Rest and construction of physically disabled toilets	R4,911	R4,838
EPWP	Office Equipment	R0,030	
TOTAL		R5,225	R24,838

#### **PROGRAMME 1: Administration**

The Administration Programme provides support to the other programmes in the Department. Its functions include human resources management, internal audit, risk management, labour relations, legal services, communication, work study and job evaluation, transversal and special programmes and financial management.

A budget of R3, 625 million was allocated for training and development of officials. Forty five (45) unemployed youth and five (5) serving officials were registered for public administration, financial management and project management learnerships administered by the Public Sector Education and Training Authority (PSETA). 17 interns participated in the internship programme targeting mainly the technical fields, 205 general assistants received tuition on ABET levels 1-4, and 796 officials were provided with various occupational based training. A total of 13 new bursaries were awarded to prospective public servants in the technical fields.

Compliance with the PFMA and other legislative and regulatory frameworks was achieved by ensuring that 16 departmental policies, mainly finance and human resources-related were approved.

The Administration Programme realised 99.3% expenditure of its budget of R84,063 million in the 2005/06 financial year.

### PROGRAMME 2: Public Works

The Public Works Programme's main responsibilities are the provision, management and maintenance of provincial building infrastructure. The limitations with regard to budget will continuously make it difficult to render and efficient and effective service.

The Department developed Project Implementation Plans for projects that were received form the client departments. The Department also developed and implemented a Project Management Information System that will assist in the effective management of capital projects. The Department handled 66 projects of which nine (9) were completed for the Departments of Health and Social Services. Meanwhile, a total of 965 projects were handled of which 443 were completed for the Department of Education.

In order to improve the maintenance of building infrastructure, the Department conducted an audit on 65 health facilities and 13 own buildings within 5 districts in Nkangala, 28 health facilities within 3 districts in Gert Sibande and 72 health facilities, 250 residential houses and 7 own buildings within 4 districts in Ehlanzeni. A list of specific material that will be required to carry out the actual maintenance of these audited building was finalised and submitted to the Department of health and Social Services to make arrangement for purchasing.

As part of the asset verification process, a total of 6 297 assets were verified. 625 lease audits were conducted to ensure that all occupants of Provincial residential properties have signed lease agreements with the Departments and do pay a monthly rental fee.

Various buildings and other infrastructure were renovated in Pilgrim's Rest in preparation for the World Gold Panning Championship that took place in September 2005. Over and above this, the delivery of a refuse removal truck, fire engine and an ambulance took place.

The following three Departmental cluster projects were implemented at a cost estimate of R9 million: Embalenhle in Secunda, Botleng in Delmas and Umjindini in Barberton.

The Public Works Programme realised 99.7% expenditure of its budget of R210, 584 million in the 2005/06 financial year.

#### **PROGRAMME 3: EPWP**

The Expanded Public Works Programme was really intensified. A total of 1 720 projects were registered under EPWP, coming mainly from Provincial departments. In an endeavour to ensure that the creation of 20 000 job opportunities within the Province is realised, a total of 15 771 net job opportunities have been created between April and 30 December 2005. The delay is caused by the fact that the Department co-ordinates for all the Sectors and the report is six months behind. The full report for the whole financial year will be available approximately September 2006.

This figure only represents the first and second quarters of the financial year, that were confirmed by the National Department of Public Works. The delay in releasing the final figure is delayed due to the ongoing monitoring and evaluation process that the Provincial EPWP reports are subjected to when received by the National EPWP office.

The Department coordinated four (4) ongoing learnerships that are taking place as follows: 2 in Nkangala District, 1 in Emalahleni Local Municipal and 1 in the Department of Roads and Transport.

The EPWP Programme realised 98.8% expenditure of its budget of R7, 717 million in the 2005/06 financial year.

#### 1. Services rendered by the Department

The services rendered by the department are discussed in Part II of the Annual Report.

#### 2.1. Tariff Policy

The tariffs charged by the Department are determined annually with the approval of the Provincial Treasury.

#### 1.2. Free Services

None

#### 1.3. Inventories

The inventory purchased during the year is as per note 6.2 of the Annual Financial Statements.

### 2. Capacity constraints

Three Project Coordinators were appointed to ensure that the supervision of construction work undertaken by various contractors on site is done on an ongoing basis. The department upgraded posts of Senior Professionals to Director Level in order to attract the relevant skills. It still needs project managers but its budget does not cover such.

A Senior Manager responsible for the coordination of the Emerging Contractor Development Programme was appointed.

#### 3. Utilisation of donor funds

The Department did not receive any donor funds.

### 4. Trading entities and public entities

None

### 5. Organisation to whom transfer payments have been made

None

## 6. Public Private Partnerships (PPP)

None

## 8. Corporate Governance arrangements

The Department conducted a risk assessment session to identify high level risks facing the department during March 2006 for the 2006/07 financial year. A risk management strategy was later developed to ensure that the high level risks are property managed, as a measure to improve internal control and governance.

A Fraud Prevention Plan was developed and implemented to strengthen the government's zero tolerance approach to fraud and corruption. Financial delegations for all Senior Managers are submitted annually at the beginning of the financial year. New employees are, amongst others, inducted and trained on the Code of Conduct for Public Servants.

The department's Internal Audit function has reviewed the effectiveness of the risk management governance and control and was guided and monitored by the Audit Committee that had external members.

A shared Audit Committee that served the Department of Public Works and the Department of Agriculture and Land Administration was in place. However, it had only two members instead of three.

### 9. Discontinued activities

None

#### 10. New activities

None

### 11. Asset management

The Asset Management was established. The exercise of identify, verifying, capturing and locating has been completed in order to comply with the minimum asset management requirements. The Department has a Comprehensive Movable asset Register that is updated from time to time. Regarding the immovable asset register, there is one that is not user friendly, hence the Department is currently conducting an asset verification process to identify and vest properties in the name of Mpumalanga Provincial Government. 6 297 immovable properties were verified during the financial year. The process of verifying will be finalized during December 2006.

# 12. Events after the reporting date

None

### 13. Performance information

The department has financial and human resource management policies and procedure manuals to ensure that it is in line with prescribed legislation. The department is monitoring its performance by means of monthly and quarterly reports that are submitted to the Executive Council and Provincial Treasury.

### 14. SCOPA Resolutions

		5: 1:
References to previous Audit Report and SCOPA Resolutions	Subject	Finding on progress
Purchase of land for the Parliamentary Village	(a) Could you briefly explain to the Committee how this purchase was ultimately resolved?	The Department managed to get a potential buyer at a cost of R2, 800 000.  The Department is instituting legal action for the difference of R200 000.
	(b) Does the department still intend to proceed with the Parliamentary Village and what are the latest developments on this issue?	The Department intended to proceed with the Parliamentary Village, but the process has been put on hold because of the negotiations going on at National level. The funding of R40 million for the Parliamentary Village was granted by the Legislature. The Department can only proceed once the negotiations have been finalized.
2. Fruitless and irregular expenditure	Could you please give all the details of these expenditures and steps/remedies taken by the	On the R3, 791,000, the breakdown is as follows:
(a) R3, 791 million	department in addressing these discrepancies and also furnish measures that have been put into place to ensure that these will not occur in future?	R3, 724,328.70 for the upgrading of the Riverside Legislative Chamber, R37, 439.00 for the payment of Capital and maintenance allowance to Mr Y.Mbatha and R28, 925.98 is for interest paid to Wesbank.
(b) R1, 473 million		On the R1, 473,000, the breakdown is as follows:
		R1, 019,000 is for the payment made to Kitso Technologies for the payment out of tender specifications for prior years and the maintenance of two-way radio stations and upgrading of KwaMhlanga Legislative Chamber,
		R16, 000 is for installation of call limit facility at Riverside Government Complex using KwaMahlaba,
		R215 000,00 is for the advertisement of posts using Ayanda Mbanga Communication that was not processed in line with the Tender Board procedures as the request was for technical posts and they were critical.
		The Department did not have a contract with Ayanda Mbanga Communication. and lastly, the R223 000.00 is for the payment of legal fees to Ntuli, Noble and Spoor on behalf of an official, Mr W.Mthombothi.

References to previous	Subject	Finding on progress
Audit Report and SCOPA Resolutions		
		The amount was paid after Ntuli, Noble and Spoor represented the said official in the High Court on criminal charges. However, it emerged that the Company did not get any go -ahead from the Office of the State Attorney due to disagreement on the rates that were to be paid.
(c) R1,682,000		On the R1, 682,000, the breakdown is as follows:
		R1, 627,000 was paid to Kitso Te chnologies for the maintenance of two-way radio stations (the Department has instituted legal proceedings against the service provider to recover the money)
		R55, 000 was paid to Mr Y.Mbatha as capital remuneration and maintenance for the 2002/2003 financial year.
3. Audit Committee	(a) What role did your department play towards the appointment of the shared Audit Committee?	In terms of the Treasury Regulations shared Audit Committees are to be appointed by Treasury, therefore the Department was not in a position to act except to write a letter to remind the Provincial Treasury to appoint an Audit Committee.
	(b) Is the Audit Committee now in place? Please furnish their names and brief resume of the CV's.	Yes, there is a shared Audit Committee that serves the Department of Public Works and Department of Agriculture and Land Administration. The members are Mr. Victor Nondabula(Chairperson) and Ms Thobeka Njozela.
4.Inadequate policies and procedures	How far is your department from completing these? If completed please furnish copies of the policies and procedures.	The Department has approved 16 policies.
5.Asset Management	Does the Department have an asset register for all state assets (movable and immovable) in the Province?	The Department has a comprehensive Movable Asset Register. An Immovable Asset Register is available but not comprehensive. However, the process of verifying all immovable assets and vesting into the name of the Province is continuing until the end of this year.
6. Payment of Creditors	(a) What control measure is in place to ensure that creditors are paid within 30days from the date of receipt of the invoice?	Financial Management Circular No.4 of 2005/2006 dated 12/09/2005 was issued which emphasizes the point that payments to creditors be processed within 30 days of receipt of invoice. Creditors' payment reconciliation is done on a monthly basis and handed to the Departmental Chief Financial Officer, who in turn discusses such information with the Responsibility Managers about payments made after 30 days of receipt.

