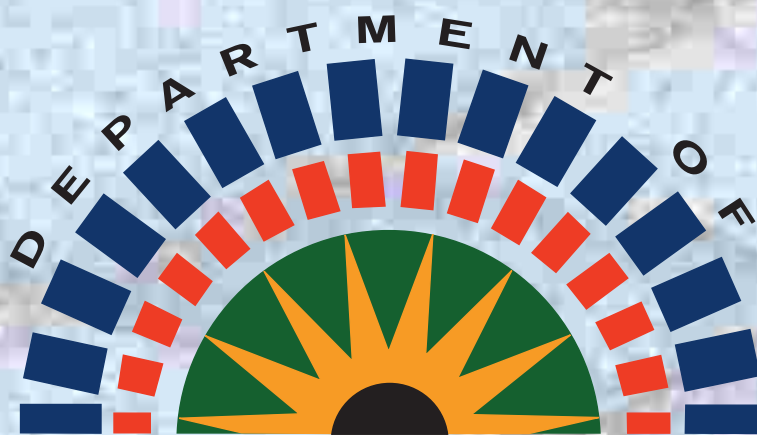


ANNUAL REPORT

2003 / 2004



WORKS
KWAZULU-NATAL

THE WORKING PROVINCE
ISIFUNDAZWE ESISEBENZAYO



ANNUAL REPORT

2003 / 2004

LEADERSHIP OF THE DEPARTMENT OF WORKS



MR M B GWALA
Honourable Minister of Works



MR E P M RADEBE
Head : Works



MR P W DUMA
General Manager : Corporate
Services



MS S Z F NYANDU
General Manager : Strategic &
Management and Property



MR J REDFEARN
Acting Chief Financial Officer



MR M NKOSI
General Manager : Regional Operations &
Strategic Partnerships

THE FOREWORD FROM THE MINISTER: HON. MINISTER MR M.B. GWALA

One of the world's greatest thinkers Allan Armstrong once said "Champions do not become champions when they win the event, but it is in hours, weeks, months and years they spend preparing for it. Their victorious performance itself is merely the demonstration of their championship character."

This quotation best describes the achievements of the department in the past year and up to the present month since I took office from the previous Minister. The Annual Report presented focuses mainly on the way forward on "**Asisebenze Kugugi fosholo**" programme intended for poverty reduction through job creation and economic growth.

As the political head, I am committed to the core values of the department which is the cost effective and timeous delivery of services to the satisfaction of our clients, without compromising quality. Although there were teething problems regarding the Highway House lease agreement, there is progress with regard to this matter.

Government has identified small and emerging business as potential job creators. In the forthcoming year, our emphasis will be more on creating an enabling environment for the emerging entrepreneurs. Contractors from previously marginalized backgrounds would be considered when tenders are awarded. Women entrepreneurs are encouraged to seize the opportunity.

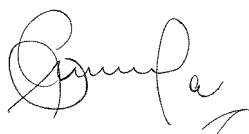
While joint ventures between emerging and well established businesses is encouraged, my department is totally against "**fronting**" as means of tendering. Since this practice is tantamount to fraudulent and corruptive attitude, this department has adopted a zero tolerance in this instance.

A further challenge facing my Department is to deal effectively with the question of HIV / AIDS pandemic. In this instance, we have introduced the Employee Assistance Programme (EAP), which also encourages employees to be tested voluntarily, with an emphasis on Awareness and Prevention methods.

While my Department is involved in various activities , the involvement of other stakeholders in service delivery is encouraged. The department will in due course, embark on road – shows and also convene **Ingxoxo – stakeholder – meeting** to discuss issues of concern.

In addressing the past imbalances, the priority for the year ahead, will be promoting training and development of our employees, especially women.

Let us keep up with our winning attitude.!!!



Mr M.B. Gwala
Minister of Works

LEADERSHIP OF THE DEPARTMENT OF WORKS

**MR M.B. GWALA
HONOURABLE MINISTER OF WORKS**

**MR E.P.M. RADEBE
HEAD : WORKS**

**MR P.W. DUMA
GENERAL MANAGER: CORPORATE SERVICES**

**MS S.Z.F. NYANDU
GENERAL MANAGER :
STRATEGIC & PROPERTY**

**MR J. REDFEARN
CHIEF FINANCIAL OFFICER**

**MR M. NKOSI
GENERAL MANAGER :
OPERATIONS
& MANagements**

TABLE OF CONTENTS

| | | | |
|---------------|---|---|-----------|
| PART 1 | - | GENERAL INFORMATION | 4 |
| PART 2 | - | PROGRAMME PERFORMANCE..... | 12 |
| PART 3 | - | REPORT OF THE AUDIT COMMITTEE | 24 |
| PART 4 | - | REPORT OF THE AUDITOR GENERAL | 26 |
| PART 5 | - | ANNUAL FINANCIAL STATEMENTS | 38 |
| PART 6 | - | REPORT ON HUMAN RESOURCE MANAGEMENT | 80 |

Part 1

GENERAL INFORMATION

VISION

1. In order to give strategic direction to the staff members of the Department the following Vision Statement was formulated at the Department's last Strategic Planning Session:

“Striving to remain market leaders in the provision of public property and facilities and facilitating working opportunities and alleviating poverty in the KwaZulu-Natal Province ... ASISEBENZE.”

MISSION STATEMENT

2. The Department of Works reason for existence is encapsulated in its Mission Statement which also provides a clear indication that the Department is service orientated:

“To provide a cost effective, competitive construction and real estate management service in an efficient, effective and equitable manner that will enhance job opportunities to deal with poverty.”

3. To achieve its Mission the Department has selected a number of core values, which are in essence the moral and ethical pillars that the employees need to embrace in order to successfully accomplish their functions. The core values chosen are listed below:

3.1 Will be cost effectiveness without compromising quality,

3.2 We will uphold professional integrity,

3.3. We will maintain service excellence,

3.4 We will embrace the spirit and the principles of Batho Pele

INTRODUCTION BY THE HEAD OF DEPARTMENT

4. The Department of Works has made significant successes during the financial year in spite of financial constraints and a shortage of professional staff. The department has made considerable strides in implementing its 2003/04 strategic plan that is aligned to both the Departments strategic objectives and the Provincial Priorities. A number of key activities that this Department has been involved and have made a priority include:

- Eradication of poverty and inequality;
- Managing the impact of HIV/AIDS and reducing its spread;
- Re-engineering and enhancing integrated service delivery in government;
- Investing in infrastructure;
- Strengthening of governance; and
- Human capability development.

LEGISLATIVE MANDATE

Legislation and Special Programmes

5. The mandates of the Department of Works have been divided into four categories namely:

- 5.1 Statutory Mandates – which form the basis for the existence of the Department and its core business.

| No. | Applicable Legislation | Explanatory Notes | Applicability |
|-----|--|--|-------------------|
| 1. | Public Service Act as amended : Section 7(2) and Schedule 2 | The Department has been established as a Provincial Department of Works, KwaZulu-Natal. Schedule 2 of this Act refers to the Head of the Department as Head: Works | Entire Department |
| 2. | Section 104(4) of the Constitution | Section 104(4) provides the Provinces with the competence to execute its functions in terms of Provincial Legislation. "Provincial Legislation with regard to a matter that is reasonably necessary for or incidental to, the effective exercise of a power concerning any matter listed in Schedule 4, is for all purposes legislation with regard to matters listed in schedule 4. | Entire Department |
| 3. | Schedule 4 of the Constitution of the Republic of South Africa, 1996 | Schedule 4 : provides the Province with the competence to legislate on Works issues relating to the Provincial Government departments. | Entire Department |

| LEGISLATION APPLICABLE TO LINE (CORE) FUNCTIONARIES | | | |
|---|--|---|---|
| No. | Applicable Legislation | Explanatory Notes | Applicability |
| 1. | Construction Industry Development Board Act, 2000 | With special reference to paragraph 3 and 4 of the Act | All Professional and Technical Services |
| 2. | Property Valuers Professional Act, 2000 | For reference purposes on appointments of property valuers | Professional and Technical Services and Real Estate functionaries |
| 3. | Council for the Built Environment Act, 2000 | Refer to Sections 2, 3 and 4 | All Professional Service |
| 4. | Engineering Professional Act, 2000 | This Act intends to regulate the Engineering profession | To all Engineers |
| 5. | Architectural Professional Act, 2000 | This Act intends to regulate the Architectural profession | To all Architects |
| 6. | Quantity Surveying Profession Act, 2000 | This Act intends to regulate the Quantity Surveying profession | To all Quantity Surveyors |
| 7. | Project and Construction Management Profession Act, 2000 | Project management forms an integral part of all projects undertaken by the Department. | All professional and Technical functionaries |
| 8. | Occupational Health and Safety Act as Amended | Paragraph 18 (1)(a)-(j) specify the duties of an Occupational Health and Safety Officer. | Departmental Health and Safety Officer/s |
| 9. | State Land Disposal Act, 1961 | This Act has no provision for provincial competency. It refers to the State President and the National Minister of Public Works | Real Estate functionaries. |
| 10. | Deeds Registries Act as amended | Governs the registration of deeds | Real Estate functionaries |
| 11. | Expropriation Act as amended | National Competency | Real Estate functionaries |
| 12. | Prevention of Unlawful Occupation of Land Bill | Intends to prevent the unlawful occupation of State land | Real Estate functionaries |
| 13. | Land and Administration Act | To ensure proper administration and management state property | Real Estate |

5.2 Quasi-Statutory Mandates – which are taken from National and Provincial Cabinet Strategic directives, MEC, Provincial Parliament and other government support institutions;

| No. | Applicable Legislation | Explanatory Notes | Applicability |
|-----|---|--|-------------------|
| 1. | White Paper : Public Works towards the 21 st Century | | Entire Department |
| 2. | DG's Submission of 9 April 1995 | Transfer of the Security Services function to individual Departments, with the exception of Security Services at a shared facility | Security Services |
| 3. | The Premier's address of 23 August 1999 | Indicated that the Department had shifted its emphasis towards the development of new infrastructure in addition to the maintenance and upgrading of existing infrastructure | Entire Department |
| 4. | Public Service Act Public Service Regs. Collective Agreements PFMA Treasury Regs. | These Acts and Regulations govern all officers in the Department of Works but are administered by support functionaries. | HR management |

5.3 National and Provincial Initiatives – which are programmes determined to address specific community needs; and

| No. | Applicable Legislation | Explanatory Notes | Applicability |
|-----|--|---|---|
| 1. | CBPWP Xoshindlala Health Promoting Schools Waste Management | These programmes are not owned by the Department but it has a major role to play. The Departments full participation is expected. | Development Facilitation, Professional and Technical Services |

5.4 Special Programmes – which relate to specific campaigns aimed at addressing special needs that exist within the public service and the community at large e.g. HIV / AIDS Campaign.

| No. | Applicable Legislation | Explanatory Notes | Applicability |
|-----|---|---|-------------------|
| 1. | Affirmative action Disability Employment Equity HIV / AIDS Gender Equality Youth Development | The Department is expected to provide a Special Programmes Officer / Unit | Entire Department |

6. **FUNCTIONS OF THE DEPARTMENT**

The Department of Works is responsible for the following services:

- 6.1 Building and construction;
- 6.2 Building maintenance;
- 6.3 Professional advisory services; and
- 6.4 Property acquisition, letting and disposal

7. The core functions of the Department are listed below:

- 7.1 The acquisition of public buildings and land e.g. purchasing, hiring and leasing;
- 7.2 The construction of public buildings, involving the physical erection or major improvement in respect of infrastructure in the built environment (capital programme);
- 7.3 The maintenance of public buildings and land, including performing the necessary work to keep the facility at the required level of operation; and
- 7.4 The alienation of public buildings and land, involving disposal of fixed assets by selling, demolition, exchange and donation.

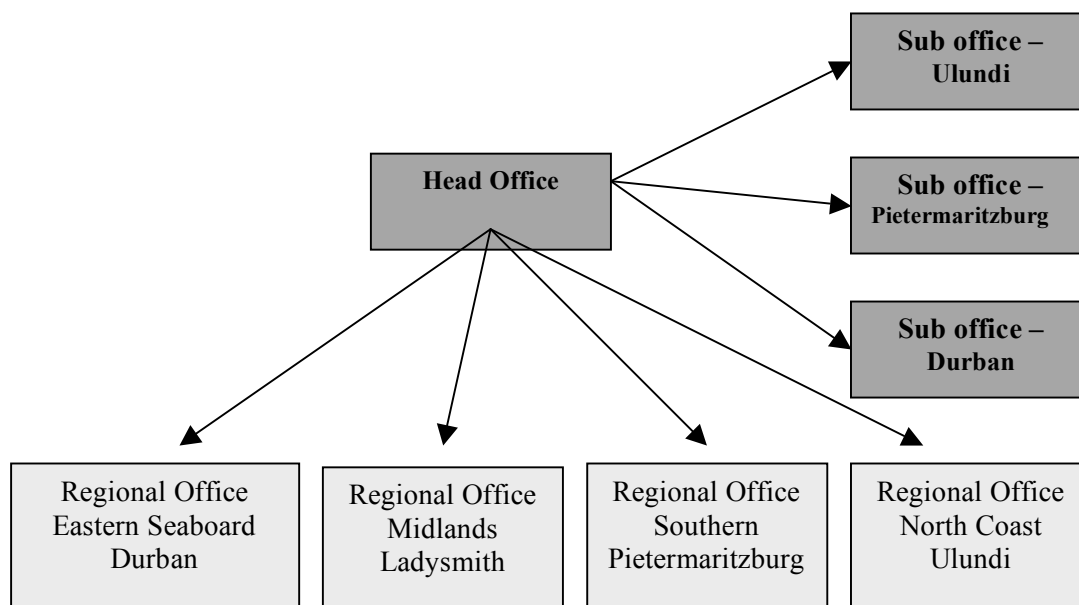
Accountability

- 8. The Departmental Senior Management have all signed individual Performance Agreements detailing their required performance and responsibilities in line with the departments service delivery.
- 9. The Department is in the process of establishing Service Level Agreements between itself and its client departments. At the end of the financial year approximately 70% of client departments had signed a Service Level Agreement.
- 10. A performance management and development system has been developed and approved by the Executive Authority. One of the intentions of this performance management and development system will be to provide quarterly reports on staff performance.

INFORMATION ON THE MINISTRY

Restructuring and Realignment of the Department

11. During the course of the reporting period the Public Service Co-ordinating Bargaining Council Resolution 7, of 2002, which deals with the transformation and restructuring of the Public Service was still being implemented particularly the development of a social plan. The Department's existing organisational structure is based on a regional model as set out below:



12. It can be seen from the diagram that the Head Office function is spread over 3 sub-offices. To improve efficiency in this area steps are currently in place to centralise the Head Office function in Durban.

Legislative and Parliamentary Activities

13. The main activities that the office of the Ministry, Mr M. Mabuyakhulu , has been involved with during the reporting period are summarised hereunder:

13.1 Attended various SABC Ukhozi and P4 Radio Talkshows

13.2 Convened the first Construction Industry Conference

13.3 Launched the Provincial Expanded Works Programme- Asisebenze

13.4 Visited a number of rural communities to launch projects

13.5 Pursued the enactment of the KwaZulu – Natal Land Administration Act

Development of Legislation

14. KwaZulu-Natal Land Administration Bill (Immovable Property Bill), which has been approved by Cabinet came into operation - 28 November 2003.

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

15. In accordance with the Public Finance Management Act of 1999, I wish to formally table for consideration by the KwaZulu-Natal Provincial Legislature, the Annual Report for Vote 14: Department of Works – 2003 / 2004.

MR. E P M RADEBE
HEAD: WORKS

A handwritten signature in black ink, appearing to read 'M Gwala', with a stylized flourish at the end.

MR. M GWALA
HONOURABLE MINISTER OF WORKS

Part 2

PROGRAMME PERFORMANCE

FINANCIAL OVERVIEW

| | | |
|----|---------------------------|-----------------|
| 1. | Total amount appropriated | R 381 266 000 |
| | Actual amount spent | R 351 999 000 |
| | Under expenditure | R 29 267 000 |
| | Responsible Minister | Mr B Gwala |
| | Accounting Officer | Mr E P M Rabebe |

Once again the Department completed the financial year in a healthy financial position, with an underspend of approximately R29 million.

The Department had embarked on a process of relocating its Head Office from Ulundi and Pietermaritzburg to Durban. It was anticipated that this relocation would have taken place in the 2003/04 financial year. As such a significant amount of the relocation costs had been budgeted for in the 2003/04 financial year. However the anticipated relocation was not undertaken which has contributed significantly to this underspend.

Additional to the savings experienced regarding the delays in the relocation, the department has experienced savings from vacant posts.

PROGRAMME REVIEW

Aim of the Vote

2. The aim of the Department is to satisfy its clients accommodation needs by involving communities, emerging contractors and the established building industry.

SUMMARY OF PROGRAMMES

3. The activities of the Department of Works are organised in the following three programmes:
 - Programme 1 Administration
 - Programme 2 Real Estates
 - Programme 3 Provision of Structures and Equipment

Overview of the service delivery environment for 2003 /04

4. The Department of Works operates in an environment where resources are limited, and where there is a need for the Department to address the following:

- Engagement with globalisation
- Operating within a tight fiscal discipline;
- Reducing the rate of unemployment;
- Supporting people from historically disadvantaged communities to enter the mainstream of the provincial economy, and
- Increase peoples access to services, consistent with the Batho Pele principles.

5. OVERVIEW OF THE ORGANIZATIONAL ENVIRONMENT FOR 2003/04

5.1 Increasing volume of work

Although the department has made significant progress in the last financial year, there is a need to recognise that while the workload has been increasing, the department has continued to carry out this work with the same number of employees and in some instances with a declining number of employees. The Minister in the 2002 – 2003 Annual Report indicated that the Department is losing skilled people. The fear now is that the increased workload without a commensurate increase in the number of professional and technical officials may make it difficult to provide the level of service that the Department has set for itself.

5.2 Skills mismatch/shortage

There is a mismatch in terms of the skills that are available in relation to the skills required to deliver services. The major challenge is the fact that the Public Service in general and the Department of Works in particular cannot compete with remuneration packages offered by the private sector.

5.3 Image and Perception Management

The Department of Works has a challenge in addressing the issue of negative perception by client departments and the public both in terms of professionalism and delivery.

5.4 Review of the organisational structure

The current structure of the department is a challenge in that it is not aligned to the core functions of the department in delivering on services and also in relation to the capacity needed to deliver to client departments.

5.5 Senior Management

The Department has previously reported that a number of key senior management posts were vacant. I have the pleasure in reporting that the Department has made significant steps in this regard and that during 2003/04, the Department has appointed two new General Managers, namely the General Manager: Strategic Management and Property and General Manager : Operations and Strategic Partnerships.

5.6 HIV/AIDS

Another challenge facing the department is that associated with the HIV/Aids pandemic. The problem does not only relate to awareness campaigns but is now reaching a stage within organizations where its effects on the functioning of the department are being felt. The department will need to develop strategies that will enable it to deliver services even within an environment that is threatened by the disease.

6. STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS

We are faced with numerous political, economic and social challenges that must be adequately addressed over the next year to satisfy the needs of our client departments while supporting and facilitating social, economic growth and development and enhancing the quality of life of the people of KwaZulu-Natal.

Our key strategic priorities for the next year will include amongst other, the following;

- 6.1 Affirmative procurement to sustain Black/Women Economic Empowerment, capacitating of SMME's, skills development of small and emerging contractors and preparing them for participation in the mainstream economy.
- 6.2 Good governance, establishing effective and efficient administrative best practices, transforming systems and processes and instituting measures to root out fraud and corruption both within our Department as well as within the service providers and strategic partners that we work with.
- 6.3 Development and maintenance of our fixed asset register and investing in infrastructure.
- 6.4 Effective implementation of Asset Management and Revenue Collection Systems.
- 6.5 Progressive implementation of the Community aligned Expanded Public Works Programmes pooling the resources of the Public and Private Sectors to address the vast needs of the communities for infrastructure and services.

