



**Department of Public Works**

**Province of KwaZulu-Natal**

**Republic of South Africa**

**2009 /2010 Annual Report**

**Date of Tabling: September 2010**

---

**PR207/2010**

**ISBN: 978-0-621-39511-2**

## **FOREWORD BY THE HON MEC M GOVENDER**



**HON MEC M GOVENDER**

In the first year of the term of office of this administration, the Department of Public Works implemented policies and programmes within the framework of the national and provincial priorities. The 2009 global economic recession posed a serious challenge to the newly elected administration particularly in matters of trade as it impacted negatively on revenue collection. However, we heeded the instruction to „Do more with less,“ and focused on delivering on our core mandate of infrastructure development and the management of state assets.

During the 2009/2010 period we committed ourselves to the following:

- Developing programmes which would contribute to rural development and agrarian reform
- Streamlining our programmes so that they respond positively to poverty alleviation and the creation of work opportunities
- Employing labour intensive production methods in the construction sector
- Ensuring a significant expansion of the public works programmes linked to expansion of both the infrastructure and property sectors to support job creation
- Engaging in programmes that targeted the employment of women, youth and the disabled within the department
- Eliminating wastage and improving service delivery by intensifying the fight against fraud and corruption

I am pleased to report that the Department has been able to accelerate people-driven and service-orientated approaches particularly in relation to rural development and the creation of work opportunities.

One of the major responsibilities of the Department is the consolidation and continuous updating of the fixed asset register. Undertaking and executing this function has not come without challenges as it includes incorporating assets from various former homeland states.

The Department will continue to improve in this regard especially with the introduction of Government Immovable Asset Management Act (GIAMA).

Progress in infrastructure delivery includes the construction and completion of 64 classrooms and 208 toilets. The use of the Expanded Public Works programme (EPWP) during infrastructural delivery has been paramount. Quite a lot of work and effort has gone into the creation of work opportunities and we are delighted to report that we exceeded the target set for us and created 21 258 work opportunities within the Expanded Public Works Programme (EPWP) during the year under review. This resulted in the Department qualifying for the EPWP incentive grant.

The Department has also undertaken the maintenance of state assets and has initiated the implementation of GIAMA in the Province.

Skills development is a key priority of Government. The Department has implemented skills development initiatives in a drive to address the scarcity of skills within the technical fields that relate to our function. The Department offers bursaries within the built environment and property management fields. Eight graduates have already been absorbed into the Department. A further 10 learnerships and 10 internships have also been awarded.

The Department continues to build capacity within the built environment to support economic growth within the sector. With regards to sector specific skills, the Property Incubator Programme has been launched and 63 participants are attending the training. On the construction front, 542 contractors have been trained in contract management.

Statistics indicate that youth comprise 70% of the population of KwaZulu-Natal. The Department runs several programmes aimed at developing the skills of young people. Our National Youth Service programme has 167 learners in phase 1 and a further 152 in phase 2. These learners are acquiring skills in various technical fields, bricklaying, carpentry and plastering. In addition, some of these learners have been placed in sustainable jobs within their municipalities.

Fraud and corruption rob us of resources that could be used to improve or enhance our service delivery. The Department has been active in combating this scourge and has worked co-operatively with the provincial Internal Audit Unit and other agencies such as the Hawks, the Special Investigations Unit (SIU) and the Commercial Crime Unit.

Collective effort and work have contributed to the progress achieved by the Department. At the same time we are mindful of areas that require improvement. We remain committed to working in partnership with our stakeholders and to ensuring that we provide effective services and value for money to the people of KwaZulu-Natal.

Working together we can do more!

**Hon MEC M Govender**

**MEC for Human Settlements and Public Works**

**Province of KwaZulu-Natal**

## Table of Contents

Foreword by the Hon MEC M Govender.....	2
Chapter 1: General Information.....	5
Chapter 2: Programme Performance.....	11
Chapter 3: Audit Committee Report.....	104
Chapter 4: Auditor General Report.....	106
Chapter 5: Financial Statements.....	111
Chapter 6: Human Resource Management Report .....	197

## **CHAPTER 1: GENERAL INFORMATION**

### **1.1 HANDOVER STATEMENT**

#### **SUBMISSION OF THE ANNUAL REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY**



**To: The Honourable Mrs. M. Govender, Member of the Executive Committee**

It is with great pleasure that I present this Annual Report for the KwaZulu – Natal Department of Public Works for the financial year ended 31 March 2009.



**Dr F B Madlopha**

**Head of Department**

### **1.2 Overview by the Head of Department**

The mission of the department is to take the lead in infrastructure development and property management in KwaZulu-Natal provincial administration. The department provides the following core services:

- Acquisition of buildings and land through purchase, hiring and leasing;
- Management of the asset register for provincial fixed assets [ land and buildings]
- Construction of public buildings, including both new construction and renovation;
- Maintenance of public buildings and land, including needed repairs and improvements, and,
- Alienation of public buildings and land, including disposal of fixed assets by sale, demolition, exchange and donation.