References to previous Audit Report and SCOPA Resolutions	Subject	Finding on progress
SCOPA RESOLUTIONS	(b) Why were the invoices not date stamped on receipt and what measures have been put in place to ensure that this does not happen in future?	Various Sections did not have a date stamp, to stamp invoices on the date of receipt. They are currently enforced to stamp the invoices on receipt. Every month Finance Section does an age analysis of all payments that have been processed. This exercise has raised awareness in the department and officials are processing payments within 30 days, as they will be caught through this Age Analysis process if they do not comply.
7. Post balance sheet date division	(a) How were the assets and inventory split between the two departments?	Assets and liabilities were split and transferred to the Department of Roads and Transport. Regarding furniture and equipment, officials transferred to the Department of Roads and Transport moved with all their furniture and equipment, which were later transferred to their department.
	<ul><li>(b) Was a handing over certificate signed by both Accounting Officers? Please furnish a copy of this certificate.</li></ul>	Both Heads of Departments signed a hand over certificate.
8.Financial statements: Receivables	(a) What is the cause of the increase on receivables?	The cause of the increase on receivables is taking on of new debts. Interest of the breach of contracts debts e.g. Houses and Business in Pilgrim's Rest contributed to the increase on receivables.
	(b) For the 2004/05 financial year there is an indication that R1, 120 000 may not be recoverable. What is the cause of this doubt?	The cause of the doubt is that these debts are older than three years. The advice from the Auditor-General was that they should be indicated as debts that may not be recovered, as most of the debtors may be deceased.

### 15. Other

None

# **Approval**

The Annual Financial Statements set out on pages 49 to 79 have been approved by the Accounting Officer.

Ms P.N. Nkwinika
Head of Department

31 August 2006

# REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 8 DEPARTMENT OF PUBLIC WORKS FOR THE YEAR ENDED 31 MARCH 2006

#### 1. AUDIT ASSIGNMENT

The financial statements as set out on pages 49 to 79, for the year ended 31 March 2006, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996, read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). The fixed asset opening balances have not been audited because of the timing of guidance from the National Treasury to the departments relating to the treatment, valuation and disclosure of fixed assets. These financial statements are the responsibility of the accounting officer. My responsibility is to express an opinion on these 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. Those standards require that the audit be planned and performed 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 financial statements.

### 4. AUDIT OPINION

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Public Works 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 in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA).

# REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 8 DEPARTMENT OF PUBLIC WORKS FOR THE YEAR ENDED 31 MARCH 2006

#### 1. EMPHASIS OF MATTER

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

#### 5.1 Debtors system and follow-up

(a) The Pastel debtors system for Pilgrim's Rest has not been functioning effectively and has as a result accumulated unreliable information over the years. This has occurred because there was no management framework for the performance of reconciliation between the BAS and the Pastel systems.

(b) Paragraph 11.2.1 of the Treasury Regulations requires that effective and appropriate steps be taken to timeously collect all money due to the institution. During the audit it was found that there was no evidence of follow-up of long outstanding debtors. This was because of management policies and procedures that were not adequately followed.

### 5.2 Special investigation

A special investigation into the Rob Ferreira Hospital project is underway and will be reported on separately.

#### 5.3 Submission of audit report

The late submission of crucial information by the department resulted in a delay in the completion of the audit process. The completion of the audit process and the submission of the audit report to the department were therefore delayed beyond 31 July 2006, as required in terms of section 40(1)(c) of the PFMA.

#### 6. APPRECIATION

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

B Madliwa for Auditor-General

Nelspruit

3 August 2006



The Annual Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the 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 Annual Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting, transactions and other events are recognised when cash is received or paid 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 (R) 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 roll over 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 (**Note 15**).

#### 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 and forfeits). Tax receipts are recognized 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 recognized in the Statement of Financial Performance when the cash is received.

#### 2.2.3 Fines, penalties and forfeits

Fines, penalties and 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 recognized 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 recognized 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 Performance. 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).

#### 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 under spending 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 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 sort-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.

#### 5. Liabilities

#### 5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised as 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 had 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.

### 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.

# MPUMALANGA PROVINCIAL DEPARTMENT OF PUBLIC WORKS VOTE 8 APPROPRIATION STATEMENT for the year ended 31 March 2006

Appropriation per programme										
			2005/06			2004/05				
		Adjusted Appropria- tion	Shifting of Funds	Virement	Final Appropria- tion	Actual Expendi- ture	Variance	Expendit ure as % of final appropria- tion	Final Appropria- tion	Actual Expendi- ture
1.	Administration	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
١.	Administration									
	Current payment	80,987			80,987	80,574	413	99.5%	75,496	74,024
	Transfers and subsidies	163			163	154	9	94.5%	211	292
		2,211			2,211	1,938	273	87.7%	1,511	1,227
	Payment for capital assets	2,211			2,211	1,930	213	01.176	1,511	1,221
2.	Public Works									
	Current payment	187,685			187,685	187,207	478	99.7%	177,353	165,466
	Transfers and subsidies	1,567			1,567	1,635	(68)	104.3%	241	977
	Payment for capital assets	21,332			21,332	21,104	228	98.9%	20,095	17,016
	Taymont for capital accord	21,002			21,002	21,101		00.070	20,000	17,010
3. Pro	Expanded Public Works gramme									
	0	7.500			7.500	7.077	000	00.40/	F 000	F 400
	Current payment	7,569			7,569	7,277	292	96.1%	5,268	5,196
	Transfers and subsidies	63			63	147	(84)	233.3%	25	11
	Payment for capital assets	85			85	198	(113)	232.9%	9,804	9,774
	Subtotal	301,662			301,662	300,234	1,428	99.5%	290,004	273,983
	Statutory Appropriation									
	Current payment	702			702	821	(119)	117.0%	665	542
	Transfers and subsidies									
	Payment for capital assets									
	TOTAL	302,364			302,364	301,055	1,309	99.6%	290,669	274,525
	Reconciliation with Statement of Fi		rmance							
	Add:									
I	Prior year unauthorised expenditure a	pproved with f	funding							
1	Departmental receipts				4,906				4,415	
l	Local and foreign aid assistance recei	ived							49	
	Actual amounts per Statements of I revenue)	Financial Perf	ormance (To	tal	307,270				295,133	
	.dd:				1			!		
										26
1	Local and foreign aid assistance									20
ا	Prior year unauthorised expenditure a	pproved								
Prior year fruitless and wasteful expenditure authorised										

# MPUMALANGA PROVINCIAL DEPARTMENT OF PUBLIC WORKS VOTE 8 APPROPRIATION STATEMENT for the year ended 31 March 2006

Appropriation per economic classification										
		2005/06						200	4/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expendi- ture	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments										
Compensation of employees Goods and services Financial transactions in assets and liabilities	127,029 149,212			127,029 149,212	126,869 148,151 38	160 1,061 (38)	99.9% 99.3% 0.0%	119,217 138,900	107,978 136,706	
Transfers and subsidies Provinces and municipalities Departmental agencies and	384			384	431	(47)	70.9%	313	413	
accounts Households Payments for capital assets	1,409			1,409	1,505	(96)	127.0%	40 124	19 850	
Buildings and other fixed structures	10,558			10,558	10,613	(55)	100.5%	16,759	13,925	
Machinery and equipment	13,070			13,070	12,627	443	96.6%	14,651	14,092	
Total	301,662			301,662	300,234	1,428	99.5%	290,004	273,983	

			Statuto	ry Appropriati	on					
		2005/06						2004/05		
Details of direct changes							Expenditure			
against the National/Provincial	Adjusted	Shifting of		Final	Actual		as % of final	Final	Actual	
Revenue Fund	Appropriation	Funds	Virement	Appropriation	Expendi-	Variance	appropriation	Appropriation	expenditure	
		ture								
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Member of Executive Committee / parliamentary officers/legislature	702			702	821	(119)	117.0%	665	542	
Total	702	702 702 821 (119) 117.0% 665								

# MPUMALANGA PROVINCIAL DEPARTMENT OF PUBLIC WORKS VOTE 8

# DETAILED PER PROGRAMME 1: ADMINISTRATION For the year ended 31 March 2006

Statutory Appropriation per economic classification											
				2005/06				20	04/05		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expendi- ture	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Current payment											
Compensation of employees Provinces and municipalities	701 701 819 (118) 117% 665 1 2 (1) 200%										
Total	702			702	821	(119)	117%	665	542		