- 6.6 Strict compliance with all labour related legislation (Skills Development Act, Employment Equity Act, Affirmative Action Policy) with specific reference to addressing the issue of women in senior positions within the department.
- 6.7 Eradication of poverty and inequality
- 6.8 Re-engineering and enhancing integrated service delivery in government

The Department is convinced that it has what it takes to collectively and sustainably attain its vision, goals and objectives as outlined in this strategic plan. The commitment, enthusiasm and dedication expected from the internal stakeholders will be the key to the Departments future success, the success of Government and that of the Provincial Government.

DEPARTMENTAL RECEIPTS

7. The Department of Works is a service provider to other provincial departments, and is therefore not a major revenue generating entity. The main sources of revenue are of a domestic nature, and include housing rent, parking etc. The department does however sell vacant unused land and buildings on request from client departments.

| | 1999/2000 Actual | 2000/01 Actual | 2001/02 Actual | 2002/03 Actual | 2003/04 Unaudited Actual |
|--|-----------------------------|---------------------------|---------------------------|---------------------------|---|
| Tax Revenue | 7 348 | 5 916 | 3 510 | 2 671 | 2 895 |
| <i>Non Tax Revenue</i> | 7 348 | 5 916 | 3 510 | 2 671 | 2 895 |
| Sale of capital assets | 60 | 20 | 4 | 15 | 57 |
| <i>Sale of land & Buildings</i> | 31 | 20 | 4 | 15 | 48 |
| <i>Sale of Stock</i> | 29 | | | | 9 |
| | | | | | |
| Total Departmental Receipts | 7 408 | 5 936 | 3 514 | 2 686 | 2 952 |

8. DEPARTMENTAL PAYMENTS

| Programmes | Voted 2003/04 | Roll-overs and Adjustments | Virement | Total Voted | Actual Expenditure | Variance |
|----------------------|------------------|----------------------------------|----------|----------------|-----------------------|---------------|
| Programme 1 | 94 767 | 1 780 | 9 271 | 105 818 | 94 599 | 11 219 |
| Programme 2 | 3 685 | 0 | 6 176 | 9 861 | 8 455 | 1 406 |
| Programme 3 | 281 695 | (660) | (15 448) | 265 587 | 248 863 | 16 724 |
| Special Functions | 0 | 0 | 0 | 0 | 82 | (82) |
| TOTAL | 380 147 | 1 120 | 0 | 381 266 | 351 999 | 29 267 |

PROGRAMME 1 : ADMINISTRATION

9. This programme contains funds for conducting the overall management of department. There are two sub-programmes namely Ministry and Management. The purpose of these two sub-programmes are:

- Policy formulation by the Minister and the Department's Management;
- Organising the Department, managing its personnel and financial administration, determining working methods and procedures, and exercising control through Head Office;
- Rendering professional, administrative and office services.

As part of the Department's strategic focus a number of objectives were identified and adopted. The strategic objectives that directly effect Programme 1 are detailed below:

9.1 Management

- Objective 1: To improve service delivery,
- Objective 2: To continuously improve the procurement process,
- Objective 3: To ensure effective communication,
- Objective 4: To ensure accountability,
- Objective 5: To improve financial management,
- Objective 6: To develop and manage a human resource strategy

9.2 Ministry

- Objective 1: To provide overall policy direction (both strategic and political).
- Objective 2: To monitor and reduce security threats and risks within the department,
- Objective 3: To achieve a high level of beneficiary satisfaction and employment opportunities.
- Objective 4: To drive the Department's participation in the alleviation of poverty in KwaZulu – Natal.
- Objective 5: To improve the public image and the manner in which the Department is perceived,
- Objective 6: To provide response and quick services on cabinet and parliamentary matters,

| Service Delivery Objective | Service Delivery Achievements | Comments |
|-----------------------------|---|---|
| 1. To ensure accountability | (a) Performance Management and development System developed and implemented (b) Undertook organizational and post review | Audit of the implementation being conducted |

| | | |
|--|--|--|
| 2. Improve the procurement process | (a) Procurement delegations reviewed and approved (b) Staff trained on procurement procedures | Need for improved delegations due to increased infrastructure budget |
| 3. To improve financial management | (a) Creation of financial controller posts in the regions | Unable to attract suitable personnel - not enough on the market |
| 4. Develop and implement a Human Resources Management Strategy | (a) Developed a human resource plan (b) Developed and implemented an HIV/Aids Policy | Human resource plan not fully implemented as it is a long term process |

PROGRAMME 2 : REAL ESTATES

10. In terms of the medium to long term strategic goals of the department, the intention is to develop the Real Estate component into a property facilitation management centre, dealing with matching client needs with the availability of the market. The short-term strategic objectives of the Real Estate programme are to establish and maintain a fixed property asset register, to develop standard operating procedures and to control the optimal utilisation of office accommodation and official housing.

There are three sub-programmes within this programme, namely Personnel and Administration, Acquisition of Land, Improvements and Rights, and Hiring.

As part of the Department's strategic focus a number of objectives were identified and adopted. The strategic objectives that directly effect Programme 1 are detailed below:

The strategic objectives identified and adopted by the department directly affecting Programme 2 are listed below:

- Objective 1: To develop an asset management strategy,
- Objective 2: To develop, review and implement standard operating procedures,
- Objective 3: To institute a Provincial preventative maintenance plan,
- Objective 4: To develop, review and implement policies of the department,
- Objective 5: To manage the roster for the appointment of Consultants,
- Objective 6: To develop norms and standards for external contractors,

| Service Delivery Objective | Service Delivery Achievements | Comments |
|--|---|--|
| 1. Establish a fixed asset register | (a) Procurement of the information technology software | Provincial Treasury took over the process |
| 2. Formation of the Land Administration Act | (a) KwaZulu-Natal Land Administration Act came into operation on 28 November 2003 | Appropriate regulations need to be formalised |
| 3. Develop, review and implement Real Estate standard operating procedures | (a) Developed a specification for appointment of consultants | Real estate component is not fully capacitated |

PROGRAMME 3: PROVISION OF BUILDINGS AND STRUCTURES

11. The purpose of this programme is to provide and maintain buildings, structures, engineering works, prestige furniture for this department and the various client departments as well as community based projects, which is for poverty alleviation targeted at the rural poor communities.

The types of services rendered by Programme 3 include the following:

- The erection or purchase of buildings, structures and engineering works;
- The maintenance and adaptation of buildings and structures;
- Cleaning buildings and paying for municipal services; and
- The provision of prestige furniture, works of art and equipment to provincial departments, as well as the maintenance thereof.

The strategic objectives identified under this programme are detailed below:

- Objective 1: To provide buildings, structures and equipment to client departments timeously and according to their specifications,
- Objective 2: To improve service delivery methodology,
- Objective 3: To create an enabling environment for Affirmable Business Enterprises to do business with the Department,
- Objective 4: To initiate and coordinate strategic partnerships,
- Objective 5: To align and coordinate operational activities of the Regions in line with the Departmental strategic objectives,

The notable strategic issues addressed by Programme 3 during the financial year are discussed below:

| Service Delivery Objective | Service Delivery Achievements | Comments |
|--|---|---|
| 1. Launch and implement the expanded Public Works Programme | Asisebenze programme launched in December 2003. Initial amount R30 million | Programme proving successful |
| 2. Develop and strengthen relations with Strategic Partners | Partnerships to deliver infrastructure projects formed with Independent Development Trust and Ithala | Independent Development Trust and Ithala used as service delivery alternative |
| 3. Create an enabling environment for HDI's (Historically Disadvantaged Individuals) | (a) Developed a policy for emerging contractors (b) Implemented the contractor Construction Summit Resolutions | |
| 4. To improve service delivery | Improvement of service delivery plan developed | The implementation of the plan is ongoing |

CONSTRUCTION INDUSTRY CONFERENCE

12. During September 2003 the Department hosted a Provincial Construction Industry Conference. The conference offered a diverse group of stakeholders an opportunity to converge and deliberate on various issues of operational and strategic importance to the construction industry in the Province.

EXPANDED PUBLIC WORKS PROGRAMME

13. The main objective of the Expanded Public Works Programme include utilizing the public sector budget to reduce poverty and alleviate unemployment. The department is currently formulating plans for utilizing its clients budget in order to draw significant numbers of the unemployed into construction work and to provide them with training.

RELATIONSHIP WITH CLIENT DEPARTMENTS AND IMPROVED SERVICE DELIVERY

14. The relationships with the client departments have improved immensely compared with previous years but has not yet reached the required level. In a quest to deliver on time and according to client needs we have initiated the process of entering into service level agreements with all client departments. The department has concluded service level agreements for all but four departments.

PARTNERSHIPS WITH PRIVATE SECTOR

15. The Department has engaged in partnerships with institutions such as the Independent Development Trust and Ithala as alternative service delivery

instruments to deal with the increasing infrastructure budget and to address backlogs.

Projects undertaken by the Department of Works during 2003 / 04

The following table details the number of projects undertaken by the department per client department and per geographical area:

| TOTAL NUMBER OF SERVICES UNDERTAKEN PER REGION PER CLIENT | | | | | | |
|---|----|--------------|--------------|--------------|--------------|---------------|
| OBJECTIVE | C | EAST SB | MIDLNDS | NORTH CR | SOUTH RG | TOTAL |
| AGRICULTURE | AG | 27 | 94 | 249 | 148 | 518 |
| ECONOMIC AFFAIRS | EC | 1 | 0 | 0 | 1 | 2 |
| EDUCATION AND CULTURE | ED | 2,778 | 1,204 | 1,169 | 1,467 | 6,618 |
| HEALTH | HE | 117 | 101 | 136 | 171 | 525 |
| ROYAL HOUSEHOLD | HM | 0 | 0 | 14 | 0 | 14 |
| HOUSING | HO | 166 | 0 | 3 | 1 | 170 |
| PROV. PARLIAMENT | PP | 0 | 0 | 76 | 3 | 79 |
| PREMIER | PR | 0 | 0 | 2 | 9 | 11 |
| TRANSPORT | RD | 223 | 251 | 368 | 93 | 935 |
| TRAD. & LOCAL GOVMT. | TL | 83 | 3 | 9 | 18 | 113 |
| WELFARE | WE | 463 | 194 | 100 | 150 | 907 |
| WORKS | WK | 555 | 345 | 507 | 1,142 | 2,549 |
| TOTAL | | 4,413 | 2,192 | 2,633 | 3,203 | 12,441 |

The following table details the value of projects undertaken by the department per client department and per geographical area:

| TOTAL EXPENDITURE PER REGION PER CLIENT | | | | | | |
|---|----|--------------------|--------------------|--------------------|--------------------|--------------------|
| OBJECTIVE | C | EAST SB | MIDLNDS | NORTH CR | SOUTH RG | TOTAL |
| AGRICULTURE | AG | 1,791,691 | 1,970,922 | 4,205,944 | 6,136,806 | 14,105,363 |
| ECONOMIC AFFAIRS | EC | 2,396,153 | 0 | 0 | 8,685 | 2,404,838 |
| EDUCATION AND CULTURE | ED | 73,485,144 | 61,650,857 | 203,155,604 | 61,551,693 | 399,843,298 |
| HEALTH | HE | 57,180,209 | 33,402,845 | 38,715,193 | 39,073,325 | 168,371,572 |
| ROYAL HOUSEHOLD | HM | 0 | 0 | 799,926 | 0 | 799,926 |
| HOUSING | HO | 1,283,847 | 0 | 0 | 823,437 | 2,107,284 |
| PROV. PARLIAMENT | PP | 0 | 0 | 0 | 4,287,824 | 4,287,824 |
| PREMIER | PR | 0 | 0 | 410,650 | 356 | 411,006 |
| TRANSPORT | RD | 4,434,709 | 927,438 | 583,328 | 2,168,508 | 8,113,984 |
| TRAD. & LOCAL GOVMT. | TL | 766,861 | 28,270 | 1,580,825 | 3,299,027 | 5,674,984 |
| WELFARE | WE | 5,734,711 | 3,130,648 | 7,232,946 | 8,536,857 | 24,635,162 |
| WORKS | WK | 13,909,952 | 4,027,141 | 45,819,414 | 6,378,454 | 70,134,961 |
| TOTAL | | 160,983,278 | 105,138,121 | 302,503,830 | 132,264,972 | 700,890,201 |

The following tables detail the expenditure incurred per client department per objective:

| AGRICULTURE AND ENVIRONMENTAL AFFAIRS (AR) | | | | | |
|--|------------------|------------------|------------------|------------------|-------------------|
| OBJECTIVE | EAST SB | MIDLNDS | NORTH CR | SOUTH RG | TOTAL |
| Major Works | 40,670 | 836,722 | 0 | 2,641,967 | 3,519,359 |
| M/A Capital | 0 | 31,614 | 1,703,937 | 63,313 | 1,798,863 |
| Hirings | 1,603,337 | 857,485 | 620,360 | 1,700,338 | 4,781,520 |
| M/A Current | 147,684 | 245,100 | 1,881,647 | 1,731,188 | 4,005,620 |
| TOTAL | 1,791,691 | 1,970,922 | 4,205,944 | 6,136,806 | 14,105,363 |

| ECONOMIC DEVELOPMENT AND TOURISM INCLUDING NATAL SHARKS BOARD (EC) | | | | | |
|--|------------------|----------|----------|--------------|------------------|
| OBJECTIVE | EAST SB | MIDLNDS | NORTH CR | SOUTH RG | TOTAL |
| Major Works | 0 | 0 | 0 | 8,685 | 8,685 |
| M/A Capital | 0 | 0 | 0 | 0 | 0 |
| Hirings | 2,396,153 | 0 | 0 | 0 | 2,396,153 |
| M/A Current | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 2,396,153 | 0 | 0 | 8,685 | 2,404,838 |

| EDUCATION AND CULTURE (ED) | | | | | |
|----------------------------|-------------------|-------------------|--------------------|-------------------|--------------------|
| OBJECTIVE | EAST SB | MIDLNDS | NORTH CR | SOUTH RG | TOTAL |
| Major Works | 5,155,479 | 632,523 | 1,508,965 | 8,226,494 | 15,523,461 |
| M/A Capital | 21,945,465 | 28,749,167 | 41,658,478 | 7,818,522 | 100,171,631 |
| Hirings | 758,465 | 1,933,257 | 308,821 | 1,665,935 | 4,666,477 |
| M/A Current | 38,606,086 | 30,268,164 | 154,728,249 | 39,372,826 | 262,975,325 |
| Non School | 7,019,650 | 67,747 | 4,951,091 | 4,467,916 | 16,506,403 |
| I.D.T. | | | | | |
| TOTAL | 73,485,144 | 61,650,857 | 203,155,604 | 61,551,693 | 399,843,298 |

| HEALTH (HE) | | | | | |
|-----------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| OBJECTIVE | EAST SB | MIDLNDS | NORTH CR | SOUTH RG | TOTAL |
| Major Works | 47,865,107 | 22,683,963 | 19,205,782 | 13,585,073 | 103,339,924 |
| M/A Capital | 2,135,287 | 6,508,917 | 3,856,763 | 7,327,963 | 19,828,930 |
| Hirings | 1,147,622 | 576,526 | 537,022 | 2,265,868 | 4,527,037 |
| M/A Current | 5,602,602 | 3,633,439 | 14,751,595 | 15,782,788 | 39,770,424 |
| Clinic Upgrades | 429,592 | 0 | 364,031 | 111,634 | 905,256 |
| TOTAL | 57,180,209 | 33,402,845 | 38,715,193 | 39,073,325 | 168,371,572 |

| ROYAL HOUSEHOLD (HM) | | | | | |
|----------------------|----------|----------|----------------|----------|----------------|
| OBJECTIVE | EAST SB | MIDLND | NORTH CR | SOUTH RG | TOTAL |
| Major Works | 0 | 0 | 0 | 0 | 0 |
| M/A Capital | 0 | 0 | 0 | 0 | 0 |
| M/A Current | 0 | 0 | 799,926 | 0 | 799,926 |
| TOTAL | 0 | 0 | 799,926 | 0 | 799,926 |

| HOUSING (HO) | | | | | |
|--------------|------------------|----------|----------|----------------|------------------|
| OBJECTIVE | EAST SB | MIDLND | NORTH CR | SOUTH RG | TOTAL |
| Major Works | 0 | 0 | 0 | 0 | 0 |
| M/A Capital | 0 | 0 | 0 | 0 | 0 |
| Hirings | 0 | 0 | 0 | 720,367 | 720,367 |
| M/A Current | 1,283,847 | 0 | 0 | 103,069 | 1,386,916 |
| TOTAL | 1,283,847 | 0 | 0 | 823,437 | 2,107,284 |

| PROVINCIAL PARLIAMENT (PP) | | | | | |
|----------------------------|----------|----------|----------|------------------|------------------|
| OBJECTIVE | EAST SB | MIDLND | NORTH CR | SOUTH RG | TOTAL |
| Major Works | 0 | 0 | 0 | 4,010,286 | 4,010,286 |
| M/A Capital | 0 | 0 | 0 | 0 | 0 |
| Hirings | 0 | 0 | 0 | 0 | 0 |
| M/A Current | 0 | 0 | 0 | 277,538 | 277,538 |
| TOTAL | 0 | 0 | 0 | 4,287,824 | 4,287,824 |

| PREMIER (PR) | | | | | |
|--------------|----------|----------|----------------|------------|----------------|
| OBJECTIVE | EAST SB | MIDLND | NORTH CR | SOUTH RG | TOTAL |
| Major Works | 0 | 0 | 342,891 | 0 | 342,891 |
| M/A Capital | 0 | 0 | 0 | 0 | 0 |
| Hirings | 0 | 0 | 0 | 0 | 0 |
| M/A Current | 0 | 0 | 67,759 | 356 | 68,115 |
| TOTAL | 0 | 0 | 410,650 | 356 | 411,006 |

| TRANSPORT (R.T.I. AND ROADS) (RD) | | | | | |
|------------------------------------|------------------|----------------|----------------|------------------|------------------|
| OBJECTIVE | EAST SB | MIDLND | NORTH CR | SOUTH RG | TOTAL |
| Major Works | 1,686,420 | 90,843 | 0 | 11,180 | 1,788,443 |
| M/A Capital | 0 | 242,318 | 177,479 | 373,436 | 793,233 |
| Hirings | 292,975 | 660 | 6,496 | 0 | 300,131 |
| M/A Current | 2,455,315 | 593,617 | 399,353 | 1,783,892 | 5,232,176 |
| TOTAL | 4,434,709 | 927,438 | 583,328 | 2,168,508 | 8,113,984 |

| TRADITIONAL AND LOCAL GOVERNMENT AFFAIRS (TL) | | | | | |
|---|----------------|---------------|------------------|------------------|------------------|
| OBJECTIVE | EAST SB | MIDLNDS | NORTH CR | SOUTH RG | TOTAL |
| Major Works | 0 | 0 | 1,476,660 | 0 | 1,476,660 |
| M/A Capital | 0 | 1,123 | 365 | 0 | 1,488 |
| Hirings | 104,957 | 0 | 0 | 3,285,968 | 3,390,926 |
| M/A Curent | 661,904 | 27,147 | 103,801 | 13,059 | 805,911 |
| TOTAL | 766,861 | 28,270 | 1,580,825 | 3,299,027 | 5,674,984 |

| WELFARE (WE) | | | | | |
|--------------|------------------|------------------|------------------|------------------|-------------------|
| OBJECTIVE | EAST SB | MIDLNDS | NORTH CR | SOUTH RG | TOTAL |
| Major Works | 58,487 | 834,194 | 3,339,094 | 7,118,613 | 11,350,389 |
| M/A Capital | 981,012 | 1,088,959 | 1,748,848 | 97,225 | 3,916,045 |
| Hirings | 2,621,370 | 391,584 | 144,104 | 860,538 | 4,017,596 |
| M/A Current | 2,073,842 | 815,911 | 2,000,899 | 460,481 | 5,351,133 |
| TOTAL | 5,734,711 | 3,130,648 | 7,232,946 | 8,536,857 | 24,635,162 |

| WORKS (WK) | | | | | |
|------------------------|-------------------|------------------|-------------------|------------------|-------------------|
| OBJECTIVE | EAST SB | MIDLNDS | NORTH CR | SOUTH RG | TOTAL |
| Major Works | 141,935 | 1,195,784 | 4,087,999 | 0 | 5,425,718 |
| M/A Capital | 452,657 | 951,951 | 3,569,481 | 1,178,087 | 6,152,176 |
| Hirings | 4,649,709 | 14,730 | 0 | 237,539 | 4,901,977 |
| M/A Current | 4,038,081 | 621,550 | 16,938,833 | 3,024,567 | 24,623,030 |
| Security Services | 2,477,287 | 11,652 | 3,355,490 | 653,840 | 6,498,269 |
| Municipal Services | 1,162,658 | 548,451 | 10,632,429 | 646,246 | 12,989,784 |
| Prestige Furniture | 0 | 0 | 0 | 0 | 0 |
| Cleaning Services | 757,741 | 34,220 | 7,231,451 | 626,022 | 8,649,434 |
| Mech Plant & Equipment | 70,135 | 582,099 | 3,732 | 6,835 | 662,801 |
| Rep to Furni & Equip | 159,750 | 66,706 | 0 | 5,318 | 231,774 |
| TOTAL | 13,909,952 | 4,027,141 | 45,819,414 | 6,378,454 | 70,134,961 |

Part 3

REPORT OF THE AUDIT COMMITTEE ON THE DEPARTMENT OF WORKS

We are pleased to present our report for the financial year ended 31 March 2004.