During the 2009/10 financial year, the department maintained its focus on its established programmes as per the 5-year strategic plan and the annual performance plan. This was done as a strategic move towards the implementation of the 2009-2014 Medium Term Strategic Framework (MTSF) since these programmes continue to respond to the national objectives of building economic and social infrastructure, intensifying skills' development, creating decent jobs, broad based Black economic empowerment and sustainable livelihoods contained in the new MTSF. The department recognized government's new call for an increased focus on rural development and geared itself to participate fully in emerging provincial initiatives to foster improvements in this area, including the Premier's Flagship Programme. It has not been an easy year at all, given the global economic crisis that impacted negatively to our economy, job creation and thus the ability of the state to collect revenue.

The departmental strategic goals for the 2009/10 financial year, in line with the focus stated above, are listed below:

- To improve integrated service through implementing the multi-year service delivery model, the Infrastructure Delivery Improvement Programme (IDIP);
- To provide and facilitate the provision of accommodation and property management services to satisfy client needs;
- To achieve optimal utilization of fixed state assets through effective implementation of the government Immovable Asset Management System;
- To create jobs through massification of the Expanded Public Works Programme (EPWP) and Izandla Ziyagezana Programme;
- To enhance the benefits of programmes to bridge the gap between the first and second economy and the anti-poverty campaign through:
- Broad Based Black Economic empowerment through targeted interventions to bridge the gap between the first and second economy such as:
  - Skills development
  - Employment creation
  - Creation of an enabling environment to attract women, youth and the disabled to the construction industry through active support for emerging contractors and consultants
- To implement the National Youth Service programme
- To ensure effective and efficient management of the department's financial resources
- To have a competent, empowered and motivated workforce

- To ensure effective monitoring, reporting and communication of departmental objectives and achievement at all levels.

The department's budget allocation increased in line with inflationary pressures. Through effective supply chain management of planned annual expenditures, departmental expenditure continued to be well within the 2% budget variation. However, the department continued to experience internal human capacity constraints due to scarce skills.

To maximize its internal capacity, the department continued to recruit interns and award bursaries in the scarce skills categories, train employees in line with the Workplace skills plan as well as reduce employee illiteracy through the ABET programme. The Department also continued to pay attention to achieving its employment equity objectives, although challenges remain in meeting gender equity and the disabled categories.

Through the Infrastructure Delivery Improvement Programme (IDIP), the Department provided services to all client departments valued at R1.55 billion, a slight decline on the R1.57 billion expenditure in 2008/09.

Part of this could be attributed to the fact that some of the projects were put on hold by various client department is the 2009/2010 financial year. The number of backlog projects for the Education Department, a major client department, decreased substantially compared to 2008/09, indicating service delivery improvement. The department piloted the Envelop approach of contract awards as a strategy to maximize the use of scarce external expertise to carry out its infrastructure projects.

The department continued to respond to client needs for office accommodation through property purchases and hirings as well as property letting or disposal in areas of excess need. Updating of the property register remained a priority activity, to support the information requirements for all the property management services. The quality of the register was also enhanced.

In terms of long term asset maintenance planning in line with the GIAMA Act, the department received 9 of the 16 draft User Asset Management plans. The department will continue to devote its efforts to completing the outstanding plans in consultation with client departments. The department also continued to provide client departments with the results of the annual property audits to assist them with asset maintenance planning.

The EPWP programme exceeded its annual job creation target of 20 000 as 21 258 job opportunities were created. Through Izandla Ziyagezana Programme, additional 54 jobs were created. The programme continued to contribute to the provincial EPWP targets through the application of labour intensive methods in the department's infrastructure projects.

On the youth development front, 167 Phase One NYS were trained in practical construction skills such as plumbing and bricklaying. While a total of 152 Phase Two learners have completed their training. A total of 30 learners are on sustainable jobs.

Through the Masakhe programme, 542 contractors received training from internal staff in tender procedures and safety management on construction projects.

The Department will continue to offer such job and skills development opportunities as they contribute to the transformation of the property and construction sector.

I would like to express profound appreciation to the senior management team and to each and every employee in the department for their commitment, hard work and valued contribution to the achievements by the department. Through team work and common vision, we can continue to deliver much needed services to our stakeholders.

**Dr FB Madlopha**

**Head: Department of Public Works**



### **1.3 Vision, Mission, Core Values and Legislative Mandates**

#### **VISION**

**“A THRIVING ECONOMY THROUGH INFRASTRUCTURE DEVELOPMENT AND PROPERTY MANAGEMENT.”**

#### **MISSION**

**“WE WILL LEAD N INFRASTRUCTURE DEVELOPMENT AND PROPERTY MANAGEMENT IN KWAZULU – NATAL”.**

#### **CORE VALUES**

The KwaZulu- Natal Department of Public Works has been guided by the following values:

- Batho Pele Principles
- The Citizens Charter
- Cost Effectiveness: Value for money
- Quality: We will adhere to prescribed standards
- Professionalism: We will take pride in everything we do
- Integrity: We will be honest and reliable in all our dealings
- Service Excellence: We will be proactive in responding to the needs of our clients
- Corporate Governance: Good Governance