					2005/06				20	04/05
Pi	rogramme per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expendi- ture	Variance	Expendi- ture as % of final appropria- tion	Final Appropriation	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1	MEMBER OF EXEC COUNCIL Current payment	1,907			1,907	1,825	82	95.7%		
	Transfers and subsidies	24			24	15	9	62.5%		
	Payment for capital assets	70			70	-	70	0.0%		
1.2	ADMIN MANAGEMENT									
	Current payment	1,728			1,728	1,592	136	92.1%	3,938	3,217
	Transfers and subsidies	22			22	4	18	18.2%	43	26
1.3	Payment for capital assets CORPORATE SUPPORT	70			70	30	40	42.9%	160	498
1.5	Current payment	77,352			77,352	77,157	195	95.7%	71,558	70,807
	Transfers and subsidies	117			117	135	(18)	115.4%	168	266
	Payment for capital assets	2,071			2,071	1,908	163	92.1%	1,351	729
TO	TAL	83,361			83,361	82,666	695	99,2%	77,218	75,543

		2005/06							04/05
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	29,259			29,259	29,322	(63) 477	100.2%	26,535	24,639
Goods and services	51,728			51,728	51,251	411	99.1%	48,961	49,383
Transfers and subsidies to: Provinces and municipalities			<u> </u> 						
Departmental agencies and accounts	108			108	116	(8)	107.4%	47 40	90 19
Households	55			55	38	17	69.1%	124	185
Payment for capital assets Machinery and equipment	2,211			2,211	1,939	272	87.7%	1,511	1,227
Total	83,361			83,361	82,666	695	99.2%	77,218	75,543

# MPUMALANGA PROVINCE DEPARTMENTOF PUBLIC WORKS VOTE 8 DETAIL PER PROGRAMME 2 PUBLIC WORKS For the year ended 31 March 2006

				2005/06				2004	1/05
Programme per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 PROGRAMME SUPPORT									
Current payment	1,078			1,078	916	162	85.0%	16,986	16,481
Transfers and subsidies					2	(2)	0.0%	14	15
Payment for capital assets	100			100	130	(30)	130.0%	534	341
1.2 OTHER INFRASTRUCTURE									
Payment for capital assets	4,250			4,250	3,930	320	92.5%	5,700	5,611
1.3 PROPERTY MANAGEMENT									
Current payment	186,607			186,607	186,291	316	99.8%	160,367	148,985
Transfers and subsidies	1,567			1,567	1,633	(66)	104.2%	227	962
Payment for capital assets	16,982			16,982	17,044	(62)	100.4%	13,861	11,064
TOTAL	210,584			210,584	209,946	638	99,7%	197,689	183,459

				2005/06				200	04/05
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Current payment	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Compensation of employees Goods and services Financial transactions in assets and liabilities Transfers and subsidies to: Provinces and municipalities Households Payment for capital assets	92,520 95,165 258 1,309			92,520 95,165 258 1,309	92,418 94,752 38 301 1,334	102 413 (38) (43) (25)	99.9% 99.6% 0.0% 1116.7% 1101.9%	89,097 88,256 241 7,122	79,778 85,688 312 665
Buildings and other fixed structures Machinery and equipment	10,558 10,774			10,558 10,774	10,613 10,490	(55) 284	100.5% 97.4%	12,973	4,211 12,805
Total	210,584			210,584	209,946	638	99.7%	197,689	183,459

# MPUMALANGA PROVINCE DEPARTMENTOF PUBLIC WORKS VOTE 8 DETAIL PER PROGRAMME 3 EXPANDED PUBLIC WORKS PROGRAMME For the year ended 31 March 2006

				2005/06				200	4/05
Programme per sub- programme	Adjusted Appropri a-tion	Shifting of Funds R'000	Virement	Final Appropriation	Actual Expendi -ture	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation	Actual Expendi- ture R'000
1.1 PROGRAM SUPPORT	K 000	K 000	K 000	K 000	K 000	K 000	/0	K 000	K 000
Current payment Transfers and subsidies	3,254 54			3,254 54	3,154 4	100 50	96.9% 7.4%	525 1	1,042 4
1.2 TRAINING PROGRAM									
Current payment Transfers and subsidies Payment for capital assets	-			-	-	-	-	569 2 37	304 1 15
1.3 EMPOWERMENT IMPACT ASSESTMENT									
Current payment	1,932 4			1,932 4	1,751 4	181	90.6% 100%	1,366 3	1,640 3
Transfers and subsidies Payment for capital assets	30			30	-	30	0.0%%	130	45
1.4 COMMUNITY DEVELOPMENT									
Current payment	-			-	-	-	-	1,389	1,438
Transfers and subsidies	-			-	-	-	-	1	1
Payment for capital assets	-			-	-	-	-	9,637	9,714
1.5 EMERGING CONTRACTOR									
Current payment	2383			2383	2,372	11	99.5%	1,419	772
Transfers and subsidies	5			5	139	(134)	2780%	18	2
Payment for capital assets	55			55	198	(143)	360.0%	-	-
TOTAL	7,717			7,717	7,622	95	98.8%	15,097	14,981

				2005/06				200	14/05
Economic Classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payment									
Compensation of employees	5,250			5,250	5,129	127	97.7%	3,585	3,561
Goods and services	2,319			2,319	2,148	171	92.6%	1,683	1,635
Interest and rent on land									
Transfers and subsidies to:									
Provinces and municipalities	18			18	14	4	77.8%	25	11
Households	45			45	133	(88)	295.6%		
Payment for capital assets									
Buildings and other fixed structures								9,637	9,714
Machinery and equipment	85			85	198	113)	232.9%	167	60
Total	7,717			7,717	7,622	95	98.8%	15,097	14,981

# MPUMALANGA PROVINCE DEPARTMENTOF PUBLIC WORKS VOTE 8 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 8 (Transfers and subsidies) and Annexures to the Annual Financial Statements.

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

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

#### 3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 7 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

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

4.1	Per Programme	Final	Actual	Variance	Variance as a % of
	<del>-</del>	Appropriation	Expenditure	R'000	Final Appropriation
	Administration	84,063	83,487	576	0.69%
	Public Works	210,584	209,946	638	0.30%
	Expanded Public Works	7,717	7,622	95	1.23%
	Programme				

Immaterial variance less than 2%		
Per Economic classification	2005/06 R'000	2004/05 R'000
Current payment:	1,064	13,555
Compensation of employees	39	11,360
Goods and services	1,063	2,195
Financial transactions in assets and liabilities	(38)	
Transfers and subsidies:	-142	-802
Provinces and municipalities	(46)	(118)
Households	(96)	(684)
Payments for capital assets:	388	3,392
Buildings and other fixed structures	(55)	2,833
Machinery and equipment	443	559

# MPUMALANGA PROVINCIAL DEPARTMENT OF PUBLIC WORKS VOTE 8 STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
REVENUE			
Annual appropriation	1	301,662	290,004
Statutory appropriation	2	702	665
Departmental revenue Local and foreign aid assistance	3 4	4,906	4,415 49
-	7		
TOTAL REVENUE		307,270	295,133
EXPENDITURE			
Current expenditure			
Compensation of employees	5	127,690	108,520
Goods and services	6	148,151	136,706
Financial transactions in assets and liabilities	7	38	-
Local and foreign aid assistance	4		26
Total current expenditure		275,879	245,252
Transfers and subsidies	8	1,936	1,282
Expenditure for capital assets			
Buildings and other fixed structures	9	10,613	13,925
Machinery and equipment	9	12,627	14,092
Total expenditure for capital assets		23,240	28,017
TOTAL EXPENDITURE		301,055	274,551
SURPLUS		6,215	20,582
Add back fruitless and wasteful expenditure	10	-	2,635
SURPLUS FOR THE YEAR		6,215	23,217
Reconciliation of Surplus for the year			
Voted Funds	15	1,309	18,779
Departmental Revenue	16	4,906	4,415
Local and foreign aid assistance	4	-	23
SURPLUS FOR THE YEAR		6,215	23,217

# MPUMALANGA PROVINCIAL DEPARTMENT OF PUBLIC WORKS VOTE 8 STATEMENT OF FINANCIAL POSITION for the year ended 31 March 2006

ASSETS	Note	2005/06 R'000	2004/05 R'000
Current assets		12,664	18,779
Fruitless and wasteful expenditure	10	8,751	11,793
Cash and cash equivalents	11	604	2,712
Prepayments and advances	12	20	-
Receivables	13	3,289	3,605
Departmental revenue owed by Treasury	16	-	669
TOTAL ASSETS LIABILITIES		12,664	18,779
Current liabilities		12,664	18,779
Voted funds to be surrendered to the Revenue Fund	15	1,309	18,779
Departmental revenue to be surrendered to the Revenue Fund	16	211	-
Payables	17	11,144	_
TOTAL LIABILITIES		12,664	18,779