Audit Committee Members and Attendance:

The audit committee consists of the members listed hereunder and met 4 times as per its approved terms of reference.

| Name of Member attended | Number of Meetings |
|--------------------------------|---------------------------|
| JTM Edwards | 4 |
| B Campbell | 4 |
| BS Khuzwayo | 4 |
| R Morar | 4 |
| DSD Shabalala | 3 |
| RW Green-Thompson | 1 |
| RK Sizani | 1 |

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38 (1)(a) of the Public Finance Management Act 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

Our review revealed that the department has implemented sound systems of internal control for major areas of its operations. Fundamental weaknesses in such systems of internal control that were identified by Internal Audit have been raised with the Department of Works.

The Committee has only reviewed the design of the systems of internal control as implemented by management. The effective operation of such systems will be the focus of the Committee in the 2004/2005 financial period.

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

The Committee cannot at this stage comment on the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review.

Evaluation of Financial Statements

The Audit Committee has

- Reviewed the audited annual financial statements to be included in the annual report;
- Taken into consideration the Auditor-General's management letter and management's responses thereto;
- Reviewed changes in accounting policies and practices;
- Reviewed significant adjustments resulting from the audit.

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

**MR R MORAR
CHAIRMAN OF THE AUDIT COMMITTEE**

Date: 10 August 2004



Part 4

REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 14 - DEPARTMENT OF WORKS FOR THE YEAR ENDED 31 MARCH 2004

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 48 to 79, for the year ended 31 March 2004, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

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

An audit includes:

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

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

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

3. QUALIFICATION

3.1 Debtors – amounts owing by other provincial departments

Discrepancies were noted with twelve interdepartmental unconfirmed balances reflected as owing in the annual financial statements of the Department of Works, totaling R110 405 000, whilst the annual financial statements of other departments, reflect a total amount of R12 668 000 due to the Department of Works at 31 March 2004. The existence and recoverability of these debtors' balances could therefore not be confirmed.

Furthermore, the amounts as disclosed by the Department excluded, *inter alia*, conversion and adjustment journals relating to 2003/2004 which were not processed.

3.2 Irregular expenditure – lease of building

In May 2003, a decision was taken by the M.E.C for Works to relocate the Head Office of the Department from Ulundi to Durban. The Head of the Department entered into an agreement to lease a building in Mayville, Durban, which was signed on 17 October 2003.

The Department was thus committed to a lease for 9 years and 11 months, which did not comply with the budgetary framework according to the Medium Term Expenditure Framework. Furthermore, no Central Procurement Committee approval was provided on request and such action is considered to be non-compliance with section 38(2) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA).

The Department had at the date of this report not taken up occupation of the building, despite paying rent and “operating expenditure” of R3 265 951 and R974 709 respectively, in advance for a year covering the period 9 January 2004 to 8 January 2005. A 5 percent discount was also shown on the invoice attached to the advance payment. Neither the payment in advance nor the discount given was in terms of the lease agreement. The payment was approved by the Head of Department on 10 March 2004, despite the General Manager of Strategic and Property Management raising pertinent concerns on 9 March 2004.

In the circumstances alluded to above, the payment in advance, totalling R4 240 660, is deemed to be irregular and it is not properly disclosed in the annual financial statements.

It was reported that four out of the six floors of the building were still being occupied by other tenants and a formal agreement to facilitate the recovery of such rental could not be submitted to this Office

The Works Portfolio Committee resolved on 18 June 2004 that a full internal departmental enquiry into the issue of the lease of the building in Mayville be conducted by the Member of Executive Committee and the Treasury's Department of Internal Audit, and a report must be submitted to the Public Works Portfolio Committee by no later than 18 August 2004.

The accounting officer was suspended on full pay on 26 July 2004 and an acting accounting officer was appointed on a month to month basis from that date.

3.3 Conversion account

The Department converted from the Financial Management System to the Basic Accounting System at 1 October 2003. A closing trial balance on the Financial Management System at 30 September 2003 that agreed to an opening trial balance on the Basic Accounting System at 1 October 2003 could not be provided on request.

It was reported that further accounting transactions took place on the Financial Management System after the Basic Accounting System had been introduced on 1 October 2003. When the financial statements were compiled, a suspense account called a "Conversion Account" was opened to cater for the Financial Management System transactions into which all Financial Management System accounts were transferred. Workings prepared by the Department in respect of the conversion from the Financial Management System R6 855 000 included in "Other Debtors" in the annual financial statements, which had not been reconciled to the Basic Accounting System and consequently could not be audited.

4. QUALIFIED AUDIT OPINION

In my opinion, except for the effect on the financial statements of the matters referred to in paragraph 3, the financial statements fairly present, in all material respects, the financial position of the Department of Works at 31 March 2004 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice.

5. **EMPHASIS OF MATTER**

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

5.1 **Non-compliance: asset register**

The Department did not maintain a fixed asset register as required in terms of section 38(1)(d) of the PFMA. The alternate schedule that was provided to assist with physical verification of fixed assets did not suffice, as it lacked vital information such as cost of the asset, purchase date, date of disposal and physical condition of the asset.

No annual asset counts were performed at Head Office or the regional offices.

Resolution 80/2003 of the Provincial Public Accounts Committee, dated 20 November 2003, required the Department to fully update their asset registers by the end of the 2003/2004 financial year, however this was not complied with.

5.2 **Fruitless and wasteful expenditure**

- **Penalty interest**

Payments were effected late for electricity services covering the period April to December 2003 at Mayville, Mpumalanga, Umlazi and Amawele, resulting in penalty interest of R18 143,52 being incurred, which is regarded as fruitless and wasteful expenditure.

- **Cellular phone expenses not recovered**

The Department paid the cellular phone account of the erstwhile Member of the Executive Council for Works for the period after he had left, being, May to October 2003 in the amount of R4 103,94.

- **Irregular leave**

The Head of the Department announced that the Department will be closed during the period 29 December 2003 to 02 January 2004 all the staff that had already submitted leave received a reversal of the 4 days leave. In other words no leave was deducted from each member for this period. This is in contravention with Chapter 1, part f (b) of the Public Service Regulations 2001, which states that the Head of Department shall record leave taken by an employee accurately and in full.

This has resulted in an approximate cost to the Department of R3 184 307.

5.3 Limitation of scope

- **Staff debtors**

Documentation to support staff debtors totalling R1 195 000 was not produced for audit. As a consequence thereof the validity of these debtors could not be tested.

- **Material losses recovered**

Material losses recovered amounting to R343 000 could not be verified, as a complete list of losses was not produced.

- **Interest received**

Interest received of R550 000 could not be verified as supporting documentation was not produced.

- **Authorised losses**

A list of authorised losses for the year was not produced, consequently the amount of R82 000 as disclosed in the financial statements could not be verified.

- **Completeness of revenue**

The completeness of revenue in the Department could not be verified as a result of the reasons listed below:

- A request for a schedule detailing the different sources of income on a month-to-month basis could not be provided for audit inspection at the regional offices.
- It was noted by way of discussion that there was no management information in place to assist regional offices in planning, budgeting, monitoring and controlling of revenue.
- A list of all properties controlled by the Department could not be submitted for audit inspection.
- A list of agents collecting revenue on behalf of the Ulundi Regional Office could not be provided for audit inspection.

- **Vouchers not presented**

During the audit of expenditure 34 vouchers totalling R618 001,49 were requested but not submitted for audit purposes.

5.4 Recoverability of payments – overpayments to ex-employees

A significant portion of the overpayments to ex-employees, amounting to R48 963,37 as reflected in the Salary Reversal account, was made up of amounts more than two years old. The recoverability of these amounts was remote, but the amounts had not been written off.

5.5 Interdepartmental payables

Other departments, as noted below, reflect the Department of Works as a receivable in their 2003/2004 annual financial statements, however, the Department of Works reflects a nil balance as owing to these departments.

| | |
|---------------------------|--------------------|
| | R |
| Provincial Departments: | |
| - Office of the Premier | 28 000 |
| - Department of Transport | 3 125 000 |
| National Department: | |
| - Department of Justice | <u>743 000</u> |
| | <u>R 3 896 000</u> |

5.6 WEAKNESSES IN INTERNAL CONTROL

5.6.1 Overpayment to supplier

Subsequent to year end a payment voucher supported by an invoice totalling R2 776,66 for a travel agent was noted. The payment for this invoice was, however, captured as R1 042 004,00 on the BAS 'disbursements per payee' report, with the date of the transaction being 29 April 2004. This resulted in a material overpayment to the supplier of R1 039 227,34. It was therefore apparent that management controls over payments to suppliers were insufficient/susceptible to being overridden. Documentation was provided which indicates that the overpayment was subsequently off-set against later invoices.

5.6.2 Presentation and disclosure – bank balance

The bank balance per the bank reconciliation at 31 March 2004 did not agree to the trial balance and annual financial statements (AFS) at that date as reflected below.

| | |
|---------------------------------|-----------------------|
| | R |
| Balance per trial balance & AFS | 100 534 552,90 |
| Balance per bank reconciliation | <u>100 469 652,98</u> |
| Difference | <u>R 64 899,92</u> |

The annual financial statements may be misstated, as this difference was not reconciled.

5.6.3 Internal checking and control

In terms of section 38(a)(l) of the PFMA, it is the Accounting Officer's responsibility to ensure that the Department has and maintains effective, efficient and transparent systems of financial and risk management and internal control.

Various comments covering income, expenditure, assets and liabilities expressed in the management letters indicated that a sound internal control environment and a systematic approach in processing relevant information were lacking. These are essential to ensure accuracy and completeness in accounting for all the Department's expenditure, income, assets and liabilities.

5.6.4 High vacancy rate

The Department had a high vacancy rate (approximately 23% of total positions in the Department were vacant) which affected service delivery and resulted in under utilisation of the budget. Vacant positions, especially in the finance division, should be filled or the establishment figures should be revisited with the view to a reduction.

5.6.5 Emergency tender procedures

- Requests by user departments, listed below, for emergency work initiated by the Department could not be provided for audit inspection, thereby casting some doubt on the reason for using emergency procedures as normal tender procedures could have been adopted. The user departments included:
 - The Department of Education & Culture for the services of installation of boreholes, repair of storm-damaged toilets, supply & fitting of shelter for walkways, upgrading of schools and construction of toilets.
 - The Department of Health for the services of upgrading wards and refurbishing an Intensive Care Unit.
 - The Department of Works for the service of maintenance of air conditioning.
- Normal tender procedures for upgrading two blocks to secure care facility were changed to emergency tender procedures. This tender initially amounted to R3 526 000 and was thereafter changed to an emergency tender to the value of R4 454 000, yet there was no reason for it to be regarded as an emergency tender.
- The construction of three development centres for the Department of Agriculture was treated as emergency services per the client department request and the Department of Works was queried by this Office as to the validity thereof, as these projects may have been subject to normal tender procedures. The following reasons, which are considered to be inadequate, were provided by the Department of Works for assessing the reasonability thereof:

- No rollover of unspent funds could be guaranteed.
- The client department viewed the matter as urgent in order to fulfil its mandate to develop the youth in the province in agricultural affairs.

5.6.6 Advertising of tenders

Copies of advertisements for the tenders listed below could not be provided. The Provincial Tender Board user manual KST37 states that tenders should be advertised in the prescribed media.

- Durban King George V Hospital
Tender number 2185W (re-route of electrical and steam service phase A – including new standby).
- Ullovu South Primary School (bulk earthworks, roads and drainage).

5.6.7 Procedures for quarterly reporting

This Office could not be provided with a copy of the procedures developed by the Accounting Officer for the quarterly reporting to the Executive Authority, which are used to facilitate effective performance monitoring, evaluation and corrective action in terms of Treasury Regulation 5.3.1.

5.6.8 No signed performance contracts

It was noted that no performance contracts were in place and signed by the Accounting Officer, Chief Financial Officer and senior managers, in terms of paragraph 12 of the Performance Management and Development System, effective from 1 April 2002. Therefore officials may be unaware of their designated responsibilities, which could create difficulty in evaluating their performance.

5.6.9 No signed delegations of authority

The delegations of authority from the Accounting Officer to senior officials including the Chief Financial Officer were in draft form and had not been signed by the Accounting Officer as required in terms of section 44(2) of the PFMA.

5.6.10 Misconduct and disciplinary issues

Reports provided for the year summarising formal disciplinary cases against officials indicated that some of these cases were long outstanding and dated as far back as 1999. Furthermore, various consultants had been employed to investigate some cases and many of these matters still needed to be finalised. Details of suspension with or without salary were also lacking. Treasury

Regulation 4.1.2 stipulates that for all cases of misconduct the Accounting Officer must ensure that such an investigation is instituted within 30 days from the date of discovery of the alleged financial misconduct.

5.6.11 Long suspension of official

An official was suspended with pay on 5 April 2000 as a result of charges of alleged misconduct arising from contractual irregularities, mismanagement and tender irregularities brought against him. Although the official pleaded guilty to all charges on 26 October 2000, no disciplinary action was taken against him. The official was still on suspension with pay from 5 April 2000 to 21 July 2004 and a total salary of R401 401,64 was paid.

5.6.12 Internal audit review function

Section 38 (1)(a)(ii) of the PFMA stipulates, *inter alia*, that the Accounting Officer must ensure that the Department maintains a system of internal audit operating in compliance with treasury regulations and instructions as prescribed in sections 76 and 77.

- (a) The Department is currently making use of the internal audit unit of Treasury as its internal appraisal function. Sections 3.2.11 and 3.2.12 of the Treasury Regulations prescribe the mandate of internal audit.

The following internal audit reports were issued by the Treasury's internal audit unit and forwarded to this Office:

- Forensic Investigation on Procurement: Ulundi Regional Office: Report Number FR14/2003. – Issued September 2003, reissued 14 May 2004. No management comments to date.
- Audit on Municipal Payments and Human Resources Terminations at Ulundi Region and Human Resources Appointments at Durban Regional Office: Report Number 88/2002. – Issued 17 June 2003. No management comments to date.
- Audit on Year Tenders: Durban Regional Office: Report Number 50/2002. – Issued 3 February 2003. No management comments to date.

The following two draft reports were issued after the financial year-end and this Office obtained copies:

- Audit on Real Estates: Department of Works: Report Number 105/2003. – Issued 20 May 2004. No management comments to date.
- Audit on Fleet Management: Head Office and Regions: Report Number 72/2003. – Issued 25 May 2004. No management comments to date.

From the above it was noted that focus was placed on specific and special investigations. From the five reports issued it was also noted that none of the recommendations made had been implemented, as all of these issues were

still outstanding and no evidence of management acknowledgement of these reports or implementation of the recommendations could be obtained.

The departmental and internal audit follow-up on these reports was clearly not effective, as all of the above-mentioned reports were still not attended to by management, thus placing the Department at further risk.

5.6.13 Matters outstanding from prior year's audit

Aspects reported on in my report for the year 2002/2003 under paragraphs 4.1.1, 4.1.2, 4.2.1.1, 4.2.1.4, 4.2.2.1, 4.2.2.2, 4.2.2.3 have to date not been satisfactorily replied to and/or resolved.

The fruitless and wasteful expenditure of R716 000 carried forward from prior years had not been authorised at 31 March 2004.

6. Irregular expenditure relating to the 2004/05 financial year

On 8th April 2004 the Department entered into agreements to purchase two properties located at Ramsgate and Shelly Beach on the South Coast for R5,55 million and R5 million, respectively. The Department of Education and Culture initially negotiated the purchase apparently without informing the Department of Works. The transactions apparently had to be urgently signed by the Accounting Officer of Works. The Department of Education and Culture undertook to obtain the Central Procurement Committee *ex post facto* approval.

The Accounting Officer of Works did not obtain approval from the Central Procurement Committee **prior** to negotiating and the signing of the purchase agreements. On 5th May 2004 the Department of Works applied to Procurement Administration seeking approval, as the Department of Education and Culture had not obtained the approval from the Central Procurement Committee. Approval sought, included *inter alia*:

- Condonation of the action taken by the Department of Education and Culture in initially negotiating the purchase of the two properties contrary to normal tender procedure.
- Condonation of the Department of Work's role in the waiving of the normal procurement procedure in negotiating and concluding the purchase of the two properties.
- Ex post fact approval for the purchase of the two properties at a total cost of R10,55 million.

The Procurement Administration in their response, dated 11 June 2004, to the department's Chief Financial Officer, stated, *inter alia*, that the Central Procurement Committee did not approve their submission, and noted with

concern that the acquisition of these properties were undertaken in an improper manner.

It is understood that the properties are in the process of being transferred, and the total amount of R10.55 million together with related legal and transfer costs may be regarded as irregular, when paid in the year now current.

7. APPRECIATION

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

B.R. WHEELER
for **AUDITOR – GENERAL**

DURBAN
30 JULY 2004

Part 5

**PROVINCE OF KWAZULU-NATAL
DEPARTMENT OF WORKS**

VOTE 14

**Annual Financial Statements
for the year ended 31 March 2004**

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**MANAGEMENT REPORT
for the year ended 31 MARCH 2004**

Report by the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa

1. General review of the state of financial affairs

In terms of the country's Constitution and the Public Service Act, the Department of Works is the statutory body responsible for providing office accommodation to other Provincial Departments to enable them to meet their service delivery requirements.

The Department is committed to ensuring effective and efficient administration and in light of this commitment, adheres to the principles of sound corporate governance and has a policy of zero tolerance to fraud and corruption.

With the Department's *Vision* to remain market leaders in the provision of public property and facilities, it is committed to use its expertise to obtain infrastructure of the highest quality according to clients needs and to promote the use of SMME's in demonstrating its commitment to playing a significant role in the economic development of our country.

The major challenge facing the Department is to increase the standard of service delivery to client departments, and to ensure that it expands its current client base. Moreover, the Department is embarking on a process of uplifting SMME's and historically disadvantaged individuals through projects such as *Asisebenze*, *Vukuzithathe* and the implementation of affirmative procurement procedures. One of the main focus areas for the Department will be to effectively implement the Expanded Public Works Programme through the *Asisebenze* and *Vukuzithathe* projects. The Expanded Public Works Programme is primarily intended to address the plight of poverty and unemployment by facilitating micro business opportunities associated with the community assets created. These projects are mainly the construction of access roads, market stalls, sports facilities, community halls and many others.

Although the Department made significant progress in the past year, there is a need to recognize that, while the workload increased, the Department continued to carry this increased workload without additional employees. The challenge facing the Department now is that the increased workload, without a commensurate increase in the number of professional and technical human resources, may make it difficult for the Department to provide the required level of service. The Department must try to achieve an optimum staff complement, both at Head Office as well as in the regions,

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**MANAGEMENT REPORT
for the year ended 31 MARCH 2004**

and effectively introduce a culture of performance and pride in the organization, consistent with the principles of *Batho Pele*.