#### **Legislative Mandates**

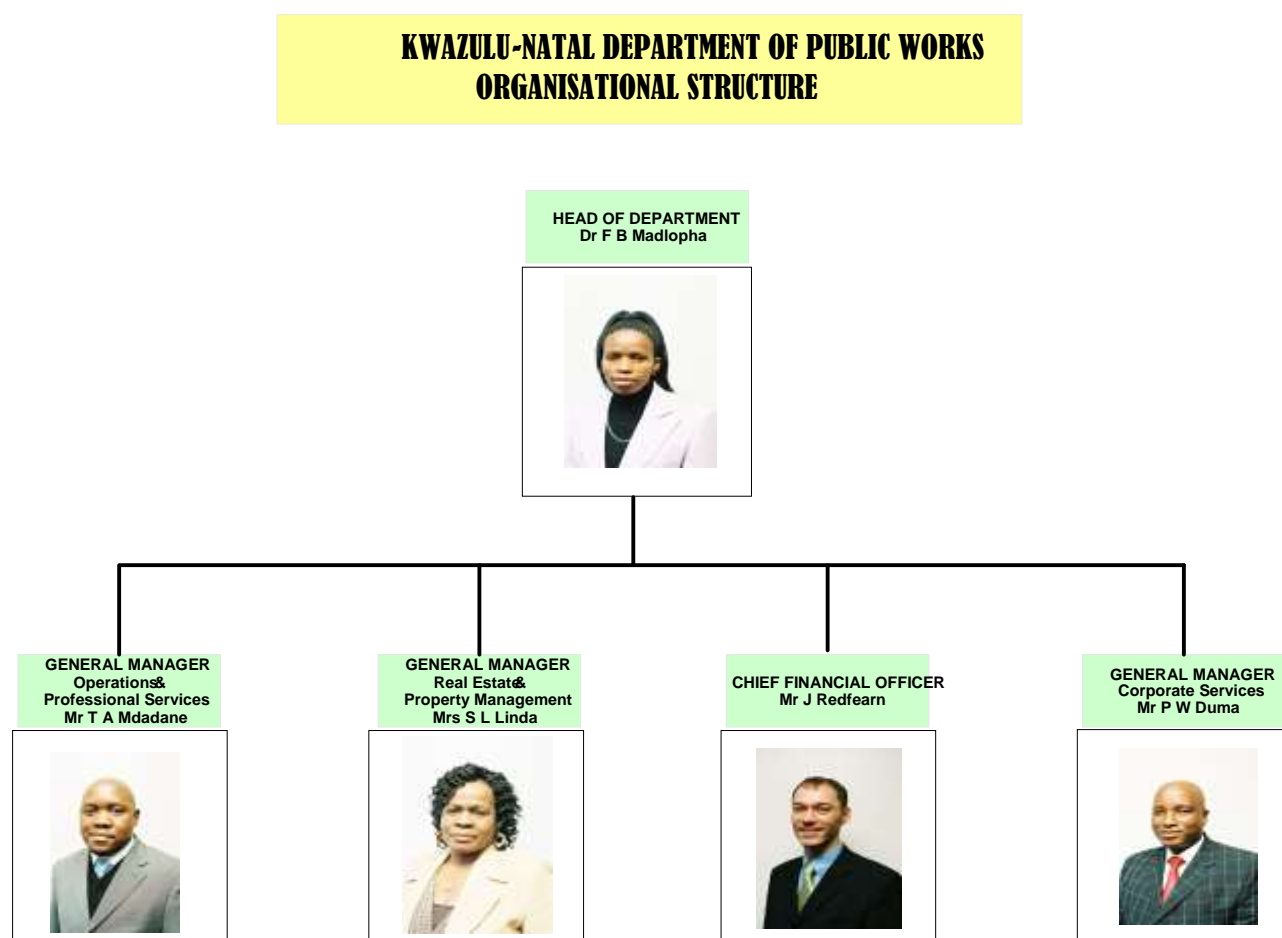
Within the broad statutory mandates of government institutions, the following mandates guide the KZN Public Works department’s core functions:

- ◆ The Construction Industry Development Board Act No. 38 of 2000;
- ◆ Property Valuers Professional Act No. 47 of 2000;
- ◆ National Building Regulations and Building Standards Act No. 103 of 1977;
- ◆ Council for the Built Environment Act No. 43 of 2000;
- ◆ Engineering Profession Act No. 46 of 2000;
- ◆ Architectural Profession Act No. 44 of 2000;
- ◆ Quantity Surveying Profession Act 49 of 2000;
- ◆ Project and Construction Management Professions Act No. 48 of 2000;
- ◆ Occupational Health and Safety Act No. 85 of 1993;
- ◆ Occupational Injuries and Diseases Act No. 130 of 1993;
- ◆ State Land Disposal Act No. 48 of 1961;
- ◆ Deeds Registry Act No. 47 of 1937;
- ◆ Expropriation Act No. 63 of 1975;
- ◆ Prevention of Illegal Eviction from, and unlawful occupation of land Act No. 19 of 1998;
- ◆ National Environmental Management Act 107 of 1988;
- ◆ KwaZulu-Natal Land Administration Act, 3 of 2003
- ◆ The KwaZulu – Natal Heritage Act 10 of 1977,
- ◆ Broad Based Black Economic Empowerment Act No. 53 of 2003;
- ◆ Promotion of Administrative Justice Act No. 3 of 2000;
- ◆ Promotion of Access to Information Act No. 2 of 2000;
- ◆ Labour Relations Act No. 66 of 1995;