# MPUMALANGA PROVINCE DEPARTMENT OF PUBLIC WORKS VOTE 8 CASHFLOW STATEMENT for year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		306,278	294,294
Annual appropriated funds received	1.1	301,662	290,004
Statutory appropriated funds received		702	665
Departmental revenue received		3,914	3,576
Local and foreign aid assistance received	4	-	49
Not (in an analysis and an analysis and an ital		44.400	(700)
Net (increase)/decrease in working capital Surrendered to Revenue Fund		14,482 (22,805)	(780) (25,361)
Current payments		(22,803)	(242,617)
Transfers and subsidies paid		(1,936)	(1,282)
Net cash flow available from operating activities	18	20,140	24,254
Net cash now available from operating activities	70	20,140	24,254
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(23,240)	(28,017)
Proceeds from sale of capital assets	3	992	839
Net cash flows from investing activities		(22,248)	(27,178)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in non-current payable		_	(579)
Net cash flows from financing activities		-	(579)
Net increase/(decrease) in cash and cash equivalents		(2,108)	(3,503)
Cash and cash equivalents at the beginning of the		2,712	6,215
period			
Cash and cash equivalents at end of period	19	604	2,712

# MPUMALANGA PROVINCE DEPARTMENT OF PUBLIC WORKS VOTE 8 NOTES TO THE ANNUAL FINANCIAL STATEMENT for year ended 31 March 2006

## 1. Annual Appropriation

### 1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for (Voted funds) Provincial Departments:

	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received 2004/05
	R'000	R'000	R'000	R'000
Administration	83,361	83,361		77,218
Public Works	210,584	210,584		197,689
EPWP	7,717	7,717		15,097
Total	301,662	301,662		290,004

## 2. Statutory Appropriation

	2005/06	2004/05
President and Deputy President's salaries	R'000	R'000
Member of executive committee/parliamentary officers	702	665
	702	665

# 3. Departmental revenue to be surrendered to revenue fund Description

	Notes	2005/06	2004/05
Tax revenue		R'000	R'000
Sales of goods and services other than capital assets	3.1	1,898	1,898
Interest, dividends and rent on land	3.2	747	1,376
Sales of capital assets	3.3	992	839
Financial transactions in assets and liabilities	3.4	1,269	302
Total revenue collected		4,906	4,415
Budgeted revenue		-	-
Departmental revenue collected		4,906	4,415

# MPUMALANGA PROVINCE DEPARTMENT OF PUBLIC WORKS VOTE 8 NOTES TO THE ANNUAL FINANCIAL STATEMENT for year ended 31 March 2006

3.1	Sales of goods and services other than capital assets	2005/06 R'000	2004/05 R'000
	Sales of goods and services produced by the department Other sales Sales of scrap, waste and other used current goods Total	1,887 1,887 11 1,898	1,893 1,893 5 1,898
3.2	Interest, dividends and rent on land		
	Interest Rent on land <b>Total</b>	482 265 <b>747</b>	1,124 252 1,376
3.3	Sale of capital assets		
	Other capital assets Total	992 <b>992</b>	839 <b>839</b>
3.4	Financial transactions in assets and liabilities Nature of loss recovered		
	Other Receipts including Recoverable Revenue Total	1,269 1,269	302 302
4. L	Local and foreign aid assistance		
4	4.1 Assistance received in cash: Other Local Opening Balance Revenue Expenditure Current Closing Balance  Total Opening Balance Revenue Expenditure Current Closing Balance	23 (23) - - - 23 (23) - -	49 26 26 23 23 49 26 26 26 22

# MPUMALANGA PROVINCE DEPARTMENT OF PUBLIC WORKS VOTE 8

# NOTES TO THE ANNUAL FINANCIAL STATEMENT for year ended 31 March 2006

5.	Compensation of employees	Note	2005/06 R'000	2004/05 R'000
	5.1 Salaries and Wages		14 000	11 000
	Basic salary		89,425	75,328
	Performance award		858	195
	Service Based		210	337
	Compensative/circumstantial		4,450 14,715	4,836 10,506
	Other non-pensionable allowances		109,658	91,202
			103,030	31,202
	5.2 Social contributions			
	5.2.1 Employer contributions			
	Pension		11,270	11,106
	Medical		6,729	6,180
	Bargaining council		33	47 249
			18,032	17,318
	Total compensation of employees		127,690	108,520
	Average number of employees		1,271	1,181
6.	Goods and services			
	Advertising		990	1,119
	Bank charges and card fees		37	22
	Bursaries (employees) Communication		921 2,550	697 6,028
	Computer services		2,330 377	760
	Consultants, contractors and special services		29,852	18,104
	Couriers and deliveries		-	59
	Entertainment		420	384
	External audit fees	6.1	945	-
	Equipment less than R5000		479 3,721	815
	Government motor transport Inventory	6.2	13,579	- 16,747
	Legal fees		60	394
	Housing		-	13
	Maintenance, repairs and running cost		41,080	39,777
	Operating leases		1,614	1,422
	Printing and publications Professional bodies and membership fees		410 18	- 1 <i>E</i>
	Resettlement cost		427	15 150
	Owned leasehold property expenditure		37,678	39,465
	Transport provided as part of the departmental activities		19	-
	Travel and subsistence	6.3	11,060	8994
	Venues and facilities		113	-
	Protective, special clothing and uniforms		12	6 1 725
	Training and staff development		1,789 <b>148,151</b>	1,735 <b>136,706</b>
			140,101	100,100
6.1	External audit fees			
J. I	External dudit 1000		945	_
	Total external audit fees		945	

# MPUMALANGA PROVINCE DEPARTMENT OF PUBLIC WORKS VOTE 8 NOTES TO THE ANNUAL FINANCIAL STATEMENT for year ended 31 March 2006

		Note	2005/06 R'000	2004/05 R'000
	6.2 Inventory Strategic stock		81	34
	Domestic consumables		6,473	7,146
	Fuel, oil and gas		1,522	1,084
	Parts and other maintenance material		3,114	4,837
	Stationery and printing		2,389	3,646
	, ,		13,579	16,747
				_
	6.3 Travel and subsistence Local		11,060	8,994
	Foreign		11,000	0,994
	Total travel and subsistence		11,060	8,994
7. F	inancial transactions in assets and liabilities			
	Debts written off	7.1	38	_
			38	_
	7.1 Debts written off Nature of debts written off Transfer to debts written off		38	-
			38	-
8. Tı	ransfers and subsidies			
	Provinces and municipalities	Annex 1A	431	413
	Departmental agencies and accounts	Annex 1C	-	19
	Households	Annex 1B	1,505 <b>1,936</b>	850 1,282
9.	Expenditure for capital assets			
	Buildings and other fixed structures	Annex 3	10,613	13,925
	Machinery and equipment	Annex 3	12,627	14,092
	Total		23,240	28,017
10.	Fruitless and wasteful expenditure  10.1 Reconciliation of fruitless and wasteful experion Opening balance Fruitless and wasteful expenditure – currer Amounts condoned		11,793	9,158 2,635
	Current expenditure		(3,042)	- 44 700
	Fruitless and wasteful expenditure awaiting condonement	)	8,751	11,793
	Condonement			

# MPUMALANGA PROVINCE DEPARTMENT OF PUBLIC WORKS VOTE 8 NOTES TO THE ANNUAL FINANCIAL STATEMENT for year ended 31 March 2006

Consolidated Paymaster General Account   604   2,712	11.	Cash	and cash equivaler	nts				2005/06 R'000	2004/05 R'000
12.   Prepayments and advances   20   -   20   -     20		Consc	olidated Paymaster G	eneral Acc	ount				
Description   Prepayments   20								604	2,712
Notes	12.	Desci	ription	ces					<u>-</u>
Notes	13.	Rece	ivables						
Private enterprises   14.1   358   257   77   692   147     Staff debt   14.2   59   118   447   624   147     Other Debtors   14.3   -   1   1,166   1,167   3,458     Claims recoverable   Annex   806   -   -   806   1,179     1,223   376   1,690   3,289   4,784      14.   Receivables(Cont.)				Notes	than one	three	than three		
1,223     376     1,690     3,289     4,784       14.1 Private enterprises		Staff de Other D	ebt Debtors	14.2 14.3 Annex	358 59	118	447	624 1,167	3,458
14.1 Private enterprises         Private Enterprises       249       -         Other Debtors       443       -         692       -         14.2 Staff Debt       5       5         GG Accidents       5       5         Employees       590       142         State Guarantee       27       -         Telephone       1       -         Travel & Subsistence       1       -         624       147         14.3 Other debtors       Services (Tel, Water, Elect) R/Side & 770       2,266         P/Rest       Rental (Businesses & Houses)       397       1,192         R/Side& P/Rest       -       -       -				4 _	1,223	376	1,690	3,289	4,784
Private Enterprises 249 - Other Debtors 443 -  14.2 Staff Debt  GG Accidents 5 5  Employees 590 142  State Guarantee 27 - Telephone 1 - Travel & Subsistence 1 -  Travel & Subsistence 1 -  Travel & Subsistence 37 0 2,266  P/Rest Rental (Businesses & Houses) 397 1,192  R/Side& P/Rest	14.	Rece	ivables(Cont.)	=					
14.2 Staff Debt         GG Accidents       5       5         Employees       590       142         State Guarantee       27       -         Telephone       1       -         Travel & Subsistence       1       -         624       147         14.3       Other debtors       -         Services (Tel, Water, Elect) R/Side & 770       2,266         P/Rest       -         Rental (Businesses & Houses)       397       1,192         R/Side& P/Rest       -       -		14.1	Private Enterprise					443	<u>-</u>
Travel & Subsistence       1       -         624       147         14.3 Other debtors         Services (Tel, Water, Elect) R/Side & 770       2,266         P/Rest       Rental (Businesses & Houses)       397       1,192         R/Side& P/Rest		14.2	GG Accidents Employees					5 590	
14.3       Other debtors         Services (Tel, Water, Elect) R/Side &       770       2,266         P/Rest       Rental (Businesses & Houses)       397       1,192         R/Side& P/Rest       1,192       1,192			Telephone Travel & Subsister	nce				1	- 447
P/Rest Rental (Businesses & Houses) 397 1,192 R/Side& P/Rest		14.3	Other debtors					024	14/
Rental (Businesses & Houses)       397       1,192         R/Side& P/Rest				ter, Elect) F	R/Side &			770	2,266
			Rental (Business	es & House	es)			397	1,192
			TVOIGOG T/TVOST					1,167	3,458