The Department of Works recently undertook a study with a view to better understand how its client departments perceived it. This was done through the administration of a questionnaire, and the results clearly indicate specific areas that require improvement.

Another challenge facing the Department is that associated with the HIV/AIDS epidemic. The problem does not only relate to awareness campaigns, but the stage has been reached where the HIV/AIDS epidemic is beginning to have an effect on the functioning of the Department. Strategies must be developed that will address this problem and enable the Department to continue to deliver services within this environment.

A focus area of the Department of Works is that of ensuring the optimal utilisation of the province's fixed property. The challenge for the Department of Works is to establish a fully functional fixed property asset management system which would include a fixed property asset register. This project is well advanced and it is anticipated that the task of populating the Asset Register will commence in this financial year.

Once again the department completed the financial year in a healthy financial position, with an underspend of approximately R29 million.

The department is in the process of relocating its Head Office from Ulundi and Pietermaritzburg to Durban. It was anticipated that this relocation would have taken place in the 2003/04 financial year. As such a significant amount of the relocation costs had been budgeted for in the 2003/04 financial year. However the anticipated relocation was not undertaken which has contributed significantly to this underspend.

Additional to the saving experienced regarding the delays in the relocation, the department has experienced savings arising from vacant posts.

Achievements and initiatives

The Department of Works provided buildings, maintenance and other related services to our client departments to a value in excess of R700 million for the financial year ending 31 March 2004.

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**MANAGEMENT REPORT
for the year ended 31 MARCH 2004**

To provide more detail in this regard certain of the Departments major clients are discussed in detail below.

Department of Education and Culture

The total expenditure for works related projects amounts to approximately R400 million in the 2003 / 2004 financial year.

During the course of the financial year 563 new classrooms and 1503 new toilets were completed. This represents an increase in the number of classrooms and toilets completed of 35.56% and 59.72% respectively, over the previous financial year.

A total rental of R4,6 million was paid for the hiring of accommodation on behalf of the Department of Education & Culture during the financial year.

Department of Health

A total of R168 million was spent on behalf of the Department of Health for the financial year 2003 / 2004.

The Clinic Upgrading and Building Programme (CUBP) and Clinic Maintenance Programme comprised 43 projects that included upgrading and building additions such as improved nurses accommodation, gate houses and mothers waiting lodges. The total expenditure on this programme amounted to R0,905 million.

96 M&A Capital projects totalling R19,8 million were continued or completed for the Department of Health in the 2003 / 2004 financial year whilst a further R39,7 million was expended on minor repairs, renovation and maintenance projects of a current nature.

R103,3 million was expended on major works of a capital nature of which the main projects are listed hereunder:

- Addington Hospital
- Bethesda Hospital
- Dundee Hospital

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**MANAGEMENT REPORT
for the year ended 31 MARCH 2004**

- Edendale Hospital
- Eshowe Hospital
- Ladysmith Hospital
- Port Shepstone Hospital

The Hospital Revitalisation Programmes have been approved and are being funded from a conditional grant. The programme comprises:

- The estimated R350 million redevelopment of the King George V Hospital is well advanced and will result in extensive renovation and upgrading of this hospital.
- The INK1 and INK2 projects estimated at R490 million comprise two new hospitals that will serve the Inanda, Ntusuma and KwaMashu (INK) area of the eThekweni District. These projects are currently in the planning stage and steps are underway to purchase the land in order to commence with the project in the 2004 / 2005 financial year.
- The redevelopment of the Ngwelezane and lower Umfolozi War Memorial Hospitals in Empangeni envisages the redevelopment of the two hospitals as one amalgamated regional hospital in the north-east of KwaZulu-Natal. This project is in the planning phase and the estimated cost of the project is R316 million

A total rental of R4,5 million was paid for the hiring of accommodation on behalf of the Department of Health.

Department of Social Welfare & Population Development

A total of R24,6 million was spent on behalf of the Department of Welfare for the financial year 2003/2004.

Further details regarding this expenditure is provided as follows:-

- R 11,3 million was utilized for major infrastructure development;
- R 3,9 million was used for smaller projects of a capital nature;
- Rental of office space to the value of R4 million was paid; and
- R5,3 million was spent on repairs, renovations and maintenance.

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**MANAGEMENT REPORT
for the year ended 31 MARCH 2004**

Some of the infrastructure development projects undertaken were the following:

Vulamehlo Welfare Office (Pietermaritzburg)

The contract amount is R 11 749 000. This project is for the new welfare office and housing. The contract period is 18 months. It is anticipated that the project will be completed earlier than expected and that the houses should be handed over at the end of October 2004 with the hand over of the offices following some time in November 2004.

Izingolweni Welfare Office and Staff Accommodation

The project has been completed and final delivery took place on 8 December 2003. The project cost amounted to R 11,5 million including consultants fees.

Mahlabathini Welfare Office

The project which comprised staff accommodation as well as a welfare office is complete and final delivery took place on 27 August 2003. The total cost of the project was R 10,8 million.

19 smaller capital works projects were undertaken at various institutions and included projects such as new offices in Inkandla, renovations to Madadeni Rehabilitation Centre, additions to Valley View Place of Safety and new offices in Ulundi.

A total rental of R4 017 million was paid on 15 premises hired on behalf of the Department of Welfare.

A total of 853 callouts were made to attend to minor repairs, renovation and maintenance projects at various centers.

Projects carried out on behalf of other client departments

In addition to the expenditure detailed above, the Department of Works has been involved in providing building, maintenance and related services on behalf of the other provincial departments as listed below:

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**MANAGEMENT REPORT
for the year ended 31 MARCH 2004**

| | | |
|---------------------------------------|---|-------------|
| - Agriculture & Environmental Affairs | - | R14 105 363 |
| - Economic Development & Tourism | - | R 2 404 838 |
| - Housing | - | R 2 107 284 |
| - Provincial Parliament | - | R 4 287 824 |
| - Traditional & Local Govt. Affairs | - | R 5 674 984 |
| - Transport | - | R 8 113 984 |
| - Royal Household | - | R 799 926 |

A further R70 million was expended on buildings, maintenance and related services for my own Department's buildings and shared buildings.

Total expenditure on all capital and current buildings and maintenance works for the past five years are shown in the table below. As mentioned in my opening paragraphs the increase in work, reflected in financial terms, can clearly be seen in the table below. Whilst a small percentage of this increase can be attributed to normal inflation, the major reason for the increase is attributed to the increase in the allocation of funds to maintain the Provinces existing buildings and for the construction of new buildings.

| Year | Expenditure |
|-------------|--------------|
| 1999 / 2000 | R187 million |
| 2000 / 2001 | R278 million |
| 2001 / 2002 | R385 million |
| 2002 / 2003 | R616 million |
| 2003 / 2004 | R701 million |

Hiring

One of the Department's main functions is the acquisition, letting and disposal of property. In this regard the table below reflects the annual expenditure for the financial year 2003 / 2004, per department, for the hire of accommodation:

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**MANAGEMENT REPORT
for the year ended 31 MARCH 2004**

| Department | Annual Expenditure |
|---|--------------------|
| Premier | Nil |
| Provincial Parliament | Nil |
| Agriculture & Environmental Affairs | R4,782 million |
| Economic Development & Tourism | Nil |
| Education & Culture | R4,666 million |
| Provincial Treasury | Nil |
| Health | R4,527 million |
| Housing | R0,720 million |
| Safety and Security | Nil |
| Royal Household | Nil |
| Traditional & Local Govt. Affairs | R3,391 million |
| Transport | R0,300 million |
| Social Welfare & Population Development | R4,018 million |
| Works | R4,902 million * |

* Includes shared accommodation

2. Services rendered by the department

The Department of Works is essentially a service department providing for the accommodation requirements of the KwaZulu-Natal Provincial Administration.

The functions of the department include the following:

- The provision and maintenance of structures and the associated infrastructure for official use through professional and technical construction and maintenance services.
- The provision and co-ordination of the National Public Works Programme in KwaZulu-Natal.
- The provision of administrative support services to the above.

The cost of services provided to client departments is recovered on a cost basis whilst the cost of providing the administrative, professional and technical support is borne by the Department of Works and therefore does not operate a tariff policy.

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**MANAGEMENT REPORT
for the year ended 31 MARCH 2004**

3. Capacity constraints

The department continues to operate under severe capacity constraints because of the shortage of professionals. This has a direct impact on service delivery of the department. There is a shortage of professional staff available to the public service. This can be attributed to the limited number of professionals in the market. The few that are available have been absorbed by the private sector, as this sector offers a higher salary than that offered by the public sector.

4. Corporate governance arrangements

Government has established various policies, acts, procedures and prescripts aimed at promoting good governance and enhancing service delivery. Compliance to all pieces of legislature remains a challenge to all government institutions.

The department has established a risk management committee, which comprises departmental senior management, as well as a component to look at compliance practices to all legislation and to investigate all unethical behaviors and or deviations. This component will also play a pivotal role in improving departmental systems and finalising disciplinary cases in time.

5. Discontinued activities / activities to be discontinued

There are no discontinued activities.

6. New / proposed activities

There are no new or proposed activities.

7. Progress with financial management improvement

During the current financial year the Department has changed its accounting system from FMS (Financial Management System) to BAS (Basic Accounting System). This change in accounting system is viewed as a positive step in improving the overall financial control and management of the Department.

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**MANAGEMENT REPORT
for the year ended 31 MARCH 2004**

The department has embarked on a process to establish and monitor the implementation of the Public Finance Management Act and the Provincial Practice Notes.

8. Other

I wish to extend my gratitude to all the staff that have contributed to a most successful financial year.

I wish to thank my outgoing Minister Mr. Mike Mabuyakhulu for the excellent work he has done for the Department. Furthermore I welcome my new Minister Mr. Blessed Gwala and wish him well in our Department.

‘IBINDA INKOSI AYIQEDWA’

APPROVAL

The annual financial statements set out on pages **48** to **79** have been approved by the Accounting Officer.

**MR EPM RADEBE
HEAD : WORKS
31 MAY 2004**

PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14
STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
for the year ended 31 MARCH 2004

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects, 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), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 7 of 2003.

1. Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. The reporting entity is in transition from reporting on a cash basis of accounting to reporting on an accrual basis of accounting. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

2. Revenue

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

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

3. Donor aid

Donor aid is recognised in the income statement in accordance with the cash basis of accounting.

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14
STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
for the year ended 31 MARCH 2004**

4. Current expenditure

Current expenditure is recognised in the income statement when the payment is made.

5. Unauthorised, irregular and fruitless and wasteful expenditure

Unauthorised expenditure means:

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

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party or funded from future voted funds.

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

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

Irregular expenditure is treated as expenditure in the income statement.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure must be recovered from a responsible official (a debtor account should be raised), or the vote if responsibility cannot be determined. It is treated as a current asset in the balance sheet until such expenditure is recovered from the responsible official or funded from future voted funds.

6. Debts written off

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of surplus funds available to the department. No provision is made for irrecoverable amounts.

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14
STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
for the year ended 31 MARCH 2004**

7. Capital expenditure

Expenditure for physical items on hand on 31 March 2004, to be consumed in the following financial year, is written off in full when they are paid and are accounted for as expenditure in the income statement.

8. Investments

Non-current investments are shown at cost and adjustments are made only where in the opinion of the accounting officer, the investment is impaired. Where an investment has been impaired, it is recognised as an expense in the period in which the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

9. Investments in controlled entities

Investments in controlled entities are those entities where the reporting entity has the ability to exercise any of the following powers to govern the financial and operating policies of the entity in order to obtain benefits from its activities:

- To appoint or remove all, or the majority of, the members of that entity's board of directors or equivalent governing body;
- To appoint or remove the entity's chief executive officer;
- To cast all, or the majority of, the votes at meetings of that board of directors or equivalent governing body; or
- To control all, or the majority of, the voting rights at a general meeting of that entity.

Investments in controlled entities are shown at cost.

10. Receivables

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the balance sheet arise from cash payments that are recoverable from another party.

Receivables for services delivered are not recognised in the balance sheet as a current asset or as income in the income statement, as the financial statements are prepared on a cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the financial statements.

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14
STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
for the year ended 31 MARCH 2004**

11. Payables

Payables are not normally recognised under the cash basis of accounting. However, payables included in the balance sheet arise from cash receipts that are due to the Provincial / National Revenue Fund or another party.

12. Provisions

A provision is a liability of uncertain timing or amount. Provisions are not normally recognised under the cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the financial statements.

13. Lease commitments

Lease commitments for the period remaining from the reporting date until the end of the lease contract are disclosed as part of the disclosure notes to the financial statements. These commitments are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on the cash basis of accounting.

14. Accruals

This amount represents goods / services that have been delivered, but no invoice has been received from the supplier at the reporting date, **OR** an invoice has been received but remains unpaid at the reporting date. These amounts are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on a cash basis of accounting, but are however disclosed as part of the disclosure notes.

15. Employee benefits

Short-term employee benefits

The cost of short-term employee benefits is expensed in the income statement in the reporting period when the payment is made. Short-term employee benefits, that give rise to a present legal or constructive obligation, are deferred until they can be reliably measured and then expensed. Details of these benefits and the potential liabilities are disclosed as a disclosure note to the financial statements and are not recognised in the income statement.

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14
STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
for the year ended 31 MARCH 2004**

Termination benefits

Termination benefits are recognised and expensed only when the payment is made.

Retirement benefits

The department provides retirement benefits for its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for retirement benefits in the 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.

Medical benefits

The department provides medical benefits for all its employees through defined benefit plans. These benefits are funded by employer and / or employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for medical benefits in the financial statements of the department.

Post retirement medical benefits for retired members are expensed when the payment is made to the fund.

16. Capitalisation reserve

The capitalisation reserve represents an amount equal to the value of the investments and / or loans capitalised for the first time in the previous financial year. On disposal, repayment or recovery, such amounts are transferable to the Revenue Fund.

17. Recoverable revenue

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

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14
STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
for the year ended 31 MARCH 2004**

18. Comparative figures

Where necessary, comparative figures have been restated to conform to the changes in the presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the department may reasonably have available for reporting.

PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14
APPROPRIATION STATEMENT
for the year ended 31 MARCH 2004

| | Programme | | | | | | 2002/03 | |
|--|------------------------------|----------------|--------------------------|--------------------------|-------------------------------------|--|--------------------------|--------------------------|
| | 2003/04 | | | | | | Revised Allocation R'000 | Actual Expenditure R'000 |
| | Adjusted Appropriation R'000 | Virement R'000 | Revised Allocation R'000 | Actual Expenditure R'000 | Savings / Underspend (Excess) R'000 | Expenditure as % of revised allocation | | |
| 1. Administration | 105,818 | - | 105,818 | 94,599 | 11,219 | 89 | 80,745 | 79,367 |
| Current | 95,794 | - | 95,794 | 92,123 | 3,672 | 96 | 74,948 | 75,653 |
| Capital | 10,024 | - | 10,024 | 2,476 | 7,547 | 25 | 5,797 | 3,714 |
| 2. Real Estates | 6,518 | 3,343 | 9,861 | 8,455 | 1,406 | 86 | 3,612 | 3,074 |
| Current | 5,415 | 3,343 | 8,758 | 8,408 | 350 | 96 | 3,539 | 2,993 |
| Capital | 1,103 | - | 1,103 | 47 | 1,056 | 4 | 73 | 81 |
| 3. Provision of Buildings, structures & equipment | 268,930 | -3,343 | 265,587 | 248,863 | 16,724 | 94 | 230,554 | 226,237 |
| Current | 239,026 | -6,943 | 232,083 | 226,413 | 5,670 | 97 | 211,041 | 209,959 |
| Capital | 29,904 | 3,600 | 33,504 | 22,450 | 11,054 | 67 | 19,513 | 16,278 |
| 4. Special Functions | - | - | - | 82 | -82 | - | - | 486 |
| Current | - | - | - | 82 | - | - | - | 486 |
| Capital | - | - | - | - | - | - | - | - |
| Total | 381,266 | - | 381,266 | 351,999 | 29,267 | 92 | 314,911 | 309,164 |
| Reconciliation with Income Statement | | | | | | | | |
| Less: Investments acquired and capitalised during the current financial year – expensed for appropriation purposes | | | | | | | | |
| Add: Local and foreign aid assistance (incl. RDP funds) | | | | | | | | |
| Add: Other receipts | | | | | | | | |
| Less: Unauthorised, Fruitless and wasteful expenditure | | | | | | | | |
| Actual amounts per Income Statement | | | 381,266 | 351,999 | | | 314,911 | 309,164 |

PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS

VOTE 14

**APPROPRIATION STATEMENT
for the year ended 31 MARCH 2004**

| Economic classification | 2003/04 | | | | | | 2002/03 | |
|-------------------------------|------------------------------|----------------|--------------------------|--------------------------|------------------------|--|--------------------------|--------------------------|
| | Adjusted Appropriation R'000 | Virement R'000 | Revised Allocation R'000 | Actual Expenditure R'000 | Savings (Excess) R'000 | Expenditure as % of revised allocation | Revised Allocation R'000 | Actual Expenditure R'000 |
| Current | 340,235 | -3,600 | 336,635 | 327,025 | 9,610 | 97 | 289,528 | 289,091 |
| Personnel | 215,964 | -6,943 | 209,021 | 206,980 | 2,041 | 99 | 195,483 | 190,609 |
| Transfer payments | - | - | - | - | - | - | - | - |
| Other | 124,271 | 3,343 | 127,614 | 120,045 | 7,569 | 94 | 94,045 | 98,482 |
| Capital | 41,031 | 3,600 | 44,631 | 24,973 | 19,657 | 56 | 25,383 | 20,073 |
| Transfer payments | - | - | - | - | - | - | - | - |
| Acquisition of capital assets | 41,031 | 3,600 | 44,631 | 24,973 | 19,657 | 56 | 25,383 | 20,073 |
| Total | 381,266 | - | 381,266 | 351,999 | 29,267 | 92 | 314,911 | 309,164 |

| Standard item classification | 2003/04 | | | | | | 2002/03 | |
|-----------------------------------|------------------------------|----------------|--------------------------|--------------------------|------------------------|--|--------------------------|--------------------------|
| | Adjusted Appropriation R'000 | Virement R'000 | Revised Allocation R'000 | Actual Expenditure R'000 | Savings (Excess) R'000 | Expenditure as % of revised allocation | Revised Allocation R'000 | Actual Expenditure R'000 |
| Personnel | 215,964 | -6,943 | 209,021 | 206,980 | 2,041 | 99 | 195,483 | 190,609 |
| Administrative | 40,706 | -494 | 40,212 | 35,574 | 4,638 | 88 | 26,969 | 25,235 |
| Inventories | 3,681 | 222 | 3,903 | 3,396 | 507 | 82 | 2,808 | 2,669 |
| Equipment | 13,647 | 272 | 13,919 | 5,614 | 8,305 | 40 | 9,117 | 6,295 |
| Land and buildings | 62,992 | 6,943 | 69,935 | 55,898 | 14,037 | 80 | 281 | 231 |
| Professional and special services | 44,269 | - | 44,269 | 44,449 | -180 | 100 | 80,252 | 83,639 |
| Transfer payments | - | - | - | - | - | - | - | - |
| Miscellaneous | 7 | - | 7 | 6 | 1 | 86 | 1 | - |
| Special functions | - | - | - | 82 | -82 | - | - | 486 |
| Total | 381,266 | - | 381,266 | 351,999 | 29,267 | 92 | 314,911 | 309,164 |