- ◆ Employment Equity Act No. 55 of 1998;
- ◆ South African Qualification Authority Act No.58 of 1995;
- ◆ Skills Development Act No. 97 of 1998;
- ◆ Public Finance Management Act 1 of 1999;
- ◆ Preferential Procurement Policy Framework Act No. 2 of 2000
- ◆ Basic Conditions of Employment Act No. 75 of 1997; and
- ◆ Government Immovable Asset Management Act No. 19 of 2007

The Senior Management Team responsible for the management of the above programmes in the 2009/10 financial year is represented hereunder:

**Figure 1: Senior Management Team**



## **CHAPTER 2: PROGRAMME PERFORMANCE**

### **2.1 Overview of the Service Delivery & Organisational Environment**

- In reviewing its departmental programmes and activities, the department considered emerging strategic priorities; namely the State President's 10 key policy priorities, related Provincial priorities as well as the Public Works' sector goals in the 2009 Ministerial budget statement. Through its core mandate of delivering building infrastructure and property management services, the department is contributing to Government's priority programme to build economic and social infrastructure. Similarly, the review re-affirmed the role of the EPWP programme as well as the department's various skills' development programmes in contributing to the creation of decent work, broad based Black economic empowerment and sustainable livelihoods. The department also recognized the opportunity to use state properties for food gardens as a contribution to the Province's call to all departments to participate in an integrated approach to rural development.
- The department continued to supply its services to client departments in competition with other implementation agents. The late submission of plans by client departments continued to affect the department's objective of efficient internal planning through the Infrastructure Delivery Improvement Programme (IDIP). Established client department liaison forums were maintained to ensure efficient planning and delivery of building infrastructure and property management services.
- Due to the persistent shortage of technical skills in the construction sector, the department piloted the Envelop approach to further enhance utilization of outsourced services that it relies on to meet client needs.
- The payment of municipal property rates continued to face funding pressures that need to be addressed through improvements of the Devolution of Property Rates Grant.
- The Department had to work within an environment of tight budget funding due to the cost cutting measures introduced by Government in response to the recession. The department therefore identified and implemented cost saving measures in many areas of its operations. As well as identifying cost savings in using budgetary resources, the department also focused its energies on anti-fraud and corruption activities.
- This annual report highlights key achievements on the detailed targets in the 2009/10 Annual Performance Plan and also provides a full account of the performance information on this plan.

## 2.2 Voted Funds

**Table 1 Voted funds for 2009/10**

<b>Appropriation</b>	<b>Main Appropriation (R' 000)</b>	<b>Adjusted Appropriation (R' 000)</b>	<b>Actual Amount Spent</b>	<b>Under / (Over) Expenditure (R'000)</b>
Vote 14	798,625	798,625	796,169	2,456
Responsible MEC	MEC For KZN Public Works	Hon. M Govender		
Administering Department	KZN Department of Public Works			
Accounting Officer	Head of Department	Dr. F. B. Madlopha		

## **2.3: Programme Performance**

### **2.3.1 Programme 1: Administration**

The main objectives of this programme are to:

- Provide strategic leadership and management
- Provide support to the Member of the Executive Council
- To build a positive corporate culture
- To render support and advice in terms of:
  - Human resource practices and policies;
  - All legal matters, security and logistics;
  - Effective communication and information management systems.
- Ensure M & E Systems are in place;
- Render sound financial management services and risk management

## Summary of Achievements and challenges

**Table 2: Programme 1 Financial Achievements**

<b>Appropriation</b>	<b>Main Appropriation (R' 000)</b>	<b>Adjusted Appropriation (R' 000)</b>	<b>Actual Amount Spent</b>	<b>Under / (Over) Expenditure (R'000)</b>
Programme 1	209,999	209,789	209,217	572

## Non-Financial Achievements

The Head of Department's achievements in terms of providing strategic direction and leadership to the department are summarised in the following table:

**Table 3: Strategic Leadership Achievements**

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTION
<b>Champion the Strategic Planning Processes</b>	Strategic Plan Document 2009 – 2014 in line with MTSF	Strategic Planning Session Held	February 2010	Strategic Planning session held in July 2009 and 2010-2015 Strategic Plan produced, approved and tabled at Legislature		
	2009/2010 Annual Performance Plan in line with 2010/11- 2014/15 Strategic Plan	❖ Approved APP reflecting departmental mandate & 2009-2014 MTSF	July 2009	2009/10 APP produced, approved and tabled at Legislature		
	2008/2009 Annual Report	❖ Annual Report tabled in Legislature	30 August 2009	2008/2009 Annual report produced, approved and tabled in Legislature.		