# MPUMALANGA PROVINCE DEPARTMENT OF PUBLIC WORKS VOTE 8 NOTES TO THE ANNUAL FINANCIAL STATEMENT for year ended 31 March 2006

					2005/06 R'000	2004/05 R'000
15.	Voted funds to be surrendered to the Revenue Fund	ne				
	Opening balance Transfer from Statement of Financial Performance				18,779 1,309	20,209 18,779
	Paid during the year Closing balance				(18,779) <b>1,309</b>	(20,209) <b>18,779</b>
16.	Departmental revenue to be surrend the Revenue Fund	ered to				
	Opening balance Transfer from Statement of Financial Performance				(669) 4,906	45 4,415
	Transfer from local and foreign aid as: Paid during the year Closing balance	sistance			(4026) <b>211</b>	23 (5,152) (669)
47	· ·					(000)
17.	Payables – current Description					
		Notes	30 Days	30+ Days	2005/06 Total	2004/05 Total
	Amounts owing to other entities Clearing accounts	Annex 5 17.1	- 11,144		- 11,144	86 -
			11,144		11,144	86
	17.1 Clearing accounts Sal: Income Tax: CL Exchequer Account Grant: CL	-			41 11,103 <b>11,144</b>	- - -
18.	Net cash flow available from operatin Net surplus/(deficit) as per Statement of Performance		•		6,215	23,217
	(Increase)/decrease in receivables – cur (Increase)/decrease in prepayments and (Increase)/decrease in other current ass Increase/(decrease) in payables – curre Proceeds from sale of capital assets Surrenders to Revenue Fund Expenditure on capital assets Net cash flow generated by operating a	d advances sets ent			316 (20) 3,042 11,144 (992) (22,805) 23,240 20,140	1,897 (2,635) (42) (839) (25,361) 28,017 24,254
19.	Reconciliation of cash and cash eq cash flow purposes	uivalents f	or			
	Consolidated Paymaster General accou	ınt			604 604	2,712 2,712

## MPUMALANGA PROVINCE DEPARTMENT OF PUBLIC WORKS VOTE 8 DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENT

For the year ended 31 March 2006

These amounts are not recognised in the Annual Financial Statements and are disclosed to

	nce the usefulness of the Annual Fir					
20.	Contingent liabilities			Note	2005/06 R'000	2004/05 R'000
	Liable to Housing loan guarantees Claims against the department		<b>ature</b> mployees	Annex 2A Annex 2B	4,591 14,308 <b>18,899</b>	4,295 13,000 <b>17,295</b>
21.	Commitments Current expenditure Approved and contracted Approved but not yet contracted				7,770	316
	Approved but not yet contracted  Capital expenditure			_	7,770	316
	Approved and contracted			_	170	316 316
	Total Commitments			_	7,940	632
22.	Accruals Listed by economic classificat	ion			2005/06	2004/05
			30 Days	30+ Days	Total	Total
	Goods and services  Machinery and equipment		360 311	561 77	921 388	358 274
	machinery and equipment	-	671	638	1,309	632
	Listed by programme level Administration Public Works			_	188 1,121 <b>1,309</b>	316 316 <b>632</b>
	Confirmed balances with other of	departme	nts	Annex 5	-	86
23.	Employee benefits					
	Leave entitlement Thirteenth cheque Performance awards Capped leave commitments			- -	4,471 4,124 1,790 24,687 <b>35,072</b>	2,887 3,417 222 24,237 30,763
24.	Lease Commitments					
	24.1 Operating leases	Land R'000	Buildings and other fixed structures R'000	and equipment R'000	2005/06 Total	2004/05 Total
	Not later than 1 year Later than 1 year and not later than 5 years		494	132 451	626 451	438 503
	Later than five years	-	40.	289		442
	Total present value of lease liabilities		494	872	1,366	1,383

25.	Key management personnel	No. of Individuals	2005/06 R'000	2004/05 R'000
	Political office bearers (provide detail below) Officials	1	821	542
	Level 15 to 16	1	817	518
	Level 14	2	1,378	712
			3,016	1,772
26. Pı	rovisions			
	Potential irrecoverable debts			
	Households and non profit institutions		131	
	Private enterprises Other debtors		1,179 <b>1,310</b>	



MPUMALANGA PROVINCE DEPARTMENT OF PUBLIC WORKS
VOTE 8
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
for the year ended 31 March 2006

ANNEXURE 1A STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

		GRANT	<b>GRANT ALLOCATION</b>		TRA	TRANSFER		SPENT		2004/05
									% of	
	Amount					% of	Amount		available	Total
						Available	received	Amount	funds	Available
		Roll		Total	Actual	funds	by	spent by	spent by	
NAME OF		Overs	Adjustments	Available	Transfer	Transferred	municipality	municipality	municipality	
MUNICIPALITY	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
RSCL: NKANGALA	75			75	124	165.3%				103
RSCL: EHLANZENI	245			245	207	84.5%				167
RSCL: GERT SIBANDE	65			92	64	98.5%				53
RSCL: SEKHUKHUNE										8
IAICINIVORD										
GOVERNMENT	•			•	36	1				82
	384			384	431	112.2%				413

ANNEXURE 1B STATEMENT OF TRANSFERS TO HOUSEHOLDS

	<u> </u>	TRANSFER ALLOCATION	LOCATION		EXPENDITURE	ITURE	2004/05
	Adjusted Appropria- tion Act	Roll	Adjustme- nts	Total Availa- ble	Actual Transfer	% of Available funds Transfer- red	Appropriation Act
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	R'000
LEAVE GRATUITY TO EMPLOYEES	1,409			1,409	1,505	106,8%	850
	1,409			1,409	1,505	106.8%	850

ANNEXURE 1C STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIE S AND ACCOUNTS

Department / Agency / Account Account Account Account agency - cash       Adjusted Appropriation Overs R'000       Roll Actual Availation Availation Availation Availation Availation Arctual R'000       Actual Availation Availati		_	TRANSFER ALLOCATION	LOCATION		EXPEN	EXPENDITURE	2004/05
tion Overs Adjustme- Availa- 1 Act nts ble ble R'000 R'000 R'000		Adjusted Appropria-			Total	Actual	% of Available funds	Appropriation
nd dept		tion Act		Adjustme- nts	Availa- ble	Transfer	Transfer- red	Act
Donation gift and dept agency - cash		R.000	R'000	R'000	R.000	R'000	%	R'000
	Donation gift and dept agency - cash	ı			ı	ı	1	19
					•			19

ANNEXURE 2A STATEM ENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2006 - LOCAL

					•	-		-
		Original	Opening	Guarantees	Guarantees	Guaranteed	Closing	Kealised
		guaranteed	balance	issued	released/paid/	interest for	balance	losses not
	Guaran	capital	1 April 2005	during the	cancelled/reduce	year ended	31 March	recoverable
	tee in	amonnt		year	d during the year	31 March	2006	
Guarantor	respect					2006		
institution	of	R'000	R'000	R'000	R'000	R'000	R'000	R'000
STANDARD BANK OF								
S.A.		22	744				744	
NEDBANK LTD		4	419	55			471	
FIRST RAND BANK								
LTD		15	612	53			999	
ABSA		17	202	22			782	
COMPANY UNIQUE								
FINANCE		_	13				13	
PEOPLE BANK LTD								
(FBC)		9	443				443	
FIRST RAND BANK								
LTD		14	280				280	
OLD MUTUAL								
BANK(NED)		48	292	22			622	
MPUMALANGA								
HOUSING FINANCE		17	195	61			256	
BOE BANK LTD		1	15				15	
	Total	145	4,295	296			4,591	

ANNEXURE 2B STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2006

Nature of Liability	<b>Opening</b> <b>Balance</b>		Liabilities	Liabilities	Closing Balance
	01/04/2005 R'000	Liabilities incurred during the year R'000	paid/cancelled/reduced during the year R′000	recoverable(Provide details hereunder) R'000	31/03/2006 R'000
Claims against the department					
2 PG Technologies t/a		75			75
Mayday services African Eye News Agency		200			200
Sivukile Stocks Joint Venture		314			314
Orion against the department		2,303			2,303
Kitso Technologies		1,116			1,116
Mhlanga Properties		10,000			10,000
		14.308	•	1	14.308
Total		14.308	1	•	14,308