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**DETAIL PER PROGRAMME 1
for the year ended 31 MARCH 2004**

| Administration Programme per subprogramme | 2003/04 | | | | | | 2002/03 | |
|--|------------------------------|----------------|--------------------------|--------------------------|------------------------|--|--------------------------|--------------------------|
| | Adjusted Appropriation R'000 | Virement R'000 | Revised Allocation R'000 | Actual Expenditure R'000 | Savings (Excess) R'000 | Expenditure as % of revised allocation | Revised Allocation R'000 | Actual Expenditure R'000 |
| 1.1 Minister | 5,954 | - | 5,954 | 5,494 | 459 | 92 | 2,373 | 2,491 |
| Current | 5,909 | - | 5,909 | 5,355 | 554 | 91 | 2,373 | 2,491 |
| Capital | 45 | - | 45 | 139 | -95 | 311 | - | - |
| 1.2 Management | 99,864 | - | 99,864 | 89,105 | 10,760 | 89 | 78,372 | 76,876 |
| Current | 89,885 | - | 89,885 | 86,768 | 3,118 | 97 | 72,575 | 73,162 |
| Capital | 9,979 | - | 9,979 | 2,337 | 7,642 | 23 | 5,797 | 3,714 |
| Total | 105,818 | - | 105,818 | 94,599 | 11,219 | 89 | 80,745 | 79,367 |

| Economic classification | 2003/04 | | | | | | 2002/03 | |
|-------------------------------|------------------------------|----------------|--------------------------|--------------------------|------------------------|--|--------------------------|--------------------------|
| | Adjusted Appropriation R'000 | Virement R'000 | Revised Allocation R'000 | Actual Expenditure R'000 | Savings (Excess) R'000 | Expenditure as % of revised allocation | Revised Allocation R'000 | Actual Expenditure R'000 |
| Current | 95,794 | - | 95,794 | 92,123 | 3,672 | 96 | 74,948 | 75,653 |
| Personnel | 51,088 | - | 51,088 | 47,902 | 3,186 | 94 | 43,774 | 43,654 |
| Transfer payments | - | - | - | - | - | - | 0 | 0 |
| Other | 44,706 | - | 44,706 | 44,221 | 486 | 99 | 31,174 | 31,999 |
| Capital | 10,024 | - | 10,024 | 2,476 | 7,547 | 25 | 5,797 | 3,714 |
| Transfer payments | - | - | - | - | - | - | - | - |
| Acquisition of capital assets | 10,024 | - | 10,024 | 2,476 | 7,547 | 25 | 5,797 | 3,714 |
| Total | 105,818 | - | 105,818 | 94,599 | 11,219 | 89 | 80,745 | 79,367 |

| Standard item classification | 2003/04 | | | | | | 2002/03 | |
|-----------------------------------|------------------------------|----------------|--------------------------|--------------------------|------------------------|--|--------------------------|--------------------------|
| | Adjusted Appropriation R'000 | Virement R'000 | Revised Allocation R'000 | Actual Expenditure R'000 | Savings (Excess) R'000 | Expenditure as % of revised allocation | Revised Allocation R'000 | Actual Expenditure R'000 |
| Personnel | 51,088 | - | 51,088 | 47,902 | 3,186 | 94 | 43,774 | 43,654 |
| Administrative | 29,360 | -494 | 28,866 | 26,932 | 1,934 | 93 | 17,460 | 17,146 |
| Inventories | 2,568 | 222 | 2,790 | 1,974 | 816 | 71 | 1,684 | 1,597 |
| Equipment | 11,999 | 272 | 12,271 | 4,672 | 7,599 | 38 | 7,509 | 5,565 |
| Land and buildings | - | - | - | - | - | - | - | - |
| Professional and special services | 10,802 | - | 10,802 | 13,119 | -2,317 | 121 | 10,317 | 11,405 |
| Transfer payments | - | - | - | - | - | - | - | - |
| Miscellaneous | 1 | - | 1 | - | 1 | - | 1 | - |
| Special functions | - | - | - | - | - | - | - | - |
| Total | 105,818 | - | 105,818 | 94,599 | 11,219 | 89 | 80,745 | 79,367 |

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**DETAIL PER PROGRAMME 2
for the year ended 31 MARCH 2004**

| Real Estate Programme per subprogramme | 2003/04 | | | | | | 2002/03 | |
|---|------------------------------|----------------|--------------------------|--------------------------|------------------------|--|--------------------------|--------------------------|
| | Adjusted Appropriation R'000 | Virement R'000 | Revised Allocation R'000 | Actual Expenditure R'000 | Savings (Excess) R'000 | Expenditure as % of revised allocation | Revised Allocation R'000 | Actual Expenditure R'000 |
| 2.1 Personnel & Administration | 3,905 | - | 3,905 | 3,480 | 425 | 89 | 3,305 | 2,793 |
| Current | 3,874 | - | 3,874 | 3,456 | 418 | 89 | 3,258 | 2,762 |
| Capital | 31 | - | 31 | 24 | 7 | 77 | 47 | 31 |
| 2.2 Acquisition of Land, Improvements & Rights | 1,072 | - | 1,072 | 23 | 1,049 | 2 | 26 | 50 |
| Current | - | - | - | - | - | - | - | - |
| Capital | 1,072 | - | 1,072 | 23 | 1,049 | 2 | 26 | 50 |
| 2.3 Hiring | 1,541 | 3,343 | 4,884 | 4,952 | -68 | 101 | 281 | 231 |
| Current | 1,541 | 3,343 | 4,884 | 4,952 | -68 | 101 | 281 | 231 |
| Capital | - | - | - | - | - | - | - | - |
| Total | 6,518 | 3,343 | 9,861 | 8,455 | 1,406 | 86 | 3,612 | 3,074 |

| Economic classification | 2003/04 | | | | | | 2002/03 | |
|-------------------------------|------------------------------|----------------|--------------------------|--------------------------|------------------------|--|--------------------------|--------------------------|
| | Adjusted Appropriation R'000 | Virement R'000 | Revised Allocation R'000 | Actual Expenditure R'000 | Savings (Excess) R'000 | Expenditure as % of revised allocation | Revised Allocation R'000 | Actual Expenditure R'000 |
| Current | 5,415 | 3,343 | 8,758 | 8,408 | 350 | 96 | 3,539 | 2,993 |
| Personnel | 3,585 | | 3,585 | 3,233 | 352 | 90 | 3,115 | 2,657 |
| Transfer payments | - | | - | - | - | - | - | - |
| Other | 1,830 | 3,343 | 5,173 | 5,175 | -2 | 100 | 424 | 336 |
| Capital | 1,103 | - | 1,103 | 47 | 1,056 | 4 | 73 | 81 |
| Transfer payments | - | | - | - | - | - | - | - |
| Acquisition of capital assets | 1,103 | | 1,103 | 47 | 1,056 | 4 | 73 | 81 |
| Total | 6,518 | 3,343 | 9,861 | 8,455 | 1,406 | 86 | 3,612 | 3,074 |

| Standard item classification | 2003/04 | | | | | | 2002/03 | |
|-----------------------------------|------------------------------|----------------|--------------------------|--------------------------|------------------------|--|--------------------------|--------------------------|
| | Adjusted Appropriation R'000 | Virement R'000 | Revised Allocation R'000 | Actual Expenditure R'000 | Savings (Excess) R'000 | Expenditure as % of revised allocation | Revised Allocation R'000 | Actual Expenditure R'000 |
| Personnel | 3,585 | | 3,585 | 3,233 | 352 | 90 | 3,115 | 2,657 |
| Administrative | 274 | | 274 | 209 | 65 | 76 | 143 | 105 |
| Inventories | 15 | | 15 | 7 | 8 | 47 | 0 | 0 |
| Equipment | 31 | | 31 | 5 | 26 | 16 | 47 | 31 |
| Land and buildings | 1,541 | 3,343 | 4,884 | 4,952 | -68 | 101 | 281 | 231 |
| Professional and special services | 1,072 | | 1,072 | 49 | 1,023 | 5 | 26 | 50 |
| Transfer payments | - | | - | - | - | - | - | - |
| Miscellaneous | - | | - | - | - | - | - | - |
| Special functions | - | | - | - | - | - | - | - |
| Total | 6,518 | 3,343 | 9,861 | 8,455 | 1,406 | 86 | 3,612 | 3,074 |

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**DETAIL PER PROGRAMME 3
for the year ended 31 MARCH 2004**

| Provision of Buildings, Structures & Equipment Programme per subprogramme | 2003/04 | | | | | | 2002/03 | |
|--|------------------------------|----------------|--------------------------|--------------------------|------------------------|--|--------------------------|--------------------------|
| | Adjusted Appropriation R'000 | Virement R'000 | Revised Allocation R'000 | Actual Expenditure R'000 | Savings (Excess) R'000 | Expenditure as % of revised allocation | Revised Allocation R'000 | Actual Expenditure R'000 |
| 3.1 Personnel & Administration | 182,735 | -6,943 | 175,792 | 174,790 | 1,002 | 99 | 165,971 | 160,175 |
| Current | 182,407 | -6,943 | 175,464 | 174,532 | 932 | 99 | 165,497 | 159,726 |
| Capital | 328 | - | 328 | 258 | 70 | 79 | 474 | 449 |
| 3.2 Buildings & Structures | 83,666 | 3,600 | 87,266 | 72,887 | 14,572 | 83 | 61,992 | 66,032 |
| Current | 54,619 | - | 54,619 | 50,695 | 4,117 | 92 | 45,024 | 50,233 |
| Capital | 29,047 | 3,600 | 32,647 | 22,192 | 10,455 | 68 | 16,968 | 15,799 |
| 3.3 Community Based Projects | 2,000 | - | 2,000 | 1,184 | 816 | 59 | 2,000 | - |
| Current | 2,000 | - | 2,000 | 1,184 | 816 | 59 | 520 | - |
| Capital | - | - | - | - | - | - | 1,480 | - |
| 3.4 Prestige furniture | 529 | - | 529 | 2 | 527 | - | 591 | 30 |
| Current | - | - | - | 2 | -2 | - | - | - |
| Capital | 529 | - | 529 | - | 529 | - | 591 | 30 |
| Total | 268,930 | -3,343 | 265,587 | 248,863 | 16,917 | 94 | 230,554 | 226,237 |

| Economic classification | 2003/04 | | | | | | 2002/03 | |
|-------------------------------|------------------------------|----------------|--------------------------|--------------------------|------------------------|--|--------------------------|--------------------------|
| | Adjusted Appropriation R'000 | Virement R'000 | Revised Allocation R'000 | Actual Expenditure R'000 | Savings (Excess) R'000 | Expenditure as % of revised allocation | Revised Allocation R'000 | Actual Expenditure R'000 |
| Current | 239,026 | -6,943 | 232,083 | 226,413 | 5,863 | 97 | 211,041 | 209,959 |
| Personnel | 161,291 | -6,943 | 154,348 | 155,845 | -1,497 | 101 | 148,594 | 144,298 |
| Transfer payments | - | - | - | - | - | - | - | - |
| Other | 77,735 | - | 77,735 | 70,568 | 7,360 | 91 | 62,447 | 65,661 |
| Capital | 29,904 | 3,600 | 33,504 | 22,450 | 11,054 | 67 | 19,513 | 16,278 |
| Transfer payments | - | - | - | - | - | - | - | - |
| Acquisition of capital assets | 29,904 | 3,600 | 33,504 | 22,450 | 11,054 | 67 | 19,513 | 16,278 |
| Total | 268,930 | -3,343 | 265,587 | 248,863 | 16,917 | 94 | 230,554 | 226,237 |

| Standard item classification | 2003/04 | | | | | | 2002/03 | |
|-----------------------------------|------------------------------|----------------|--------------------------|--------------------------|------------------------------------|--|--------------------------|--------------------------|
| | Adjusted Appropriation R'000 | Virement R'000 | Revised Allocation R'000 | Actual Expenditure R'000 | Savings/ Underspend (Excess) R'000 | Expenditure as % of revised allocation | Revised Allocation R'000 | Actual Expenditure R'000 |
| Personnel | 161,291 | -6,943 | 154,348 | 155,845 | -1,497 | 101 | 148,594 | 144,298 |
| Administrative | 11,072 | - | 11,072 | 8,433 | 2,639 | 76 | 9,366 | 7,984 |
| Inventories | 1,098 | - | 1,098 | 1,415 | -124 | 111 | 1,124 | 1,072 |
| Equipment | 1,617 | - | 1,617 | 937 | 680 | 58 | 1,561 | 699 |
| Land and buildings | 61,451 | 3,600 | 65,051 | 50,946 | 14,105 | 78 | - | - |
| Professional and special services | 32,395 | - | 32,395 | 31,281 | 1,114 | 97 | 69,909 | 72,184 |
| Transfer payments | - | - | - | - | - | - | - | - |
| Miscellaneous | 6 | - | 6 | 6 | - | 100 | - | - |
| Special functions | - | - | - | - | - | - | - | - |
| Total | 268,930 | -3,343 | 265,587 | 248,863 | 16,917 | 94 | 230,554 | 226,237 |

PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14
SPECIAL FUNCTIONS
for the year ended 31 MARCH 2004

| Programme per subprogramme | 2003/04 | | | | | | 2002/03 | |
|--------------------------------|------------------------------|----------------|--------------------------|--------------------------|------------------------------------|--|--------------------------|--------------------------|
| | Adjusted Appropriation R'000 | Virement R'000 | Revised Allocation R'000 | Actual Expenditure R'000 | Savings/ Underspend (Excess) R'000 | Expenditure as % of revised allocation | Revised Allocation R'000 | Actual Expenditure R'000 |
| 4.1 Thefts & Losses | - | - | - | 82 | - | - | - | 486 |
| Current | | | | 82 | -82 | - | - | 486 |
| Capital | | | | | | | - | - |
| Total | - | - | - | 82 | -82 | - | - | 486 |

| Economic classification | 2003/04 | | | | | | 2002/03 | |
|-------------------------------|------------------------------|----------------|--------------------------|--------------------------|------------------------------------|--|--------------------------|--------------------------|
| | Adjusted Appropriation R'000 | Virement R'000 | Revised Allocation R'000 | Actual Expenditure R'000 | Savings/ Underspend (Excess) R'000 | Expenditure as % of revised allocation | Revised Allocation R'000 | Actual Expenditure R'000 |
| Current | - | - | - | 82 | -82 | - | - | 486 |
| Personnel | | | | | | | | |
| Transfer payments | | | | | | | | |
| Other | | | | 82 | -82 | 0 | | 486 |
| Capital | - | - | - | - | - | - | - | - |
| Transfer payments | | | | | | | | |
| Acquisition of capital assets | | | | | | | | |
| Total | - | - | - | 82 | -82 | - | - | 486 |

| Standard item classification | 2003/04 | | | | | | 2002/03 | |
|-----------------------------------|------------------------------|----------------|--------------------------|--------------------------|------------------------------------|--|--------------------------|--------------------------|
| | Adjusted Appropriation R'000 | Virement R'000 | Revised Allocation R'000 | Actual Expenditure R'000 | Savings/ Underspend (Excess) R'000 | Expenditure as % of revised allocation | Revised Allocation R'000 | Actual Expenditure R'000 |
| Personnel | | | | | | | | |
| Administrative | | | | | | | | |
| Inventories | | | | | | | | |
| Equipment | | | | | | | | |
| Land and buildings | | | | | | | | |
| Professional and special services | | | | | | | | |
| Transfer payments | | | | | | | | |
| Miscellaneous | | | | 82 | -82 | - | | 486 |
| Special functions | | | | | | | | |
| Total | - | - | - | 82 | -82 | - | - | 486 |

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 MARCH 2004**

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

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

2. Detail of special functions (theft and losses):

Detail of these transactions per programme can be viewed in note 10 (Details of special functions) to the annual financial statements.

3. Explanations of material variances from Amount Voted (after Virement):

3.1 Per programme

Programme 1 : Administration

The underspend against this programme is mainly attributable to delays in ordering and delivery of office furniture and computer equipment. The Head Office move not taking place as originally anticipated which has also led to costs for re-location not being spent. Savings also due to the non-filling of key vacant posts.

Programme 2 : Real Estate

The savings against this programme is due to the fixed property asset register system not being developed as originally planned.

Programme 3 : Provision of Buildings, Structures & Equipment

The underspent against this programme is mainly attributable to delays being experienced with the major alterations to Highway House to accommodate the Head Office move, the Amawele Government Building Complex project and late start of two district offices and community centres.

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 MARCH 2004**

3.2 Per standard item:

Personnel

The saving against personnel expenditure is due to budgeted key vacant posts that were not filled and a higher than expected number of terminations due to nature attrition.

Administrative

Saving is mainly attributable to a reduction in repair costs of official vehicles as a result of improved fleet management and also due to the Head Office move not taking place during 2003/04 which has resulted in savings under re location costs. Application for roll over of R2 934 000,00 has been made to Treasury for this purpose.

Equipment

The underspend against this programme is mainly attributable to delays in ordering and delivery of office furniture for the Head Office move, computer equipment and purchase of official vehicles.

Application for rollover funds has been made to Treasury as follows:

| | |
|---------------------------|---------------------|
| | <i>R'000</i> |
| <i>Office furniture</i> | <i>2,927</i> |
| <i>Vehicles</i> | <i>3,436</i> |
| <i>Computer equipment</i> | <i>1,239</i> |
| <i>Total</i> | <i>7,602</i> |

Land & buildings:

The saving against land & buildings is mainly attributable to delays being experienced with the major alterations to Highway House to accommodate the Head Office move, the Amawele Government Building Complex project, late start of two district offices and late completion of drawings for two community centres.

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 MARCH 2004**

Application for rollover funds has been made to Treasury as follows:

| | |
|-----------------------------------|---------------------|
| | <i>R'000</i> |
| <i>WCS Major Works cap</i> | <i>7,248</i> |
| <i>WCS</i> | <i>1,348</i> |
| <i>Maintenance/Adaptation cap</i> | <i>843</i> |
| <i>Community based projects</i> | <i>9,439</i> |
| <i>Total</i> | |

Professional & special services:

Over expenditure is nominal.

Miscellaneous expenditure:

Saving is nominal.

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**INCOME STATEMENT (STATEMENT OF FINANCIAL PERFORMANCE)
for the year ended 31 March 2004**

| REVENUE | Note | 2003/04 R'000 | 2002/03 R'000 |
|---|-------------|--------------------------|--------------------------|
| Voted funds | | | |
| Annual Appropriation | 1 | 380,659 | 314,385 |
| Statutory appropriation | 2 | 607 | 526 |
| Other revenue to be surrendered to the revenue fund | 3 | 2,952 | 2,686 |
| TOTAL REVENUE | | 384,218 | 317,597 |
| EXPENDITURE | | | |
| Current | | | |
| Personnel | 4 | 206,980 | 190,609 |
| Administrative | | 35,574 | 25,236 |
| Inventories | 5 | 3,396 | 2,669 |
| Machinery and Equipment | 6 | 2,200 | 1,850 |
| Land and buildings | 7 | 34,383 | 23,728 |
| Professional and special services | 8 | 44,405 | 44,513 |
| Miscellaneous | 9 | 6 | - |
| Special functions: authorised losses | 10 | 82 | 486 |
| Total Current Expenditure | | 327,026 | 289,091 |
| Capital | | | |
| Machinery and Equipment | 6 | 3,414 | 4,444 |
| Land and buildings | 7 | 21,515 | 15,579 |
| Professional and special services | 8 | 44 | 50 |
| Total Capital Expenditure | | 24,973 | 20,073 |
| TOTAL EXPENDITURE | | 351,999 | 309,164 |
| NET SURPLUS | | 32,219 | 8,433 |
| NET SURPLUS FOR THE YEAR | | 32,219 | 8,433 |
| Reconciliation of Net Surplus for the year | | | |
| Voted funds to be surrendered to the Revenue Fund | | 29,267 | - |
| Other Revenue to be surrendered to the Revenue Fund | | 2,952 | - |
| NET SURPLUS FOR THE YEAR | | 32,219 | - |

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
at 31 MARCH 2004**

| ASSETS | Note | 2003/04 R'000 | 2002/03 R'000 |
|---|-------------|--------------------------|--------------------------|
| Current assets | | 134,472 | 33,316 |
| Unauthorised and fruitless and wasteful expenditure | 11 | 14,726 | 5,195 |
| Cash and cash equivalents | 12 | 9 | 11 |
| Receivables | 13 | 119,737 | 28,010 |
| Inventory | 5 | - | 100 |
| TOTAL ASSETS | | 134,472 | 33,316 |
| LIABILITIES | | | |
| Current liabilities | | 134,482 | 33,316 |
| Voted funds to be surrendered to the Revenue Fund | 14 | 29,267 | - |
| Other Revenue funds to be surrendered to the Revenue Fund | 15 | 619 | - |
| Bank overdraft | 16 | 100,535 | 29,748 |
| Payables | 17 | 4,051 | 3,568 |
| TOTAL LIABILITIES | | 134,472 | 33,316 |
| NET ASSETS/LIABILITIES | | - | - |

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**CASH FLOW STATEMENT
for the year ended 31 MARCH 2004**

| | Note | 2003/04 R'000 | 2002/03 R'000 |
|---|------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net cash flow generated by operating activities | 18 | 27,249 | 28,491 |
| Cash utilised to increase working capital | 19 | (70,789) | (12,489) |
| Voted funds and Revenue funds surrendered | 20 | (2,333) | (8,433) |
| Net cash flow available from operating activities | | (45,873) | 7,569 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | (24,916) | (20,058) |
| Capital expenditure | | (24,973) | (20,073) |
| Proceeds from sale of equipment | 3 | 9 | - |
| Proceeds from sale of land and buildings | 3 | 48 | 15 |
| Net cash flows from operating and investing activities | | (70,789) | (12,489) |
| Net decrease in cash and cash equivalents | | (70,789) | (12,489) |
| Cash and cash equivalents at beginning of period | | (29,737) | (17,248) |
| Cash and cash equivalents at end of period | | (100,526) | (29,737) |

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2004**

1. Annual Appropriation

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

| Programmes | Total Appropriation 2003/04 R'000 | Actual Funds Received R'000 | Variance over/ (under) | Total Appropriation 2002/03 R'000 |
|--|--|--|---------------------------------------|--|
| Administration | 105,211 | 94,607 | 10,604 | 80,219 |
| Real Estate | 9,861 | 8,455 | 1,406 | 3,612 |
| Provision of buildings, structures and equipment | 265,587 | 248,662 | 16,925 | 230,554 |
| Special functions | | 82 | -82 | |
| Total | 380,659 | 351,806 | 28,853 | 314,385 |

The surplus against Programme 1 : Administration is mainly attributable to delays in the ordering and delivery of office furniture, computer equipment and official vehicles that were budgeted for but not received prior to the financial year end. Due to the Head Office move not taking place during 2003/04, the office furniture and relocation costs were not spent. A total amount of R9,536m has been requested to be rolled over to cover these commitments.