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTION
<b>Initiation of programmes for leadership and management development</b>	❖ Implement Executive Development Programme	❖ Senior Management exposed to the programme	5 Senior Managers trained by March 31, 2010	24 Manager were trained.	OTP put Khaedu courses on hold due to funding constraints.	
	❖ Gender mainstreaming training	❖ Awareness Workshops Conducted	4 Workshops Conducted	Not Achieved	Workshops not conducted due to funding constraints	Ten (10) Departmental staff attended gender mainstreaming training at the Office of the Premier
<b>Provide and enhance Departmental Good Governance</b>	❖ Anti-corruption capacity building programme and activities	Number of capacity buildings held	(1 per region by March 2010)	20 Fraud awareness workshops were held		
		Partnerships established with other agencies involved in law enforcement	October 2009	Meetings held with Special Investigation Unit (SIU). Presidential proclamation in process with the SIU		
		Anti-corruption as a footer in all departmental documents	September 2009	Submission prepared seeking approval to change departmental footer		



STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTION
<b>Provide effective Monitoring &amp; Evaluation services</b>	Departmental M&E Framework	M & E framework developed	October 2009	A Draft Framework regarding expectations as regards the Scope of Work involved in the development of an M & E Tool has been prepared	Delays in finalization of the Framework	Expressions of Interest on an M & E System will inform finalization of the Framework
		Senior management capacitated in M & E	March 2010	A presentation has been made at EXCO level regarding M & E benefits and the role of the M & E Directorate within the Department and Government at large.	Scheduling of further sessions with due consideration to other work priorities	Awareness by virtue of constant discussion and capacity building prior to and during implementation of the M & E Tool
	An accountable department	100 days report produced	July 2009	Approved report submitted to Office of the Premier in July 2009 as requested		
		Mid year review	November 2009	2009/10 Mid-term review conducted in		

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTION
				October 2009.		
<b>Facilitate and manage Partnerships Programmes with private sector</b>	❖ Framework for PPP developed	Framework in place  Capacitation of relevant sections and officials on PPP in Infrastructure	October 2009  All SMS and SCM familiar with PPP Approach	Framework for PPP was not developed.  Not achieved	The Framework (Policy) has been the function of Treasury.	
		Pilot 1 Project using PPP approach	1 project in place	01 Partnership MoU agreement signed with Department of Economic Development and Tourism by March 2010.	—	
<b>Provide total security management</b>	❖ Physical and IT Security	Policies in place	Approval of policies	Policies approved & implemented		
		Clear SOPS that relate to IT Security established	SOPS in place and implemented by 31 March 2010	SOPS approved & implemented		

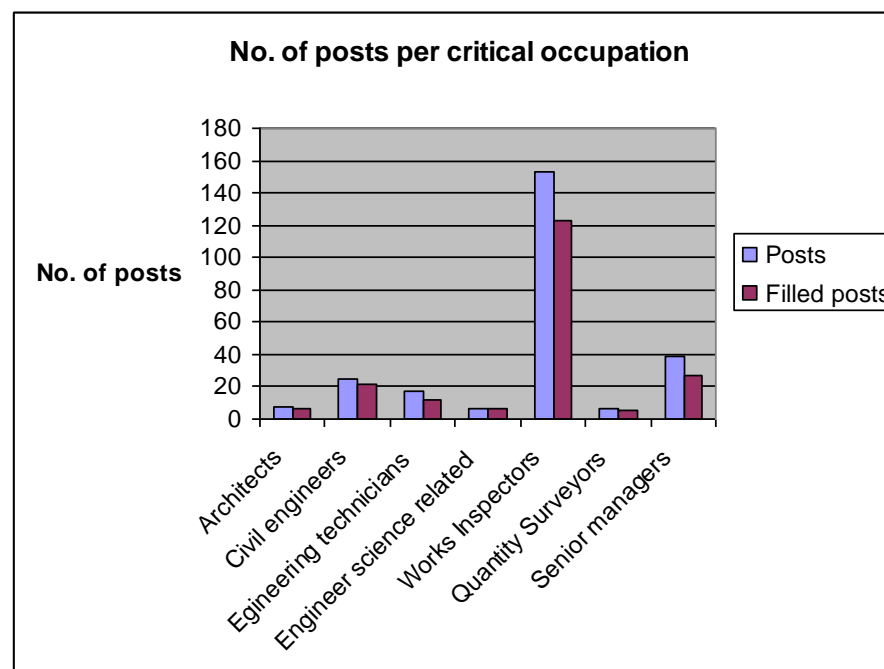
STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTION
<b>Provide and Manage Effective Communication</b>  <b>Develop Strategy on Public Participation and promote community participation</b>	❖ Fully costed Communication Strategy with clear milestones  ❖ Strategy in place	Strategy in place	30 November 2009	Partially achieved, draft communication strategy in place		
		Improved communication between the department and citizens	4 programmes with citizens per year			
		Enhanced community participation in the department	4 sessions held per quarter			
<b>Maintain International Relations Programmes</b>	Implementation of Skills Transfer Plan for Cuban Professionals	% Implementation	100% by 31 March 2010	Skills transfer plan was developed and approved.	Cuban Professionals are not yet registered as Professionals with the relevant Councils.	Followed up with National Department of Public Works on the progress.