ANNEXURE 3
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	468	10,613		11,081
Non-residential buildings	349	-	-	349
Other fixed structures	40	10,613	-	10,653
Heritage assets	79	-	-	79
MACHINERY AND EQUIPMENT	100,439	12,627	72	112,994
Transport assets	16,282	4,889	-	21,171
Specialised military assets	-	-	-	1
Computer equipment	26,202	1,093	48	27,247
Furniture and office equipment	34,067	1,798	24	35,841
Other machinery and equipment	23,888	4,847	-	28,735
LAND AND SUBSOIL ASSETS	3,000	-	-	3,000
Land	3,000	-	-	3,000
INVESTMENT PROPERTY				
CULTIVATED ASSETS	930	-	-	930
Cultivated assets	930	-	-	930
TOTAL CAPITAL ASSETS	104,837	23,240	72	128,005

ANNEXURE 3.1 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	10,613	-	10,613
Other fixed structures	10,613		10,613
Heritage assets			
MACHINERY AND EQUIPMENT	12,627	_	12,627
Transport assets	4,889	-	4,889
Computer equipment	1,093	-	1,093
Furniture and office equipment	1,798	-	1,798
Other machinery and equipment	4,847		4,847
TOTAL CAPITAL ASSETS	23,240		23,240

### ANNEXURE 3.2 DISPOSALS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Carrying Amount	Cash	Profit/(loss) on Disposal
	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES		391	391
Dwellings	-	-	
Non-residential buildings	-	-	4/
Other fixed structures	-	391	391
Heritage assets	-		-
MACHINERY AND EQUIPMENT	72	601	529
Transport assets	-	582	582
Specialised military assets	_	-	4
Computer equipment	48	-	(48)
Furniture and office equipment	24	19	(5)
Other machinery and equipment	-		
TOTAL CAPITAL ASSETS	72	992	920

ANNEXURE 3.3
CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005

	Additions	Disposals	Total Movement
	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	13,925	-	13,925
Other fixed structures	13,925	-	13,925
MACHINERY AND EQUIPMENT	14,092		14,092
Transport assets	1,482	-	1,482
Specialised military assets	1,511	-	1,511
Computer equipment	3,374	-	3,374
Other machinery and equipment	7,725	-	7,725
TOTAL CAPITAL ASSETS	28,017	-	28,017

### ANNEXURE 4 INTER-GOVERNMENT RECEIVABLES

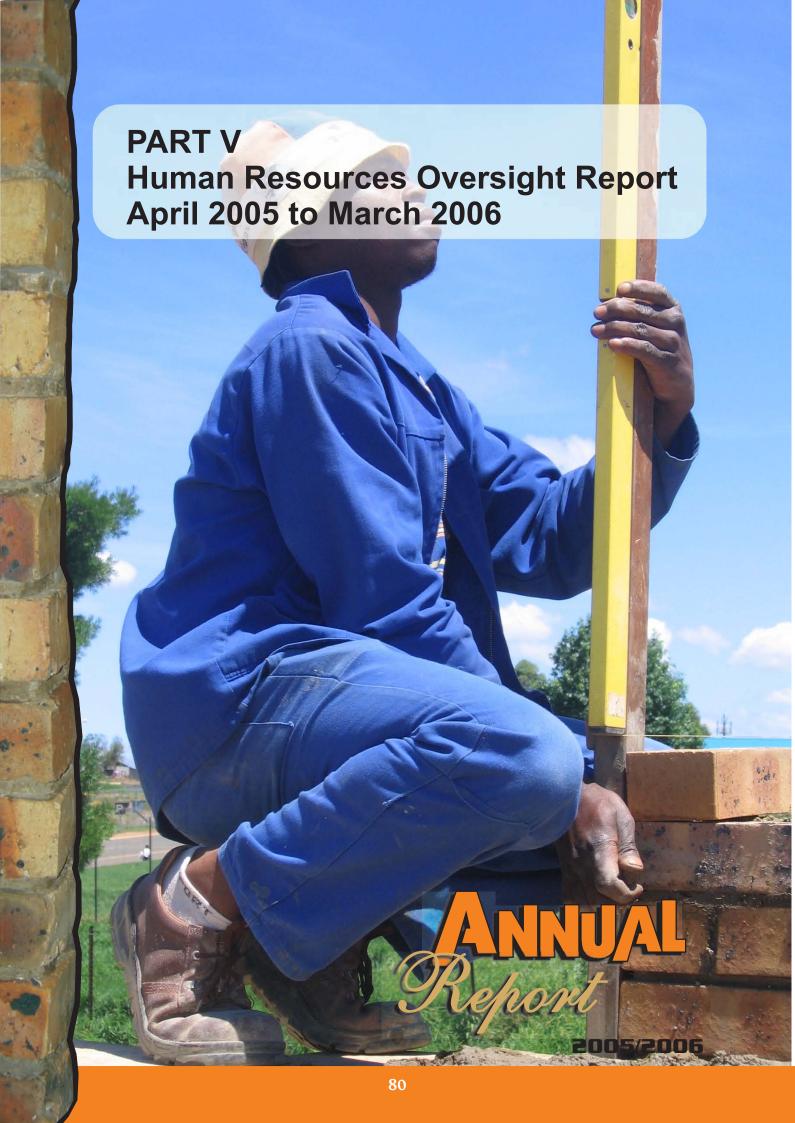
	Confirmed outsta		Unconfirme outsta		To	otal
Government Entity	31/03/2006	31/03/2005	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Office of the Premier	1	1	-	1	1	-
Agriculture, Conservation & Environment	-	32	_	_	_	32
Education	-	379	23		23	379
Safety & Security	-	11	-	-	-	11
Provincial Legislature	71	102		-	71	102
Sport, Recreation, Arts & Culture.	1	139	-	-	1	139
Health & Social Services	1	-	187	280	187	280
Economic Affairs	-	24				24
Finance	29	197	-	ı	29	197
Roads & Transport	18	-	438	-	456	-
Water Affairs	-	-	2	-	2	-
TOTAL	120	884	650	280	770	1,164
Other Government Entities						
South African Police						
Services	-	-	19	15	19	15
Mpumalanga Parks Board	-	-	17	-	17	-
	_	-	36	15	36	15
TOTAL	120	884	686	295	806	1,179

### MPUMALANGA PROVINCE DEPARTMENT OF PUBLIC WORKS VOTE 8

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2006

### ANNEXURE 5 INTER-GOVERNMENT PAYABLES

GOVERNMENT	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
ENTITY	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
DEPARTMENTS Current Local Government and Housing		86		-	-	86
Subtotal					-	
	-	86	-	-		86
Total	_	86	-	-	-	86



### **Contents**

- 1. Service delivery
- 2. Expenditure
- 3. Employment and vacancies
- 4. Job Evaluation
- 5. Employment Changes
- 6. Employment Equity
- 7. Performance Rewards
- 8. Foreign Workers
- 9. Leave Utilization
- 10. HIV and AIDS and Health Promotion Programmes
- 11. Labour Relations
- 12. Skills Development
- 13. Injury on Duty
- 14. Utilisation of Consultants

### 1. Service delivery

Table 1.1 Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Building Management Services	Client departments	Other provincial departments such as Local Government and Housing and Department of Culture, Sports and Recreation	Service level agreements have been entered into with the client departments	All issues agreed upon with the client departments have been adhered to
EPWP	Provincial departments and municipalities	Parastatals	Ensure that EPWP projects are submitted to the Department of Public Works for registration in June each year	Not all departments have complied

Table 1.2 Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Workshops on procurement processes	Emerging Contractors	Other members of the community	Positive response in terms of attendance.
EPWP workshops	Provincial departments' and municipal representatives	Representatives from state owned agencies	Positive turnout and participation from representatives.
EXCO Community Outreach programme	Communities	All sectors of the communities	Various issues pertaining to opportunities that the department provides to community members were raised and attended to.

Table 1.3 Service delivery access strategy

Access Strategy	Actual achievements
There is no formal strategy in place. However, the department, as the custodian of government buildings has embarked on the process of ensuring that ramps and lifts are installed in most buildings to ensure that people with disabilities easily access government buildings. Over and above this, the issue of special toilets has also been taken into consideration.	1 lift and ramps have been installed in KwaMhlanga Government Complex. The construction of toilets to cater for people with disabilities is still continuing in the Riverside Government Complex.