The surplus under Programme 2: Real Estates is due to the Fixed Asset Register System not being developed as originally anticipated.

The surplus under Programme 3 : Provision of buildings, structures & equipment is mainly attributable to delays being experienced with projects due to head office move not taking place during 2003/04, tender document dispute and completion of drawings. A total amount of R10,439 m has been requested to be rolled over to cover these commitments.

2. Statutory appropriation

| | | |
|-------------------|------------|------------|
| Minister of Works | 607 | 526 |
| | <u>607</u> | <u>526</u> |

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2004**

3. Other revenue to be surrendered to revenue fund

| Description | Note | 2003/04 R'000 | 2002/03 R'000 |
|--|-------------|--------------------------|--------------------------|
| Material losses recovered | 3.1 | 343 | 585 |
| Proceeds from sale of equipment | | 9 | - |
| Proceeds from sale of land and buildings | | 48 | 15 |
| Interest received | | 550 | 163 |
| Other | 3.2 | 2,002 | 1,923 |
| | | <u>2,952</u> | <u>2,686</u> |

3.1 Material losses recovered

Nature of loss recovered

| | | |
|--------------|------------|------------|
| Loss Control | <u>343</u> | <u>585</u> |
|--------------|------------|------------|

3.2 Other

| | | |
|--|-------------|-------------|
| Commission on insurance | 164 | - |
| Rent – Residential Buildings | 384 | 419 |
| Rent – Non Residential Buildings | 759 | 743 |
| Other – Miscellaneous Revenue | 99 | 12 |
| Scrap Metal | 29 | - |
| Waste Paper | 2 | - |
| Transport of Officers | 12 | 11 |
| Loans – Motor Finance Scheme Subsidised Vehicles | (6) | 16 |
| Loans – Non Contractual Departmental Debt | 7 | - |
| Domestic Services | 15 | 4 |
| Parking | 84 | 83 |
| Recovery Previous Financial Year Expenditure | 453 | 635 |
| | <u>2002</u> | <u>1923</u> |

4. Personnel

4.1 Current expenditure

| | | |
|--|----------------|----------------|
| Appropriation to Executive and Legislature | 543 | 562 |
| Basic salary costs | 139,591 | 135,672 |
| Pension contributions | 20,456 | 20,313 |
| Medical aid contributions | 9,781 | 10,296 |
| Other salary related costs | 36,609 | 23,766 |
| Total personnel costs | <u>206,980</u> | <u>190,609</u> |
| Total number of employees | 2,312 | 2,734 |

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2004**

5. Inventories

5.1 Current expenditure

Inventories purchased during the year

| | | |
|---|--------------|--------------|
| Uniforms | 1,153 | 973 |
| Printing | 112 | 190 |
| Stationary | 1,560 | 1,270 |
| Publications | 51 | 69 |
| Fuel | 71 | 113 |
| Library Material | 15 | 36 |
| First Aid | 14 | 18 |
| Sport/recreation supplies | 227 | - |
| Hardware | 15 | - |
| Paint, Chemicals and Cleaning Materials | 79 | - |
| Plumbing | 36 | - |
| Electrical | 46 | - |
| Timber | 17 | - |
| Total cost of inventories | 3,396 | 2,669 |

Inventories on hand at year end

**Costing method
used (Inventory is
valued at replacement
cost)**

| | | |
|---|----------|------------|
| Hardware | - | 9 |
| Paint, Chemicals and Cleaning Materials | - | 31 |
| Plumbing | - | 14 |
| Electrical | - | 35 |
| Timber | - | 11 |
| Total cost of inventories | - | 100 |

6. Machinery and equipment

| | Note | 2003/04 R'000 | 2002/03 R'000 |
|--|-------------|--------------------------|--------------------------|
| Current (Rentals, maintenance and sundry) | | 2,200 | 1,850 |
| Capital | 6.1 | 3,414 | 4,444 |
| Total capital and current expenditure | | 5,614 | 6,294 |

6.1 Capital machinery and equipment analysed as follows:

| | | |
|--------------------------------|--------------|--------------|
| Computer equipment | 1,327 | 1,326 |
| Furniture and office equipment | 745 | 793 |
| Other machinery and equipment | 677 | 220 |
| Transport | 665 | 2,105 |
| | 3,414 | 4,444 |

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2004**

7. Land and buildings

| | | |
|--|---------------|---------------|
| Current expenditure | | |
| Maintenance | 29,431 | 23,497 |
| Rental | 4,952 | 231 |
| Total current expenditure | 34,383 | 23,728 |
| Capital expenditure | 7.1 | 21,515 |
| Total current and capital expenditure | 55,898 | 39,307 |

7.1 Capital land and building expenditure analysed as follows:

| | | |
|--------------------------|---------------|---------------|
| Dwellings | 960 | - |
| Non-residential building | 20,555 | 15,579 |
| | 21,515 | 15,579 |

8. Professional and special services

8.1 Current expenditure

| | | |
|-----------------------------------|---------------|---------------|
| Auditors' remuneration | 2,057 | 2,316 |
| Contractors | | |
| Consultants and advisory services | 6,642 | 6,068 |
| Computer services | 4,368 | 3,181 |
| Other | 31,338 | 32,948 |
| | 44,405 | 44,513 |

8.2 Capital expenditure

| | | |
|--|----------------|----------------|
| | 2003/04 | 2002/03 |
| | R'000 | R'000 |
| Consultants and advisory services | 44 | 50 |
| Total Professional and special services | 44,449 | 44,563 |

9. Miscellaneous

9.1 Current Expenditure

| | | |
|-------|------|----------|
| Other | Note | |
| | | 6 |
| | | - |
| | | 6 |
| | | - |

10. Special functions: Authorised losses

| | | |
|---|------|------------|
| Other material losses written off in income statement | Note | |
| | 10.1 | 82 |
| | | 486 |
| | | 82 |
| | | 486 |

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2004**

10.1 Other material losses written off in income statement in current period

Nature of losses

| | | |
|-------------------------------------|-----------|------------|
| Loss/damage to buildings | 6 | 48 |
| Miscellaneous losses | 2 | - |
| Supplies and equipment theft & loss | 1 | 44 |
| Vehicle collision/damage | 63 | 145 |
| Vehicle theft/loss | 9 | 171 |
| Other | 1 | 78 |
| | <u>82</u> | <u>486</u> |

11. Unauthorised and fruitless and wasteful expenditure disallowed

| | Note | 2003/04 R'000 | 2002/03 R'000 |
|------------------------------------|-------------|--------------------------|--------------------------|
| Unauthorised expenditure | 11.1 | 7,137 | 234 |
| Fruitless and wasteful expenditure | 11.3 | 716 | 716 |
| Theft and losses awaiting approval | | 6,873 | 4,245 |
| | | <u>14,726</u> | <u>5,195</u> |

11.1 Reconciliation of unauthorised expenditure

| | | |
|---------------------------------------|--------------|------------|
| Opening balance | 234 | 234 |
| Unauthorised expenditure current year | 6,903 | - |
| Closing balance | <u>7,137</u> | <u>234</u> |

11.2 Unauthorised expenditure

| Incident | Disciplinary steps taken/ criminal proceedings | | |
|---|---|--------------|------------|
| Health expenditure not claimed | This was an administrative error and the expenditure has since been recovered from Health. No disciplinary steps have been taken-SCOPA Resolution 91 of 2003 – recommends that the amount be authorised by the Provincial Legislature allocated to vote 14 Works) | 234 | 234 |
| Unauthorised expenditure prior to 2000 reintroduced by Treasury | | 6,903 | - |
| | | <u>7,137</u> | <u>234</u> |

11.3 Reconciliation of fruitless and wasteful expenditure

| | | |
|-----------------|------------|------------|
| Opening balance | 716 | 716 |
| Closing balance | <u>716</u> | <u>716</u> |

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2004**

11.4 Fruitless and wasteful expenditure

| Incident | Disciplinary steps taken / criminal proceedings | |
|--|--|------------|
| Removal of park home | 3 | 3 |
| Premises vacated prior termination of lease | 33 | 33 |
| Repairs to building after termination of lease | 677 | 677 |
| Overpayment of contractor not recovered | 3 | 3 |
| | <u>716</u> | <u>716</u> |

12. Cash and cash equivalents

| | | |
|--------------|----------|-----------|
| Cash on hand | <u>9</u> | <u>11</u> |
|--------------|----------|-----------|

13. Receivables – current

| | Note | 2003/04 R'000 | 2002/03 R'000 |
|------------------------------------|-------------|--------------------------|--------------------------|
| Amounts owing by other departments | Annexure 3 | 110,405 | 22,977 |
| Staff debtors | 13.3 | 1,195 | 1,671 |
| Other debtors | 13.4 | 8,137 | 3,362 |
| | | <u>119,737</u> | <u>28,010</u> |

13.1 Amounts of R600 000 (2003 : R1 1000 000) included above may not be recoverable, but has not been written off in the income statement.

13.2 Age analysis – receivables current

| | 2003/04 R'000 | 2002/03 R'000 |
|---------------------|--------------------------|--------------------------|
| Less than one year | 84,803 | 11,213 |
| One to two years | 15,451 | 8,236 |
| More than two years | 11,928 | 8,561 |
| | <u>112,182</u> | <u>28,010</u> |

13.3 Staff debtors

| | 2003/04 R'000 | 2002/03 R'000 |
|--|--------------------------|--------------------------|
| Contract breach: study | - | 2 |
| Debt control persal other | - | (19) |
| Debt control tax debt | 45 | 60 |
| Debt employee miscellaneous | 503 | 1177 |
| Debt personnel | - | 13 |
| Deductions disallowance account | 108 | (157) |
| Housing guarantee payment | - | 235 |
| Other staff debts | 581 | 312 |
| Pension receipts | (198) | (1,243) |
| Persal disallowance control : current | - | 9 |
| Persal disallowance control : previous | - | 458 |
| S&T control account | 107 | 112 |
| Salary reversal account | 49 | 712 |
| | <u>1,195</u> | <u>1,671</u> |

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2004**

13.4 Other debtors

| | | |
|--|--------------|--------------|
| Claims recoverable from National Departments | 1,244 | 1,635 |
| Dishonoured cheques | - | 3 |
| Other | 24 | 1,649 |
| KZN Wildlife | 14 | 75 |
| Conversion Debt | 6,855 | |
| | <u>8,137</u> | <u>3,362</u> |

14. Voted funds to be surrendered to the Revenue Fund

| | | |
|--------------------------------|---------------|----------|
| Opening balance | - | - |
| Transfer from income statement | 29,267 | 5,747 |
| Paid during the year | - | (5,747) |
| Closing balance | <u>29,267</u> | <u>-</u> |

15. Other revenue funds to be surrendered to the Revenue Fund

| | | |
|--|------------|----------|
| Opening balance | - | - |
| Transfer from income statement for revenue to be surrendered | 2,952 | 2,686 |
| Paid during the year | (2,333) | (2,686) |
| Closing balance | <u>619</u> | <u>-</u> |

16. Bank overdraft

| | | |
|---|----------------|---------------|
| Paymaster General Account (Exchequer account) | <u>100,535</u> | <u>29,748</u> |
|---|----------------|---------------|

17. Payables – current

| Description | Note | | |
|------------------------------------|-------------|--------------|--------------|
| Amounts owing to other departments | Annexure 4 | - | 44 |
| Advances received | 17.1 | 1,420 | 2,823 |
| Other payables | 17.2 | 2,631 | 701 |
| | | <u>4,051</u> | <u>3,568</u> |

17.1 Advances received

| | | |
|-------------------------|--------------|--------------|
| Finance – Inventory | 261 | 261 |
| National Public Works | 1,159 | 962 |
| Department of Transport | - | 1,600 |
| | <u>1,420</u> | <u>2,823</u> |

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2004**

17.2 Other payables

| | | |
|-------------------------|--------------|------------|
| Contract deposits | 1,201 | 701 |
| Debtors in Credit | 1,229 | - |
| Government Pension Fund | 56 | - |
| Tax RSA | 145 | - |
| | <u>2,631</u> | <u>701</u> |

18. Net cash flow generated by operating activities

| | | |
|---|---------------|---------------|
| Net surplus as per Income Statement | 32,219 | 8,433 |
| Adjusted for items separately disclosed | 24,916 | 20,058 |
| Proceeds from sale of equipment | (9) | - |
| Proceeds from sale of land and buildings | (48) | (15) |
| Capital expenditure | <u>24,973</u> | <u>20,073</u> |
| Amount to be surrendered to the Revenue Fund | (29,886) | - |
| Net cash flow generated by operating activities | <u>27 249</u> | <u>28,491</u> |

19. Cash utilised (increase) working capital

| | | |
|---|-----------------|-----------------|
| (Increase) / decrease in receivables – current | (91,727) | (10,800) |
| (Increase) / decrease in other current assets | (9,431) | (491) |
| Increase / (decrease) in payables | 483 | (1,198) |
| Increase / (decrease) in amount to be surrendered to the Revenue Fund | 29,886 | - |
| | <u>(70,789)</u> | <u>(12,489)</u> |

20. Voted funds and Revenue funds surrendered

| | | |
|---------------------------|----------------|----------------|
| Voted funds surrendered | - | (5,747) |
| Revenue funds surrendered | <u>(2,333)</u> | <u>(2,686)</u> |
| | <u>(2,333)</u> | <u>(8,433)</u> |

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2004**

These amounts are not recognised in the financial statements, and are 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), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 7 of 2003.

21. Contingent liabilities

| Liable to | Nature | 2003/04 R'000 | 2002/03 R'000 |
|-------------------------|---------------|--------------------------|--------------------------|
| Housing loan guarantees | Employees | 1,289 | 1,483 |
| Claims | Annexure 1 | 4,800 | 3,187 |
| | | <u>6,089</u> | <u>4,670</u> |

22. Commitments

Current expenditure

| | | |
|---------------------------------|---------------|--------------|
| Approved and contracted/ordered | 10,487 | 3,524 |
| Approved but not yet contracted | - | 402 |
| | <u>10,487</u> | <u>3,926</u> |

Capital expenditure

| | | |
|---------------------------------|---------------|--------------|
| Approved and contracted/ordered | 53,174 | 726 |
| Approved but not yet contracted | 211 | 425 |
| | <u>53,385</u> | <u>1,151</u> |

| | | |
|-------------------|---------------|--------------|
| Total Commitments | <u>63,872</u> | <u>5,077</u> |
|-------------------|---------------|--------------|

23. Accruals

Listed by standard item

| | | |
|-----------------------------------|--------------|------------|
| Personnel | - | - |
| Administration | 2,542 | 36 |
| Inventories | 25 | 33 |
| Equipment | 54 | 9 |
| Land and buildings | 1,109 | 89 |
| Professional and special services | 94 | 761 |
| | <u>3,824</u> | <u>928</u> |

Listed by programme level

| | | |
|--|--------------|------------|
| Administration | 2,503 | 71 |
| Acquisition of land, control & disposal | 1 | 4 |
| Provision of buildings, structures & equipment | 1,320 | 853 |
| | <u>3,824</u> | <u>928</u> |

24. Employee benefits

| | | |
|-------------------|---------------|----------------|
| Leave entitlement | 68,912 | 381,064 |
| Thirteenth cheque | 11,299 | 5,199 |
| | <u>80,211</u> | <u>386,263</u> |

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2004**

25. Leases

| 25.1 Operating leases | Property | Equipment | Total 2003/04 R'000 | Total 2002/03 R'000 |
|--|-----------------|------------------|------------------------------------|------------------------------------|
| Not later than 1 year | 255 | 328 | 583 | 523 |
| Later than 1 year and not later than 3 years | 150 | 890 | 1,930 | 366 |
| Later than 3 years | 5,570 | - | 5,570 | 12 |
| | <u>5,975</u> | <u>1,218</u> | <u>8,083</u> | <u>901</u> |

25.2 Name of financial institution

Equipment

| | |
|---------|--------------|
| Minolco | 712 |
| Nashua | 500 |
| Canon | 6 |
| | <u>1,218</u> |

26. Irregular expenditure

| | Note | 2003/04 R'000 | 2002/03 R'000 |
|--|-------------|--------------------------|--------------------------|
| 26.1 Movement schedule of irregular expenditure | | | |
| Opening Balance | | 159 | - |
| Irregular expenditure current year | | | |
| Expenditure not condoned | | - | 159 |
| Expenditure awaiting condonement | | | |
| Closing Balance | | <u>159</u> | <u>159</u> |

27. Key management personnel

| 27.1 Remuneration | No. of Employees | | |
|-------------------------------|-----------------------------|--------------|--------------|
| Senior Management | | | |
| Level 13 | 15 | 5,682 | 4,424 |
| Level 14 | 0 | - | 482 |
| Level 15 | 5 | 1,709 | 405 |
| | | <u>7,391</u> | <u>5,311</u> |
| Member of Executive Committee | | 607 | 562 |

27.2 Other remuneration and compensation provided to key management and close members of the family of key management personnel

Reimbursement Travel Expenditure

| | | | |
|-------------------|--|------------|------------|
| Senior Management | | | |
| Level 13 | | 779 | 472 |
| Level 14 | | - | 80 |
| Level 15 | | 143 | 26 |
| | | <u>922</u> | <u>578</u> |

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2004**

ANNEXURE 1

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2004

| Guaranteed institution | Guarantee in respect of | Original Guaranteed capital amount | Opening Balance 01/04/2003 | Guarantees issued during the year | Guarantees released during the year | Closing Balance 31/03/2004 | Realised losses i.r.o. claims paid out |
|------------------------|-------------------------|------------------------------------|-------------------------------|-----------------------------------|-------------------------------------|-------------------------------|--|
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| ABSA | Housing | 716 | 359 | | 76 | 283 | |
| BoE Bank | Housing | 1136 | 227 | | (13) | 240 | |
| FirstRand Bank | Housing | 839 | 168 | | (87) | 255 | |
| Ithala | Housing | 759 | 145 | | 23 | 122 | |
| Nedbank | Housing | 567 | 88 | | 88 | - | |
| Permanent Bank | Housing | 881 | 196 | | 38 | 158 | |
| Saambou Bank | Housing | 521 | 92 | | 29 | 63 | |
| Standard Bank | Housing | 1222 | 208 | | 40 | 168 | |
| Total | | 6 641 | 1,483 | - | 194 | 1,289 | - |

Note: No new guarantees were issued during the current financial year.