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTION
Improve capacity in the department	Conduct external evaluation of the department against the service delivery re-engineering	Evaluated programmes	Report available by 31 March 2010	Assessment was conducted and the report with recommendations was finalised.		
	Provisioning of furniture internally	Evaluate departmental capacity	October 2009	Departmental capacity evaluated.		
	❖ 20% of furniture produced internally in partnership with people with disabilities.	No. of people with disabilities engaged in furniture production for the department )	20 people with disabilities by 31 March 2010	20 disabled people engaged and trained		

### Programme 1: Corporate Services:

- The Department filled 144 (62%) of the posts on its provisioning plan, which is an improvement on the 52% achievement in 2008/09. Similarly, the overall vacancy rate improved from 13% in 2008/09 to 9% in 2009/10. Progress in filling the required number of posts continued to be affected by challenges in attracting professionals into the department as demonstrated by the number of posts per critical occupation in Figure 2 below. The department also had to reduce the number of employees on the Provisioning Plan in response to the province's cost cutting measures that required a re-prioritisation of the budget. Programme 2 had the highest vacancy rate of almost 22%, as shown on Table 3.1 of the Human Resource Management report. The same programme had the highest vacancy rate in the previous financial year.
- The department continued to experience capacity constraints in the critical occupational categories as shown in Figure 2 below:

**Figure 2: No. of posts per critical occupation at 31 March 2010**



- The Internship Programme, whose objective is to fill the skills gap in the critical occupational categories, appointed 10 interns from a target of 8.
- 875 employees attended training in line with the Workplace Skills Plan. A total of 420 (63%) of illiterate employees attended ABET programmes.
- In line with the focus on rural development, 9 bursaries, representing 22% of all bursaries, were awarded to students from rural communities. The department will continue to work towards the target of awarding 60% of its external bursaries to students in the rural areas.

### **Employment Equity**

- In terms of contributing to the Provincial Transformation Profile; the department aims to achieve a 50: 50 gender representation for all its employees, 2% for people with disabilities and 60% blacks. It also seeks to achieve a 50: 50 gender representation for SMS level employees in line with DPSA targets.

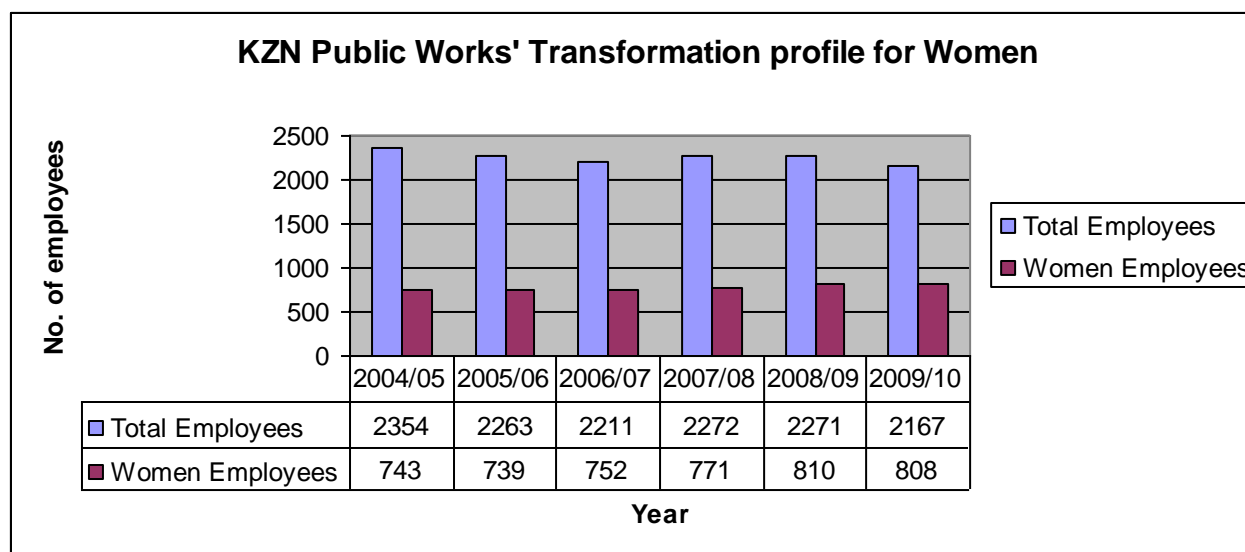
The table below outlines the achievements for the 2009/10 financial year.