Table 1.4 Service information tool

Types of information tool	Actual achievements
Newsletters	4 editions of departmental newsletter printed at 4000 copies per edition
Monthly bulletins	12 Monthly staff bulletins printed and distributed to staff at all 3 regions and head office
Posters	Developed and printed posters for departmental events
Radio talk shows	Radio talk shows held for Sakh'abakhi, CIDB, EPWP and Budget Speech
Exhibitions during Provincial commemoration events	Exhibitions at all Executive Outreach Programme community meetings, at 5 provincial commemoration events, 2 izimbizo and all departmental special programme events

Table 1.5 Complaints mechanism

Complaints Mechanism	Actual achievements
No mechanism in place except for the grievance procedures that only accommodate serving employees.	None

### 2. Expenditure

Table 2.1 Personnel costs by Programme

Programme	Total Voted Expenditure (R'000)	Compensati on of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensati on of Employees as percent of Total Expenditure	Average Compens ation of Employees Cost per Employee (R'000)	Employ- ment
Programme 1: Administration	83,488	30,144	0	0	36.1	24	1273
Programme 2: Public Works	209,908	92,418	0	0	44	73	1273
Programme 3: EPWP	7,622	5,129	0	0	67.3	4	1273
SASSA	0	0	0	0	0	0	1273
Theft and losses	38	0	0	0	0	0	1273
Total as on Financial Systems (BAS)	301,055	127,691	0	0	42.4	100	1273

Table 2.2 Personnel costs by Salary band

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
Lower skilled (Levels 1-2)	36,987	26.9	60,834	137,665	608
Skilled (Levels 3-5)	24,174	17.6	77,481	137,665	312
Highly skilled production (Levels 6-8)	33,790	24.5	141,975	137,665	238
Highly skilled supervision (Levels 9-12)	22,614	16.4	240,574	137,665	94
Senior management (Levels 13-16)	9,653	7	508,053	137,665	19
Contract (Levels 1-2)	44	0	44,000	137,665	1
Contract (Levels 9-12)	350	0.3	350,000	137,665	1
TOTAL	127 612	92.7	100, 245	137, 665	1 273

Table 2.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost
Programme 1: Administration	21 729	62.5	535	1.5	521	1.5	1632	4.7
Programme 2: Public Works	61 332	63.9	3120	3.2	1628	1.7	4911	5.1
Programme 3: EPWP	3 070	56.1	4	0.1	56	1	144	2.6
Public trans*cur	762	54.2	44	3.1	8	0.6	58	4.1
TOTAL	86893	63.1	3 703	2.7	2 213	1.6	6 745	4.9

Table 2.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary bands	Salaries (R'000)	Salaries as % of Person- nel Cost	Overtime (R'000)	Overtime as % of Person- nel Cost	HOA (R'000)	HOA as % of Person- nel Cost	Medical Ass. (R'000)	Medical Ass. as % of Person- nel Cost
Lower skilled (Levels 1-2)	26343	68.4	1191	3.1	951	2.5	2420	6.3
Skilled (Levels 3-5)	16577	65.4	1494	5.9	469	1.9	1282	5.1
Highly skilled production (Levels 6-8)	23084	62.6	640	1.7	424	1.1	1832	5
Highly skilled supervision (Levels 9- 12)	14909	58.7	378	1.5	340	1.3	896	3.5
Senior management (Levels 13-16)	5699	51.3	0	0	26	0.2	296	2.7
Contract (Levels 1-2)	38	86.4	0	0	1	2.3	2	4.5
Contract (Levels 9-12)	242	64.2	0	0	3	0.8	17	4.5
TOTAL	86892	63.1	3703	2.7	2214	1.6	6745	4.9

### 3. Employment and Vacancies

Table 3.1 Employment and vacancies by programme, 31 March 2006

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled add itional to the establishment
Administration/ permanent	384	237	38.28%	97
Public Works	1564	1002	35.9%	0
Expanded Public Works Programmes, permanent	26	20	23.08%	0
Total	1974	1259	36.22%	97

Table 3.2 Employment and vacancies by salary bands, 31 March 2006

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	915	631	31.04%	97
Skilled (Levels 3-5)	490	314	35.92%	0
Highly skilled production (Levels 6-8)	373	196	47.45%	0
Highly skilled supervision (Levels 9-12)	169	99	41.42%	0
Senior management (Levels 13-16)	27	19	29.63%	0
Total	1974	1259	36.22%	97

Table 3.3 Employment and vacancies by critical occupation, 31 March 2006

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administrative related Permanent	377	207	45.09%	97
Auxiliary related workers, Permanent	915	631	31.04%	0
All artisans in the building me tal machinery etc Permanent	343	196	42.86%	0
Civil engineering technicians, Permanent	84	8	90.48%	0
Financial related professionals, Permanent	228	198	13.16%	0
Senior management	27	19	29.63%	0
Total	1974	1259	36.22%	97

### 4. Job Evaluation

Table 4.1 Job Evaluation, 1 April 2005 to 31 March 2006

Salary band Number of posts		Number % of posts evaluated by		Posts Upgr	aded	Posts downgraded		
	or posts	Evaluated	salary bands	Number	% of posts evaluated	Number	% of posts evaluated	
Lower skilled (L evels 1-2)	821	1	0.12	1	0.12	0	0	
Skilled (Levels 3-5)	598	1	0.16	0	0	0	0	
Highly skilled production (Levels 6-8)	342	5	1.46	0	0	0	0	
Highly skilled supervision (Levels 9-12)	178	43	24.3	0	0	0	0	
Senior Management Service Band A	22	16	94.1	0	0	0	0	
Senior Management Service Band B	3	3	100	0	0	0	0	
Senior Management Service Band C	1	1	100	0	0	0	0	
Senior Management Service Band D	0	0	0	0	0	0	0	
Total	1 965	70		1	0.12	0	0	

Table 4.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2005 to 31 March 2006

Beneficiaries	African	Asian	Coloured	White	Total
Female	01	0	0	0	0
Male	01	0	0	0	0
Total	02	0	0	0	02
Employees with a disability					0

Table 4.3 Employees whose salary level exceeds the grade determined by job evaluation, 1 April 2005 to 31 March 2006 (in terms of PSR 1.V.C.3)

Total Number of Employees whose salaries exceeded the grades determined by job evaluation	None
in 2005/ 06	

Table 4.4 Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2005 to 31 March 2006 (in terms of PSR 1.V.C.3)

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

### 5. Employment Changes

Table 5.1 Annual turnover rates by salary band for the period 1 April 2005 to 31 March 2006

Salary Band	Number of employees per band as on 1 April 2005	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	785	15	39	6.88%
Skilled (Levels 3-5)	255	23	19	16.47%
Highly skilled production (Levels 6-8)	157	26	10	22.93%
Highly skilled supervision (Levels 9-12)	67	12	3	22.39%
Senior Management Service Band A	15	0	0	0
Senior Management Service Band B	2	0	0	0
Senior Management Service Band C	1	0	0	0
Senior Management Service Band D	1	0	0	0
Total	1 283	76	71	11.46%

Table 5.2 Annual turnover rates by critical occupation for the period 1 April 2005 to 31 March 2006

Occupation:	Number of employees per occupation as on 1 April 2005	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related Permanent	252	12	11	9.13%
Agriculture animal oceanography forestry and other science, Permanent	0	0	0	0
All artisans in the building metal machinery etc. Permanent	195	23	16	20%
Auxiliary and related workers, Permanent	785	28	43	9.04%
Civil engineering technicians, Permanent	8	2	1	37.5%
Financial and related professionals, Permanent	43	11	0	25.58%
Total	1283	76	71	11.46%

Table 5.3 Reasons why staff are leaving the department

Termination Type	Number	% of total
Death	14	1.1%
Resignation	7	0.5%
Expiry of contract	1	0.08%
Dismissal – operational changes	0	0
Dismissal – misconduct	3	0.24%
Dismissal – inefficiency	0	0
Discharged due to ill-health	6	0.48%
Retirement	21	1.6%
Transfers to other Public Service Departments	11	0.87%
Other	8	0.64%
Total	71	5.6%
Total number of employees who left as a % of the total employment		5.6%

Table 5.4 Promotions by critical occupation

Occupation:	Employees as at 1 April 2005	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Administrative related, permanent	252	7	2.8%	86	34.13%
All artisans in the building metal machinery	195	6	3.08%	81	41.5%
Auxiliary and related matters	785	4	0.51%	160	20.4%
Civil engineering technician	8	0	0%	0	0%
Financial and related professionals	43	3	6.98%	32	74.4%
Total	1283	20	1.56%	359	27.98%

Table 5.5 Promotions by salary band

Salary Band	Employees 1 April 2005	Promotions to another salary level	Salary band promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	785	0	0	160	20.4%
Skilled (Levels 3-5)	255	0	0	110	43.14%
Highly skilled production (Levels 6-8)	157	11	7%	62	39.5%
Highly skilled supervision (Levels9-12)	67	9	13.4%	27	40.3%
Senior management (Levels13-16)	19	0	0	0	0%
Total	1 283	20	1.56%	359	27.98%

### 6. Employment Equity

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

Table 6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2006

Occupational categories (SASCO)		Male			Female				<u>Total</u>
(SASCO)	<u>African</u>	Coloured	<u>Indian</u>	White	<u>African</u>	Coloured	<u>Indian</u>	White	
Legislators, senior officials and managers	7	0	1	1	8	0	1	0	19
Professionals	2	0	0	5	0	0	0	1	8
Clerks	96	1	2	3	41	1	1	23	168
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	147	0	0	42	18	0	0	0	207
Plant and machine operators and assemblers	63	0	0	6	3	0	0	0	72
Elementary occupations	483	0	0	2	300	1	0	0	785
Total	798	1	3	59	370	2	2	24	1259
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2006

Occupational Bands	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	1	0	0	1	2	0	0	0	4
Senior Management	5	0	1	0	8	0	1	0	15
Professionally qualified and experienced specialists and mid-management	24	0	1	13	17	0	1	5	61
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	53	1	1	26	49	1	0	16	147
Semi-skilled and discretionary decision making	121	0	0	19	106	0	0	3	249
Unskilled and defined decision making	594	0	0	0	188	1	0	0	783
Total	798	1	3	59	370	2	2	24	1259

Table 6.3 Recruitment for the period 1 April 2005 to 31 March 2006

Occupational Bands		Male				Femal	9		
Occupational Bands									
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid management	6	0	1	0	4	0	0	1	12
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	22	0	0	0	4	0	0	0	26
Semi-skilled and discretionary decision making	9	0	0	0	14	0	0	0	23
Unskilled and defined decision making	6	0	0	0	9	0	0	0	15
Total	43	0	1	0	31	0	0	1	76
Employees with disabilities	0	0	0	0	1	0	0	0	1