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2004**

ANNEXURE 2

PHYSICAL ASSET MOVEMENT SCHEDULE (Not including inventories)

| PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2003/04 | Opening Balance | Additions R'000 | Disposals R'000 | Transfers in R'000 | Transfers Out R'000 | Closing Balance R'000 |
|---|----------------------------|----------------------------|----------------------------|-----------------------------------|------------------------------------|--------------------------------------|
| LAND AND BUILDINGS | 15,579 | 21,515 | - | - | - | 37,094 |
| Land | - | | | | | - |
| Dwellings | - | 960 | | | | 960 |
| Non-Residential Buildings | 15,579 | 20,555 | | | | 36,134 |
| MACHINERY AND EQUIPMENT | 4,444 | 3,414 | 4 | - | - | 3,410 |
| Computer equipment | 1,326 | 1,327 | | | | 7,854 |
| Furniture and office equipment | 793 | 745 | 4 | | | 2,653 |
| Other machinery and equipment | 220 | 677 | | | | 897 |
| Specialised military assets | - | - | | | | - |
| Transport assets | 2,105 | 665 | | | | 2,770 |
| | 20,023 | 24,929 | 4 | - | - | 44,948 |

| PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2002/03 | Additions R'000 | Disposals R'000 | Transfers in R'000 | Transfers Out R'000 | Closing Balance R'000 |
|---|----------------------------|----------------------------|-----------------------------------|------------------------------------|--------------------------------------|
| LAND AND BUILDINGS | 15,579 | - | - | - | 15,579 |
| Land | - | | | | - |
| Dwellings | - | | | | - |
| Non-Residential Buildings | 15,579 | | | | 15,579 |
| MACHINERY AND EQUIPMENT | 4,444 | | | | 4444 |
| Computer equipment | 1,326 | | | | 1,326 |
| Furniture and office equipment | 793 | | | | 793 |
| Other machinery and equipment | 220 | | | | 220 |
| Specialised military assets | | | | | |
| Transport assets | 2,105 | | | | 2,105 |
| | 20,023 | | | | 20,023 |

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2004**

ANNEXURE 3

**INTER-DEPARTMENTAL
RECEIVABLES - CURRENT**

| Department | Confirmed balance outstanding | | Unconfirmed balance outstanding | |
|--|-------------------------------|------------|---------------------------------|---------------|
| | 31/03/2004 | 31/03/2003 | 31/03/2004 | 31/03/2003 |
| | R'000 | R'000 | R'000 | R'000 |
| Agriculture and Environmental Affairs | | | 3,407 | 130 |
| Amawele | | | | 516 |
| Economic Development and Tourism | | | 402 | 10 |
| Education and Culture | | | 37,979 | - |
| Health | | | 38,676 | 14,026 |
| Housing | | | 783 | 199 |
| Provincial Parliament | | | 5,713 | 2,711 |
| Premier | | | 4,421 | 115 |
| Royal Household | | | 2,253 | 1,453 |
| Safety and Security | | | 82 | - |
| Traditional Affairs and Local Government | | | 2,910 | 1,498 |
| Transport | | | 3,792 | 206 |
| Welfare | | | 9,987 | 2,113 |
| TOTAL | | | 110,405 | 22,977 |

**PROVINCE OF KWAZULU-NATAL – DEPARTMENT OF WORKS
VOTE 14**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2004**

ANNEXURE 3

INTER-DEPARTMENTAL AMOUNTS OWING TO OTHER DEPARTMENTS

| Department | Confirmed balance outstanding | | Unconfirmed balance outstanding | |
|------------|-------------------------------|------------|---------------------------------|------------|
| | 31/03/2004 | 31/03/2003 | 31/03/2004 | 31/03/2003 |
| | R'000 | R'000 | R'000 | R'000 |

| | | | | |
|-------------------------|---|----|---|---|
| Department of Education | - | 44 | - | - |
|-------------------------|---|----|---|---|

| | | | | |
|--------------|---|-----------|---|---|
| TOTAL | - | 44 | - | - |
|--------------|---|-----------|---|---|

Part 6

REPORT ON HUMAN RESOURCE MANAGEMENT 2003/2004 (OVERSIGHT REPORT)

PUBLIC SERVICE REGULATIONS

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

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

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

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

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

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

To ensure that enough time is available to evaluate and incorporate your suggestions, please ensure that all submissions are submitted on or before 31 August.

For a detailed description and explanation of the terminology used in this section of the report, please consult the publication from the DPSA entitled 'A guide to understanding the oversight report of departmental annual reports'. A copy of the guide is available from all departments or can be accessed from the DPSA website (www.dpsa.gov.za).

1. SERVICE DELIVERY

All departments are required to develop a Service Delivery Improvement (SDI) Plan. The following tables reflect the components of the SDI plan as well as progress made in the implementation of the plans.

Table 1.1 – Main services provided and standards

| Main services | Actual customers | Potential customers | Standard of service | Actual achievement against standards |
|---|---|---|---|---|
| 1. Recruitment and selection of prospective employees. | General public, other state employees, Departmental employees. | Unchanged/same | Posts are advertised within 5 working days upon request . | - Recruitment process finalized within one and half month at the most. |
| 2. Management of employment changes within the Department (staff mobility) | Departmental employees, other Government employees and employees. | Same | Timeously finalization per our service Commitment Charter | - Service terminations finalized within the officials lat month of service. - Finalisation of transfers within one month of request. |
| 3. Human Resource Development | Departmental employees; Prospective employees; Accredited Training service providers | Prospective employees (18.2) | Compliance with Skills Development and Skills Levis Act. | Development and implementation of W.S.P. |
| 4. Development and implementation of Employees Assistance Programmes and HIV/AIDS Programmes. | - Departmental employees. - Immediate family members | Contractors and consultants employed by the Department. | Maintain and improve confidentiality. | A reviewed HIV/AIDS Policy and Employees Assistance Programme. |
| 5. Main-streaming equity (gender, disability) throughout the Department policies, programmes and practices. | - Departmental employees - Office of the Premier - Department of Labour - Prospective employees - Department of Public Service & Administration | Same | | - Continuous monitoring the implementation of the existing EE Plan. - 41 Buildings made accessible to people with disabilities throughout the province. Audit conducted within the Departmental staff to identify needs and provide assistance devices. |

| Main services | Actual customers | Potential customers | Standard of service | Actual achievement against standards |
|--|---|----------------------------|--|--|
| | | | | - 64% representativity at managerial level against the 75% National target. - 26% Black female against the National target. |
| 6. Promotion of sound Labour Relations | <ul style="list-style-type: none"> - Departmental employees - DPSA - Organized Labour - Office of the Premier | Same | Compliance with Labour Relations Act and PSCBC Resolutions | 45% Disciplinary cases handled within this period. |

Table 1.2 – Consultation arrangements with customers

| Type of arrangement | Actual Customers | Potential Customers | Actual achievements |
|--|-------------------------|----------------------------|---|
| 1. Consultative forums; Roadshows/workshops internal circulars; newsletters. | Departmental employees | Same | <ul style="list-style-type: none"> - Elimination of communication barriers - Awareness of Department Policies amongst staff |
| 2. Departmental Policy Forum | Organised labour/Unions | Same | <ul style="list-style-type: none"> - Acceptance and subsequent approval of the policies. - Informed line managers and staff |

Table 1.3 – Service delivery access strategy

| Access Strategy | Actual achievements |
|---|--|
| * Establishment of Help desk for EAP Services | Trained EAP focal persons |
| * Help desk services for SMME's | Accurately completed tender documentation. Awareness and training for SMME's |
| * Conversion of state building for easy access to people with disabilities. | 41 Buildings converted by the Department as well as for client departments. |

Table 1.4 – Service information tool

| Types of information tool | Actual achievements |
|--|---|
| Departmental website, newsletters, memo's, and Ukhozi standing slot. | Posting of tender documents, SOP's Policies, Translation of policies into Isizulu |

Table 1.5 – Complaints mechanism

| Complaints Mechanism | Actual achievements |
|--|--------------------------------------|
| <ul style="list-style-type: none"> Fault logging office per region Whistle blowing toll free lines Suggestion box | Fully functioning Help desk services |

2. EXPENDITURE

Departments budget in terms of clearly defined programmes. The following tables summarize final audited expenditure by programme (Table 2.1) and by salary bands (Table 2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

TABLE 2.1 – Personnel costs by programme, 2003/04

| Programme | Total Expenditure (R'000) | Personnel Expenditure (R'000) | Training Expenditure (R'000) | Professional and Special Services (R'000) | Personnel cost as a percent of total expenditure | Average personnel cost per employee (R'000) |
|--------------|---------------------------|-------------------------------|------------------------------|---|--|---|
| 1 | 94,556 | 45,154 | 557 | 6,638 | 47.7% | 11,403 |
| 2 | 8,451 | 3,232 | 0 | 48 | 38.2% | 14,052 |
| 3 | 248,675 | 155,845 | 0 | 9,830 | 62.6% | 8,228 |
| | | | | | | |
| Total | 351,682 | 204,231 | 557 | 16,516 | 42.2% | 33.683 |

TABLE 2.2 – Personnel costs by salary bands, 2003/04

| Salary bands | Personnel Expenditure (R'000) | % of total personnel cost | Average personnel cost per employee (R'000) |
|--|-------------------------------|---------------------------|---|
| Lower skilled (Levels 1-2) | 61,609 | 30% | 49 |
| Skilled (Levels 3-5) | 26,671 | 13% | 76 |
| Highly skilled production (Levels 6-8) | 68,784 | 34% | 122 |
| Highly skilled supervision (Levels 9-12) | 30,391 | 15% | 271 |
| Senior management (Levels 13-16) | 16,776 | 8% | 699 |
| | | | |
| Total | 204,231 | 100% | 1,217 |

The following tables provide a summary per program (Table 2.3) and salary bands (Table 2.4), of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

TABLE 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by program, 2003/04

| Program | Salaries | | Overtime | | Home Owners Allowance | | Medical Assistance | |
|--------------|----------------|-----------------------------------|----------------|-----------------------------------|-----------------------|------------------------------|--------------------|---|
| | Amount (R'000) | Salaries as a % of personnel cost | Amount (R'000) | Overtime as a % of personnel cost | Amount (R'000) | HOA as a % of personnel cost | Amount (R'000) | Medical Assistance as a % of personnel cost |
| 1 | 31,645 | 15.5 | 173 | 0.09 | 834 | 0.14 | 2846 | 1.39 |
| 2 | 2,201 | 1.1 | 1 | 0.001 | 69 | 0.03 | 191 | 0.09 |
| 3 | 105,753 | 51.8 | 653 | 0.32 | 2482 | 1.22 | 6744 | 3.3 |
| Total | 139,599 | 68.4 | 827 | 0.14 | 3385 | 1.66 | 9781 | 4.79 |

TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2003/04

| Salary Bands | Salaries | | Overtime | | Home Owners Allowance | | Medical Assistance | |
|--|----------------|-----------------------------------|----------------|-----------------------------------|-----------------------|------------------------------|--------------------|---|
| | Amount (R'000) | Salaries as a % of personnel cost | Amount (R'000) | Overtime as a % of personnel cost | Amount (R'000) | HOA as a % of personnel cost | Amount (R'000) | Medical Assistance as a % of personnel cost |
| Lower skilled (Levels 1-2) | 45,835 | 22.44 | 49 | 0.02 | 96 | 0.05 | 354 | 0.17 |
| Skilled (Levels 3-5) | 16,462 | 8.06 | 136 | 0.07 | 525 | 0.26 | 1925 | 0.94 |
| Highly skilled production (Levels 6-8) | 49,933 | 24.45 | 642 | 0.13 | 22.18 | 1.09 | 5676 | 2.78 |
| Highly skilled supervision (Levels 9-12) | 20,495 | 10.04 | 0 | 0 | 430 | 0.21 | 1417 | 0.69 |
| <i>Senior management (Levels 13-16)</i> | 6,874 | 3.37 | 0 | 0 | 116 | 0.06 | 409 | 0.2 |
| Total | 139,599 | 68.36 | 827 | 0.41 | 3385 | 1.66 | 9781 | 4.79 |

3. EMPLOYMENT AND VACANCIES

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: - programme (Table 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). Departments have identified critical occupations that need to be monitored. Table 3.3 provides establishment and vacancy information for the key critical occupations of the department.

The vacancy rate reflects the percentage of posts that are not filled.

TABLE 3.1 – Employment and vacancies by programme, 31 March 2004

| Programme | Number of posts | Number of posts filled | Vacancy Rate | Number of posts filled additional to the establishment |
|--------------|-----------------|------------------------|--------------|--|
| 1 | 577 | 396 | 31.4 | 6 |
| 2 | 47 | 23 | 51.06 | 0 |
| 3 | 2356 | 1894 | 19.6 | 233 |
| Total | 2980 | 2313 | | 239 |

TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2004

| Salary band | Number of posts | Number of posts filled | Vacancy Rate | Number of posts filled additional to the establishment |
|--|-----------------|------------------------|--------------|--|
| Lower skilled (Levels 1-2) | 1433 | 1262 | 11.9 | 183 |
| Skilled (Levels 3-5) | 490 | 349 | 28.7 | 38 |
| Highly skilled production (Levels 6-8) | 841 | 566 | 32.7 | 12 |
| Highly skilled supervision (Levels 9-12) | 188 | 112 | 40.4 | 5 |
| Senior management (Levels 13-16) | 28 | 24 | 14.3 | 1 |
| Total | 2980 | 2313 | | 229 |

TABLE 3.3 – Employment and vacancies by critical occupation, 31 March 2004

| Critical occupations | Number of posts | Number of posts filled | Vacancy Rate | Number of posts filled additional to the establishment |
|----------------------|-----------------|------------------------|--------------|--|
| Engineer | 54 | 16 | 70.4 | 0 |
| Architect | 23 | 16 | 62.8 | 0 |
| Quantity Surv | 19 | 9 | 52.6 | 0 |
| Wks Inspector | 213 | 126 | 40.8 | 0 |
| Total | 291 | 167 | | 0 |

The information in each case reflects the situation as at 31 March 2004. For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this report.

4. JOB EVALUATION

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

The following table (Table 4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

TABLE 4.1 – Job Evaluation, 1 April 2003 to 31 March 2004

| Salary band | Number of posts | Number of Jobs Evaluated | % of posts evaluated by salary bands | Posts Upgraded | | Posts downgraded | |
|--|-----------------|--------------------------|--------------------------------------|----------------|----------------------|------------------|----------------------|
| | | | | Number | % of posts evaluated | Number | % of posts evaluated |
| Lower skilled (Levels 1-2) | 1571 | 0 | | | 0% | | 0% |
| Skilled (Levels 3-5) | 477 | 0 | | | 0% | | 0% |
| Highly skilled production (Levels 6-8) | 381 | 5 | 1.3% | | | 2 | 0.52% |
| Highly skilled supervision (Levels 9-12) | 201 | 4 | 1.10% | 1 | 0.48% | | 0% |
| Senior Management Service Band A | 11 | 3 | 27.3% | | 0% | | 0% |
| Senior Management Service Band B | 2 | 0 | | | 0 | | |
| Senior Management Service Band C | 1 | 0 | | | 0 | | |
| Senior Management Service Band D | 0 | 0 | | | 0 | | |
| Total | 2644 | 12 | | 1 | 1.78% | 2 | 0.52% |

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

TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2003 to 31 March 2004

| Beneficiaries | African | Asian | Coloured | White | Total |
|------------------------------------|----------|----------|----------|-------|----------|
| Female | 1 | 0 | | | 1 |
| Male | | | | | 0 |
| Total | 1 | 0 | | | 1 |
| Employees with a disability | | | | | |

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

TABLE 4.3 – Employees whose salary level exceeds the graded determined by job evaluation, 1 April 2003 to 31 March 2004 (in terms of PSR 1.V.C.3)

| Occupation | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
|--------------------------------|---------------------|----------------------|--------------------|-----------------------------------|
| General Manager | 2 | 14 | 15 | Determined by Executing Authority |
| Chief Financial Officer | 1 | 14 | 15 | Determined by Executing Authority |
| | | | | |
| Total Number of Employees | | | | 3 |
| Percentage of total employment | | | | |
| | | | | |

Table 4.4 summaries the beneficiaries of the above in terms of race, gender, and disability.

TABLE 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2003 to 31 March 2004 (in terms of PSR 1.V.C.3)

| Beneficiaries | African | Asian | Coloured | White | Total |
|-----------------------------|---------|-------|----------|-------|-------|
| Female | 2 | 0 | 0 | 0 | 2 |
| Male | 1 | 0 | 0 | 0 | 1 |
| Total | 3 | 0 | 0 | 0 | 3 |
| Employees with a disability | Nil | | | | |

[If there were no cases where the remuneration bands exceeded the grade determined by job evaluation, use the following table as TABLE 4.3]

| | |
|---|-----|
| Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2002/ 03 | Nil |
|---|-----|

5. EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year.

Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 5.1) and by critical occupations (Table 5.2). (These "critical occupations" should be the same as those listed in Table 3.3).

TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2003 to 31 March 2004

| Salary Band | Number of employees per band as on 1 April 2003 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|---|---|--|--|---------------|
| Lower skilled (Levels 1-2) | 1571 | | 239 | 15.21% |
| Skilled (Levels 3-5) | 477 | 7 | 62 | 12.10% |
| Highly skilled production(Levels 6-8) | 381 | 13 | 46 | 12.07% |
| Highly skilled supervision(Levels 9-12) | 201 | 5 | 11 | 5.47% |
| Senior Management Service Band A | 11 | 1 | 1 | 9.09% |
| Senior Management Service Band B | 2 | 2 | | |
| Senior Management Service Band C | 1 | | | |
| Senior Management Service Band D | | | | |
| Total | 2644 | 28 | 359 | 53.94% |

TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2003 to 31 March 2004

| Occupation: | Number of employees per occupation as on 1 April 2003 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|-------------------|---|--|--|---------------|
| Engineer | 14 | 0 | 4 | 28.57% |
| Architect | 16 | 0 | 0 | 0% |
| Quantity Surveyor | 13 | 0 | 0 | 0% |
| Works Inspector | 128 | 6 | 37 | 28.91% |
| Total | 171 | 6 | 41 | 57.48% |

Table 5.3 identifies the major reasons why staff left the department.