**Table 4 Departmental Transformation Profile @ 31 March 2010**

Employment Equity Group	No. of Filled posts	No. of Posts Filled by target group	% Total filled posts per target group	
			Annual Target	Achievement
Blacks at SMS	21	13	75%	61.9%
Women at SMS level	21	6	50%	28.6%
Women employees on the employee establishment	2167	808	50%	37.2%
People with disabilities	2167	9	2%	0.4%

- By the end of the 2009/10 financial year, the Department had achieved the following Employment Equity levels compared with the targets:
  - 62% of the filled SMS posts were occupied by blacks as opposed to the 75% target, with 13 blacks occupying the 21 filled SMS posts.
  - Women occupied only 6 (28%) of the 21 filled SMS posts as opposed to the 50% target of the Employment Equity Plan.
  - The proportion of women in the total number of filled posts currently stands at 37%, which is lower than the 50% target of the Employment Equity Plan.
  - The proportion of people with disabilities in the total workforce was 0.3% compared to a target of 2%.
  - The figure below shows the annual trends in women representation which show a slow increase in the number of women on the labour force ranging between 31% in 2004/05 to 35% in 2008/09.

**Figure 3: Annual Trends in transformation profile for Women**



- The department's Human Rights and Employment Equity Directorate continues to promote the implementation of equity targets in the recruitment process.

The table below shows in detail the performance achievements of the Corporate Services component of the Administration programme.



**Table 5: Programme 1 Performance (Corporate Services)**

**STRATEGIC GOAL: SKILLS DEVELOPMENT**

Strategic objective	Measurable objective	Performance measure	2009/2010 Target	PROGRESS	CHALLENGES	INTERVENTI ON
To ensure the retention of staff	Implementation of the Occupational Specific Dispensation (OSD)	100% Implementation	31/03/2010	Resolution 3 of 2009 implemented programmatically and manually on PERSAL with effect from 1 April 2009 in respect of employees from levels 1-12 not on OSD's. In addition an exercise to update the occupational classification codes to ensure a smooth programmatic translation of the Resolution was also finalised in September 2009. GPSSBC Resolutions 3, 4, 5, 6 and 9 in respect of OSD's for Architects and QS, Artisans, Technicians, Technologists and Engineers and Construction Project Managers was signed in the PSCBC during August 2009 and work shopped to the Province on 28 September 2009.	There was no budgetary provision for implementation of OSD.	

Strategic objective	Measurable objective	Performance measure	2009/2010 Target	PROGRESS	CHALLENGES	INTERVENTION
				Workshops were convened with HR Officials and officials affected by the OSD from 30 September until 6 November 2009, wherein the HR Officials were trained in completing the necessary templates required, whilst the affected employees were informed of the provisions of the OSD and the implementation thereof. A total of 185 employees were work-shopped during the abovementioned period. In addition a total of 47 Works Inspectors from the Department were also consulted and advised of their exclusion from the OSD process.		
	Implementation of the staff retention policy	100% Implementation	31/03/2010	Two (2) officials have been retained.	Commitment from exiting employees to complete the exit interview questionnaire.	Continued marketing of the value of the exit interview questionnaire to employees and line managers.

Strategic objective	Measurable objective	Performance measure	2009/2010 Target	PROGRESS	CHALLENGES	INTERVENTION
To ensure the implementation of Learnerships and Internships	Effective coordination of Internal sector specific skills development programmes within the department	Number of National Youth Service Trainees	31/03/2010	There are 320 learners who are currently in the NYS Programme.		
		Number of Property Incubator Trainees	31/03/2010	There are 75 trainees on the Property Incubator Training Programme.		
	Implementation of Internal Learnerships and Internships	15 Learnerships	31/03/2010	There are ten (10) learnerships implemented.	The NQF levels of applicants was not sufficient for entry into the programme	The applicants have been subjected to the ABET programme
		8 Internships	31/03/2010	Ten (10) interns were appointed; however, only six (6) are currently employed.	Three (3) interns had to return to their studies and one intern resigned due to better offer by the private consulting firm.	
To ensure the Development of Rural Communities	Implementation of Bursary Programme	60% Bursaries awarded in rural areas	31/03/2010	Nine (9) bursaries, representing 22% were awarded to students from rural communities. Two bursars have completed their studies and will be placed on the internship program.		

Strategic objective	Measurable objective	Performance measure	2009/2010 Target	PROGRESS	CHALLENGES	INTERVENTION
To ensure the reduction of the vacancy rate	Reviewed and approved Human Resource Provisioning Plan	100% compliance	30/04/2009	HR Provisioning Plan was reviewed and approved.  There are 169 posts currently on the HR Provisioning Plan after the re-prioritisation process.		
	Implemented Human Resource Provisioning Plan	% Achievement	31/03/2010	One hundred and forty four (144) appointments were made. This represents a 62% achievement.	Targets could not be reached because of re-prioritisation due to cost cutting measures in the Province.  Re-advertisement of posts due to no suitable candidates being found.	
To Implement the Human Resource Development Strategy	Develop and Implement Plan to train Departmental staff on critical skills	Number of staff skilled in: Property Management, Financial Management and Project Management	31/03/2010	Not achieved.	The National Guidelines is still to be developed and consulted with stakeholders.	