Table 6.4 Promotions for the period 1 April 2005 to 31 March 2006

Occupational Bands		Male	e			Femal	е		
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid management	6	0	0	0	3	0	0	0	9
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	5	0	0	0	6	0	0	0	11
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	0	0	0	9	0	0	0	20
Employees with disabilities	1	0	0	0	0	0	0	0	1

Table 6.5 Terminations for the period 1 April 2005 to 31 March 2006

Occupational Bands		Mal	е			Fema	le		
Bands	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid - management	2	0	0	1	0	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	6	0	0	3	1	0	0	0	10
Semi-skilled and discretionary decision making	13	0	0	3	3	0	0	0	19
Unskilled and defined decision making	23	0	0	0	16	0	0	0	39
Total	44	0	0	7	20	0	0	0	71
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 6.6 Disciplinary action for the period 1 April 2005 to 31 March 2006

				Female					
				African	Total				
Disciplinary action	10	0	0	1	4	0	0	0	15

Table 6.7 Skills development for the period 1 April 2005 to 31 March 2006

Occupational categories		Male	e			Femal	е		
categories	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Legislators, senior officials and managers	17	0	2	7	29	0	1	5	69
Professionals	2	0	0	1	0	0	0	0	3
Technicians and associate professionals	101	0	0	11	61	2	5	1	181
Clerks	189	5	0	4	93	2	0	3	296
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	29	1	0	3	19	0	0	0	52
Elementary occupations	367	0	0	0	41	0	0	0	408
Total	705	6	2	26	243	4	6	9	1001
Employees with disabilities	2	0	0	0	0	0	0	0	2

### 7. Performance Rewards

Table 7.1 – Performance Rewards by race, gender, and disability, 1 April 2005 to 31 March 2006

	Beneficiary Profile	)		Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
Asian	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
Coloured	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
White	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
Employees with a disability	0	0	0	0	0
Total	0	0	0	0	0

Table 7.2 - Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2005 to 31 March 2006

Salary Bands	Beneficiary P	rofile		Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1 - 2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9 - 12)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 7.3 Performance Rewards by critical occupations, 1 April 2005 to 31 March 2006

<b>Critical Occupations</b>	Beneficiary Profile		Cost		
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Total	0	0	0	0	0

### 8. Foreign Workers

Table 8.1 – Foreign Workers, 1 April 2005 to 31 March 2006, by salary band

Salary Band	1 April 2002		31 March 2	003	Change	
	Number % of total		Number % of total		Number	% change
Total	0	0	0	0	0	0

Table 8.2 – Foreign Worker, 1 April 2005 to 31 March 2006, by major occupation

Major Occupation			31 March 2	2003	Change		
			Number	% of total	Number	% change	
Total	0	0	0	0	0	0	

### 9. Leave utilisation for the period 1 January 2005 to 31 December 2005

Table 9.1 Sick leave, 1 January 2005 to 31 December 2005

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	2109	99.2	300	0	0	0
Skilled (Levels 3-5)	788	97.3	135	0	0	0
Highly skilled production (Levels 6-8)	875	94.6	131	0	0	0
Highly skilled supervision (Levels9-12)	383	133.1	47	0	0	0
Senior management (Levels 13-16)	54	96.9	6	0	0	0
Total	4209	96.9	619	0	0	0

Table 9.2 Disability leave (temporary and permanent), 1 January 2005 to 31 December 2005

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Total	0	0	0	0	0	0

Table 9.3 Annual Leave, 1 January 2005 to 31 December 2005

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	13258.16	30
Skilled Levels 3-5)	5769	19
Highly skilled production (Levels 6-8)	4545	20
Highly skilled supervision (Levels 9-12)	1840	38
Senior management (Levels 13-16)	371	20
Total	25 783.16	21

Table 9.4 Capped leave, 1 January 2005 to 31 December 2005

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2005
Lower skilled (Levels 1-2)	293	5	88
Skilled Levels 3-5)	57	4	108
Highly skilled production (Levels 6-8)	97	7	89
Highly skilled supervision(Levels 9-12)	44	4	90
Senior management (Levels 13-16)	5	5	76
Total	496	5	93

Table 9.5 Leave payouts for the period 1 April 2005 to 31 March 2006

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2005/06 due to non- utilisation of leave for the previous cycle	22917.77	01	0
Capped leave payouts on termination of service for 2005/06	1490618.18	58	0
Current leave payout on termination of service for 2005/06	130437.82	58	0
Total	1643973.77	59	0

### 10. HIV/AIDS and Health Promotion Programmes

Table 10.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk		
Cleaners	Wear gloves while doing their jobs		
Youth employees (Peer pressure and inability to exercise self control)	Awareness workshops and departmental events		

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Mr. G.A. Gardee
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		4 officials with a budg of R664 000
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		Assist employees in the identification and resolution of person approblems that may adversely affect their job performance and productivity.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		3 regional and 1 head office committee established
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		Recruitment and selection, EWP and draft policy on HIV/AII
6. Has the department introduced measures to protect HIV -positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Any form of discrimination in terms of HIV status is dealt with in terms of the disciplinary procedure in the Public sector
7. Does the department encourage its employees to undergo Voluntary Counseling and Testing? If so, list the results that you have you achieved.	X		Results are unknown
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		X	
11. Labour Relations			
Table 11.1 Collective agreements, 1 April 2005 to 31 March 2006			
Total collective agreements None			

Outcomes of disciplinary hearings	Number	% of total
Correctional counseling	1	0.07 %
Verbal warning	1	0.07 %
Written warning	2	0.15 %
Final written warning	2	0.15 %
Suspended without pay	5	0.39 %
Fine	0	0
Demotion	0	0
Dismissal	2	0.15%
Not guilty	0	0
Case withdrawn	2	0.15%
Total	15	1 13%

Table 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Fraud, Theft, Drunk on duty and absenteeism	15	100
Total	15	100

Table 11.4 Grievances lodged for the period 1 April 2005 to 31 March 2006

	Number	% of Total
Number of grievances resolved	0	0
Number of grievances not resolved	0	0
Total number of grievances lodged	0	0

Table 11.5 Disputes lodged with Councils for the period 1 April 2005 to 31 March 2006

	Number	% of Total
Number of disputes upheld	2	0.15 %
Number of disputes dismissed	1	0.07 %
Total number of disputes lodged	3	0 22%

Table 11.6 Strike actions for the period 1 April 2005 to 31 March 2006

Total number of person working days lost	156
Total cost (R'000) of working days lost	R20 036,99
Amount (R'000) recovered as a result of no work no pay	R20 036, 99

Table 11.7 Precautionary suspensions for the period 1 April 2005 to 31 March 2006

Number of people suspended	1
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	62
Cost (R'000) of suspensions	31 713.80

### 12. Skills development

Table 12.1 Training needs identified 1 April 2005 to 31 March 2006

Occupational Categories	Gender	Number of employees as at	Training needs id	entified at start o	f reporting	period
	1 April 2005	Learnerships	Skills Programmes and other short courses	Other forms of training	Tota I	
Legislators, senior officials and managers	Female	5	0	0	5	5
omolais and managers	Male	6	0	0	6	6
Professionals	Female	100	0	17	0	117
	Male	100	0	47	0	147
Technicians and associate professionals	Female	9	4	0	0	13
associate professionals	Male	275	1	0	0	276
Clerks	Female	375	0	195	14	584
	Male	209	0	159	3	371
Service and sales workers	Female	0	0	0	0	0
workers	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
ilaticity workers	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
WORKERS	Male	0	0	0	0	0
Plant and machine operators and	Female	0	0	0	0	0
assemblers	Male	0	0	0	0	0
Elementary occupations	Female	411	25	0	0	221
	Male	218	20	0	0	365
Sub Total	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		1708	50	418	17	2193

Table 12.2 Training provided 1 April 2005 to 31 March 2006

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training provided within the reporting period			
Categories			Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	6	0	0	0	6
Cilidad and meage.	Male	5	0	0	0	5
Professionals	Female	100	0	17	0	117
	Male	100	0	47	0	147
Technicians and associate professionals	Female	9	4	0	0	13
associate professionals	Male	275	1	0	0	276
Clerks	Female	375	0	195	14	584
	Male	209	0	159	3	371
Service and sales workers	Female	0	0	0	0	0
Workers	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
fishery workers	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
Workers	Male	0	0	0	0	0
Plant and machine operators and	Female	0	0	0	0	0
assemblers	Male	0	0	0	0	0
Elementary occupations	Female	411	25	0	0	436
	Male	218	20	0	0	238
Sub Total	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		1708	50	418	17	2193

### 13. Injury on duty

Table 13.1 Injury on duty, 1 April 2005 to 31 March 2006

Nature of injury on duty	Number	% of total
Required basic medical attention only	10	0,79%
Temporary Total Disablement	0	0%
Permanent Disablement	1	0,1%
Fatal	0	0
Total	11	0,87%

### 14. Utilisation of Consultants

Table 14.1 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
N/A	N/A	N/A	N/A

### Table 14.2 Report on consultant appointments using Donor funds

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
N/A	N/A	N/A	N/A

### **Table 14.3**

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
N/A	N/A	N/A	N/A

### Table 14.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
N/A	N/A	N/A	N/A

# Notes

# Notes