Table 5.3 – Reasons why staff are leaving the department

| Termination Type | Number | % of total |
|---|------------|---------------|
| Death | 114 | 31.75% |
| Resignation | 14 | 3.9% |
| Expiry of contract | 4 | 1.11% |
| Dismissal – operational changes (SEVERANCE) | 136 | 37.9% |
| Dismissal – misconduct | 1 | 0.28% |
| Dismissal – inefficiency | 0 | 0% |
| Discharged due to ill-health | 16 | 4.46% |
| | | |
| | | |
| Retirement | 38 | 10.58% |
| Transfers to other Public Service Departments (& redeployments within Dept) | 0 | 0% |
| Other | 36 | 10.02% |
| Total | 359 | |
| Total number of employees who left as a % of the total employment | | 13.58% |

Table 5.4 – Promotions by critical occupation

| Occupation | Employees as at 1 April 2003 | 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 |
|--------------|------------------------------|------------------------------------|---|---|--|
| Engineer | 14 | 0 | 0% | 2 | 100% |
| Architect | 16 | 0 | 0% | 7 | 100% |
| Quant Surv | 13 | 0 | 0% | 3 | 100% |
| Wks Insp | 128 | 0 | 0% | 52 | % |
| Artisans | | 0 | 0% | 1 | % |
| | | | | | |
| Total | 179 | 0 | | 65 | |

Table 5.5 – Promotions by salary band

| Salary Band | Employees 1 April 2003 | Promotions to another salary level | Salary bands promotions as a % of employees by salary level | Progressions to another notch within a salary level | Notch progressions as a % of employees by salary band |
|--|------------------------|------------------------------------|---|---|---|
| Lower skilled (Levels 1-2) | 729 | 5 | 0.69% | 370.77 | 0% |
| Skilled (Levels 3-5) | 169 | 9 | 4.73% | 108 | 0% |
| Highly skilled product (Levels 6-8) | 229 | 16 | 4.80% | 198 | 0% |
| Highly skilled supervision (Levels 9-12) | 51 | 11 | 13.73% | 34 | 0% |
| Senior management (Levels 13-16) | 2 | 0 | 0% | 0 | 0% |
| Total | 1180 | 41 | 23.95% | 710.77 | |

6. EMPLOYMENT EQUITY

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

6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2004

| Occupational categories (SASCO) | Male | | | | Female | | | | Total |
|--|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers | 32 | 5 | 6 | 26 | 9 | 0 | 3 | 5 | 86 |
| Professionals | 3 | - | 2 | 23 | 2 | - | 1 | 5 | 36 |
| Technicians and associate professionals | 59 | 9 | 18 | 25 | 6 | - | 1 | - | 118 |
| Clerks | 98 | 1 | 18 | 10 | 206 | 6 | 26 | 53 | 418 |
| Service and sales workers | - | - | - | - | - | - | - | - | - |
| Skilled agric and fishery | - | - | - | - | - | - | - | - | - |
| Craft and related trades workers | 252 | 19 | 29 | 47 | 42 | - | - | - | 389 |
| Plant and machine operators and assemblers | 108 | 2 | 6 | 0 | 3 | | - | - | 119 |

| | | | | | | | | | |
|------------------------------------|-------------|-----------|-----------|------------|------------|----------|-----------|-----------|-------------|
| Elementary occupations | 908 | - | 10 | 3 | 226 | - | - | - | 1147 |
| Total | 1460 | 36 | 89 | 134 | 494 | 6 | 31 | 63 | 2313 |
| Employees with disabilities | 10 | | | 3 | | | | 1 | 14 |
| TOTAL | 10 | | | 3 | | | | 1 | 14 |

6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2004

| Occupational Bands | Male | | | | Female | | | | Total |
|---|-------------|-----------|-----------|------------|------------|----------|-----------|-----------|-------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 1 | | - | | | | | | 1 |
| Senior Management | 6 | - | - | 8 | 3 | - | - | - | 17 |
| Professionally qualified and experienced specialists and mid-management | 28 | 5 | 8 | 41 | 10 | - | 4 | 10 | 106 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 409 | 29 | 65 | 82 | 252 | 6 | 27 | 53 | 923 |
| Semi-skilled and discretionary decision making | 108 | 2 | 6 | - | 3 | - | - | - | 119 |
| Unskilled and defined decision making | 908 | - | 10 | 3 | 226 | - | - | - | 1147 |
| Total | 1460 | 36 | 89 | 134 | 494 | 6 | 31 | 63 | 2313 |

6.3 – Recruitment for the period 1 April 2003 to 31 March 2004

| Occupational Bands | Male | | | | Female | | | | Total |
|---|-----------|----------|----------|----------|-----------|----------|----------|----------|-----------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | - | - | - | - | - | - | - | - | - |
| Senior Management | 4 | - | | - | 2 | - | - | - | 6 |
| Professionally qualified and experienced specialists and mid-management | - | - | 1 | - | - | - | - | - | 1 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 5 | - | - | - | 9 | - | - | - | 14 |
| Semi-skilled and discretionary decision making | 2 | - | - | - | 3 | - | 2 | - | 7 |
| Unskilled and defined decision making | - | - | - | - | - | - | - | - | |
| Total | 11 | - | 1 | - | 14 | - | 2 | - | 28 |
| Employees with disabilities | | | | | | | | | |

6.4 – Promotions for the period 1 April 2003 to 31 March 2004

| Occupational Bands | Male | | | | Female | | | | Total |
|--|-----------|----------|--------|-------|-----------|----------|--------|-------|-----------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Semi-skilled and discretionary decision making | 19 | | | | 10 | | | | 29 |
| Unskilled and defined decision making | | | | | | | | | |
| Total | 19 | | | | 10 | | | | 29 |
| Employees with disabilities | | | | | | | | | |

6.5 – Terminations for the period 1 April 2003 to 31 March 2004

| Occupational Bands | Male | | | | Female | | | | Total |
|---|------------|----------|-----------|-----------|-----------|----------|----------|----------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | | | | | | | | | |
| Senior Management | | | | | | | | | |
| Professionally qualified and experienced specialists and mid-management | 2 | - | 2 | 4 | 1 | - | 1 | 1 | 11 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 26 | 2 | 3 | 14 | 2 | - | 2 | 3 | 52 |
| Semi-skilled and discretionary decision making | 44 | - | 7 | 1 | 2 | - | 2 | - | 56 |
| Unskilled and defined decision making | 213 | - | - | 1 | 26 | - | - | - | 240 |
| Total | 285 | 2 | 12 | 20 | 31 | - | 5 | 4 | 359 |
| Employees with disabilities | 0 | | | | | | | | 0 |

6.6 – Skills development for the period 1 April 2003 to 31 March 2004

| Occupational categories | Male | | | | Female | | | | Total |
|--|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers | 5 | 4 | 3 | 3 | 13 | - | 1 | 4 | 33 |
| Professionals | | | 2 | 2 | 1 | | | 1 | 6 |
| Technicians and associate professionals | - | - | - | - | - | - | - | - | - |
| Clerks | 12 | - | 4 | 3 | 12 | - | 5 | 9 | 45 |
| Servi & sales wrks | | | | | | | | | |
| Skilled agricult & fishery workers | | | | | | | | | |

| | | | | | | | | | |
|--|----|---|---|---|----|--|---|----|----|
| Craft and related trades workers | | | | | | | | | |
| Plant and machine operators and assemblers | | | | | | | | | |
| Elementary occupations | | | | | | | | | |
| Total | 17 | 4 | 9 | 8 | 26 | | 6 | 14 | 84 |
| Employees with disabilities | | | | | | | | | |

7. LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2003 TO 31 DECEMBER 2003

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

TABLE 7.1 – Sick leave, 1 January 2003 to 31 December 2003

| 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) | 4143 | 73.2 | 578 | 47.31 | 7 | 535 |
| Skilled (Levels 3-5) | 1750 | 67 | 222 | 18.2 | 8 | 310 |
| Highly skilled production (Levels 6-8) | 2473 | 64.9 | 359 | 29.4 | 7 | 755 |
| Highly skilled supervision (Levels 9-12) | 360 | 80.8 | 60 | 4.9 | 6 | 214 |
| Senior management (Levels 13-16) | 5 | 0 | 2 | 0.2 | 3 | 8 |
| Total | 8731 | 69.9 | 1221 | 100 | 7 | 1822 |

TABLE 7.2 – Disability leave (temporary and permanent), 1 January 2003 to 31 December 2003

| 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) |
|--|------------------|-----------------------------------|--|---|---------------------------|------------------------|
| Lower skilled (Levels 1-2) | 1164 | 99.8 | 60 | 42.3 | 19 | 151 |
| Skilled (Levels 3-5) | 214 | 99.1 | 25 | 17.6 | 9 | 40 |
| Highly skilled production (Levels 6-8) | 932 | 99.9 | 52 | 36.6 | 18 | 291 |
| Highly skilled supervision (Levels 9-12) | 67 | 98.5 | 5 | 3.5 | 13 | 34 |
| Senior management (Levels 13-16) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 2377 | 99.7 | 142 | 100 | 17 | 516 |

Table 7.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

TABLE 7.3 – Annual Leave, 1 January 2003 to 31 December 2003

| Salary Bands | Total days taken | Average per employee |
|---|------------------|----------------------|
| Lower skilled (Levels 1-2) | 24172 | 20 |
| Skilled Levels 3-5) | 7288 | 20 |
| Highly skilled production (Levels 6-8) | 11114 | 20 |
| Highly skilled supervision(Levels 9-12) | 1931 | 16 |
| Senior management (Levels 13-16) | 208 | 16 |
| Total | 44713 | 20 |

TABLE 7.4 – Capped leave, 1 January 2003 to 31 December 2003

| Salary Bands | Total days of capped leave taken | Average number of days taken per employee | Average capped leave per employee as at 31/12/2003 |
|---|----------------------------------|---|--|
| Lower skilled (Levels 1-2) | 219 | 2 | 97 |
| Skilled Levels 3-5) | 112 | 1 | 135 |
| Highly skilled production (Levels 6-8) | 124 | 1 | 132 |
| Highly skilled supervision(Levels 9-12) | 27 | 0 | 90 |
| Senior management (Levels 13-16) | 7 | 0 | 146 |
| Total | 489 | 5 | 111 |

TABLE 7.5 – Leave payouts for the period 1 April 2003 to 31 March 2004

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

| REASON | Total Amount (R'000) | Number of Employees | Average payment per employee |
|---|----------------------|---------------------|------------------------------|
| Leave payout for 2003/04 due to non-utilisation of leave for the previous cycle | nil | nil | nil |
| Capped leave payouts on termination of service for 2003/04 | 2809 | 111 | 25306 |
| Current leave payout on termination of service for 2003/04 | 27 | 6 | 4500 |
| Total | 2836 | 117 | 24239 |

8. HIV/AIDS & HEALTH PROMOTION PROGRAMMES

TABLE 8.1 – 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 |
|--|--|
| Staff between salary levels 1-7 involved in the line function i.e. workshop staff, artisans, grass cutters, cleaners, due to accidents which may occur on site | Advocacy Roadshows to emphasize preventative precautions Provision of Literature on transmission Ensuring that Regions have dedicated Safety Officers to ensure safe work practices and procedures Provision of protective clothing, first aid kits |

TABLE 8.2 – Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

| 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 | | Manager: Human Resources Management Miss Ngiba |
| 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 staff members 13 lay councillors R1 million |
| 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 | | Management of HIV/AIDS and dreaded diseases, i.e. Provision of immune boosters and Assistance with ARV's on prescription. Assist with blood transfusions and hospitalisation and monitoring of patient on medication on an ongoing basis. Rehabilitation for substance abuse, Psychological assistance for marital and family problems, domestic violence, Sexual harassment. Trauma Counselling Assistance with the management of financial problems. |
| Question | Yes | No | Details, if yes |
| 4. as 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 | | Mrs P. Pillay (Dep. Manager: Special Programmes – Head Office; Mr Atwaru – Southern Region; Mrs Kendall – Eastern Seaboard Region; Mr E. McNamara – Midlands Region; Mr B. Thabede – North Coast Region; Mr Nzimande – Dep Manager: Labour Relations; Organised Labour (NEHAWU, PUSEMO, PSA, NUPSAW, HOSPERSA |

| | | | |
|---|---|---|---|
| | | | ; Mr Q.G. Mgobozi Dep. Manager: HR (Utilization)Head office and Miss I. Zwane – Deputy Manager: HR – Head office (Provisioning); Safety Officers (4 Regions) |
| 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 Policy; HIV/AIDS Workplace Policy; Departmental Affirmative Action Policy. |
| 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 | | From the initial referral of an employee, a reference number is used in all correspondence within the department and with the service providers, hospitals etc, thus confidentiality is maintained. In addition, the departmental HIV workplace policy ensures that a person will not be discriminated against i.t.o status |
| 7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved. | X | | 25 officials are HIV positive and on treatment (immune boosters and ARV's) |
| 8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators. | | X | |

9. SKILLS DEVELOPMENT

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

9.1 – Training needs identified 1 April 2003 to 31 March 2004

| Occupational Categories | Gender | Number of employees as at 1 April 2003 | Training needs identified at start of reporting period | | | |
|-------------------------------|--------|--|--|---|-------------------------|-------|
| | | | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
| Legisl, snr offs and managers | Female | 17 | N/A | 18 | 3 | 38 |
| | Male | 69 | | 14 | 4 | 87 |
| Professionals | Female | 8 | | 3 | 0 | 11 |
| | Male | 28 | | 6 | 0 | 34 |
| Technicians & assoc prof | Female | 7 | | 0 | 0 | 7 |
| | Male | 111 | | 0 | 0 | 111 |

| | | | | | | |
|------------------------------|--------|-------------|--|-----------|-----------|-------------|
| Clerks | Female | 291 | | 27 | 2 | 320 |
| | Male | 127 | | 27 | 2 | 156 |
| | | | | | | |
| Service and sales workers | Female | - | | - | - | - |
| | Male | - | | - | - | - |
| Skilled agric & fish workers | Female | - | | - | - | - |
| | Male | - | | - | - | - |
| Craft & rel trades workers | Female | 42 | | - | - | - |
| | Male | 347 | | - | - | - |
| Plant & mach oper & assem | Female | 3 | | - | - | - |
| | Male | 116 | | - | - | - |
| Elementary occupations | Female | 226 | | - | - | - |
| | Male | 921 | | | | - |
| Sub Total | Female | 594 | | | | - |
| | | | | | | - |
| | Male | 1719 | | | | - |
| | | | | | | - |
| Total | | 2313 | | 95 | 11 | 2313 |
| | | | | | | |

9.2 – Training provided 1 April 2003 to 31 March 2004

| Occupational Categories | Gender | Number of employees as at 1 April 2004 | Training provided within the reporting period | | | |
|--|--------|--|---|---|-------------------------|-----------|
| | | | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
| Legislators, senior officials and managers | Female | 13 | N/A | 15 | 3 | 18 |
| | Male | 26 | | 11 | 4 | 15 |
| Professionals | Female | 1 | | 2 | - | 2 |
| | Male | 3 | | 4 | - | 4 |
| Technicians and associate professionals | Female | - | | | - | 0 |
| | Male | | | | - | 0 |
| Clerks | Female | 84 | | 23 | 3 | 26 |
| | Male | 34 | | 16 | 3 | 19 |
| Service and sales workers | Female | - | | - | - | |
| | Male | - | | - | - | |
| | | | | | | |
| Skilled agriculture and fishery workers | Female | - | | - | - | - |
| | Male | - | | - | - | |
| Craft and related trades workers | Female | - | | - | - | - |
| | Male | - | | - | - | - |
| Plant and machine operators and assemblers | Female | - | | - | - | - |
| | Male | - | | - | - | - |
| Elementary occupations | Female | - | | - | - | - |
| | Male | | | - | - | - |
| Sub Total | Female | | | - | | |
| | Male | | | | | |
| Total | | 161 | | 71 | 13 | 84 |

10. INJURY ON DUTY

The following tables provide basic information on injury on duty.

TABLE 10.1 – Injury on duty, 1 April 2003 to 31 March 2004

| Nature of injury on duty | Number | % of total |
|---------------------------------------|----------|-------------|
| Required basic medical attention only | 6 | 100% |
| Temporary Total Disablement | 0 | |
| Permanent Disablement | | |
| Fatal | | |
| Total | 6 | 100% |

11. UTILIZATION OF CONSULTANTS

Table 11.1 – Report on consultant appointments using appropriated funds

| Project Description | Number of Consultants | Est. Contract Value | Duration contrast period |
|--|-----------------------|---------------------|--------------------------|
| AMAWELE GOVERNMENT COMPLEX: MAJOR BUILDING RENOVATIONS TO THE EAST AND WEST BLOCKS INCL. | 1 | 1 260 673 | 194 |
| ULUNDI: NEW WORKS REGION OFFICE: PROFFESIONAL SERVICES | 1 | 4 000 000 | 258 |
| DURBAN: HIGHWAY HOUSE: CONVERSION OF EXISTING COMPLEX TO OFFICES | 1 | 1 500 000 | 65 |
| AMAWELE GOVERNMENT COMPLEX: INVESTIGATION OF MAJOR WATER LEAK AND UPGRADING OF STORM WAT | 2 | 162 450 | 65 |
| ULUNDI: CO-OPERATIVE CENTRE (WORKS): MULTI-PYRPOSE CENTRE FOR CO-OPERATIVES | 2 | 464 750 | 129 |
| NSUKANGIHLALE MULTI-PURPOSE CENTRE (WORKS): CONSTRUCTION OF MULTI-PURPOSE CENTRE | 1 | 1 933 862 | 129 |
| ULUNDI: NEW WORKS REGIONAL OFFICE: PROVIDE THE SERVICE OF A REGISTERED QUANTITY SURVEYORS | 1 | 9 000 000 | 129 |
| LADYSMITH WORKS DISTRICT OFFICE HYDE RD: CONVERSION OF EXISTING BUILDING TO FORM NEW OFFICE ACCOMODATION | 3 | 985 193 | 65 |
| PMBURG: 191 PRINCE ALFRED ST: REPAIR SPALLING CONCRETE AND CRACKS | 1 | 1 500 000 | 129 |
| ULUNDI: NEW REGIONAL OFFICE: INSTALLATION OF EMERGENCY POWER SUPPLY | 1 | 35 005 | 22 |
| WORKS: VARIOUS INSTITUTIONS (INVESTIGATIONS ONLY): STANDARD “LILLIPUT” INSTALATION | 1 | 27 378 | 22 |
| LA COMPLEX-LEGISLATIVE ASSEMBLY CAMPUS: OFFICE FOR THE DEPARTMENT OF THE PREMIER AND THE DIRECTOR | 5 | 53 000 000 | 258 |
| NONGOMA: WORKS DISTRICT OFFICE: MASTER PLANNING, ADDITIONS AND ALTERATIONS TO EXISTING BUILD | 4 | 4 000 000 | 258 |
| LADYSMITH WORKS REGIONAL OFFICE (SHEPTONE RD): ERECTION OF NEW ARCHIVE BUILDING | 1 | 160 000 | 86 |
| EMPANGENI HOME AFFAIRS OFFICE: REBUILDING AND RECOMMISSIONING OF AIRCONDITIONING COMPRESSOR | 1 | 65 259 | 22 |

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| ULUNDI: NEW WORKS REGIONAL OFFICE: PROGRAMME AND PROJECT MANAGEMENT FOR NORHT COAST REGION | 1 | 1 354 592 | 516 |
| PMBURG: MECH ENG INLAND MOUNTAIN RISE: CONSUL INVESTIGATION AT WASH BAYS | 1 | 8 000 | 22 |
| ENYOKENI ROYAL RESID: WATER WORKS (WORKS): DAY TO DAY | 1 | 213 296 | 22 |
| LA COMPLEX-LEGISLATIVE ASSEMBLY CAMPUS: INTERNAL REFURBISHMENT AND REPAIRS (TECHNICAL REPORT) | 1 | 50 000 | 65 |
| LA COMPLEX-LEGISLATIVE ASSEMBLY CAMPUS: REPAIRS AND RENOVATIONS TO UNIT B NORHT GOVT. FLATS | 1 | 2 700 000 | 65 |
| OFF ACC: 8 HAMMER STREET MELMOTH: REPLACEMENT OF SECURITY BURGLAR/GATE BAR | 1 | 50 000 | 22 |
| ULUNDI: UNIT D FLATS: REPAIR BURN DOWN FLAT IN UNIT D FLAT 333 | 3 | 153 140 | 43 |
| PMBURG: 191 PRINCE ALFRED ST: TO INVITE AND ADJUD TENDERS ON THE ZNT 55 G | 1 | 110 000 | 65 |
| RADIO REPEATER SITES (VARIOUS): RADIO REPEATER HIGH SITES THROUGHOUT KZN: MAINTENANCE AND UP | 1 | 4 500 000 | 258 |
| EMPANGENI HOME AFFAIRS OFFICE: CONDITION REPORT & ESTIMATE (20 HOUR) | 1 | 10 000 | 22 |
| MANGUZI HOSPITAL: DISCHARGE OF BACKWASH WATER FROM WATER TREATMENT PLANT | 1 | 15 000 | 43 |
| PMBURG: 191 PRINCE ALFRED ST: TO DEVELOP & ADMINISTER FIXED RATE SCHEDULES FOR THE REGIONS | 2 | 2 000 000 | 516 |
| TOTAL | 41 | 89 258 598 | 3 483 |