Strategic objective	Measurable objective	Performance measure	2009/2010 Target	PROGRESS	CHALLENGES	INTERVENTION
	Implementation of Work Place Skills Plan	Number of Staff Trained	31/03/2010	<p>Workplace skills plan was not submitted due to delays by the service provider however training was conducted in line with the WSP for 2008/2009.</p> <p>Eight hundred and seventy five (875) employees attended training.</p>		
	Eradication of illiteracy within the Department through ABET	% reduction	31/03/2010	A total of 420 (63%) out of the 670 illiterate employees attended ABET programmes.	<p>37% (247) of the illiterate employees are not interested in the ABET Program.</p> <p>The ABET Programme was put on hold again due to none availability of funds.</p>	To continue marketing the programme in order to eliminate illiteracy in the department
	Develop and Implement Skills Transfer Plan for Cuban Professionals	Plan Developed	31/03/2010	Skills transfer plan was developed and approved.	Cuban Professionals are not yet registered as Professionals with the relevant Councils.	Followed up with National Department of Public Works on the progress.

Strategic Objective	Measurable Objective	Performance Measure	2009/2010 Target	PROGRESS	CHALLENGES	INTERVENTION
To assess the capability of the Department to produce furniture internally	Investigation Conducted	Report with recommendation finalised	31/03/2010	Assessment was conducted and the report with recommendations was finalised.		

# STRATEGIC GOAL: CORPORATE GOVERNANCE

Strategic objective	Measurable objective	Performance measure	2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
To promote corporate governance	Service standards publicly and prominently displayed in all Departmental offices	Percentage of Departmental Offices with service standards publicly and prominently displayed	31/03/2010	Service Standards were forwarded to all departmental offices and are prominently displayed.		
	Promotion of the Departmental Service Commitment Charter	Number of Workshops conducted	31/03/2010	Five (5) workshops were conducted.		
	Implementation of the Service Delivery Improvement Plan	100% Implementation	31/03/2010	Draft Service Delivery Improvement Plan (SDIP) was developed.	Delays in obtaining input from all stakeholders	Ensure that the SDIP is approved for 2010/2011
To promote Employee Health and Wellness	Implementation of the Employee Health and Wellness Strategy	100% Implementation	31/03/2010	This Departmental Employee Health and Wellness Strategy was developed.		
	Promotion of Employee Health and Wellness Programmes in line with all National and Provincial days	100% completed	31/03/2010	The following programmes have been promoted:  -Campaign on writing of Wills -Know Your Blood Type -Parliament for Senior Citizens at uThukela District -Personnel Financial Management		

Strategic Objective	Measurable Objective	Performance Measure	2009/2010 Target	PROGRESS	CHALLENGES	INTERVENTIONS
To promote sound Labour Relations	Reduction in misconduct and grievance cases	Number of Cases finalised	31/03/2010	Thirty seven (37) out of sixty (60) grievance cases was finalised. This represents a 62% achievement.	Lack of understanding of the grievance procedure by line managers	Conducting of training for line managers
				Thirty seven (37) out of eighty four (84) misconduct cases was finalised. This represents a 44% achievement.	Deliberate delaying of proceedings by the charged officials and limited pool of presiding officers	Train and re-training of investigating presiding officers
	Promotion of ethical conduct	Number of Awareness Workshops conducted	31/03/2010	Twelve (12) workshops for Code of Conduct, Disciplinary Code, Grievance rules and implications of participating in a strike, were conducted.		



# STRATEGIC GOAL: INFORMATION MANAGEMENT

Strategic Objective	Measurable Objective	Performance Measure	2009/2010 Target	PROGRESS	CHALLENGES	INTERVENTIONS
To ensure effective information management	Approved Information Management Strategy	Reviewed and Implemented Master Systems Plan	30/09/2009	<p>The Master Systems Plan was reviewed and implemented. The following was implemented:</p> <ul style="list-style-type: none"> <li>•SysAid Helpdesk System</li> <li>•Dundee District Office and Head Office Network Upgrade</li> <li>•Audio Visual Installation – Head Office</li> <li>•Trend Antivirus Version 10 Roll-Out</li> <li>•Enterprise Project Management Server</li> <li>•Biometric Access Control Systems for Servers Rooms</li> <li>•Network Environmental and Security Habitats for Nongoma, Mtubatuba, Ulundi, Vryheid and Newcastle District Offices</li> <li>•Active Directory and Microsoft Exchange Optimisations</li> <li>•Blackberry Express Mail Server</li> </ul>		
	Implemented Information Management Policies	Developed and Reviewed Information Management Policies	31/03/2010	The E-mail Acceptable Use Policy was approved. The User Account Control Policy, Internet Acceptable Use Policy, Remote Data Card Access Policy and Information Security Policy have been developed and reviewed.		

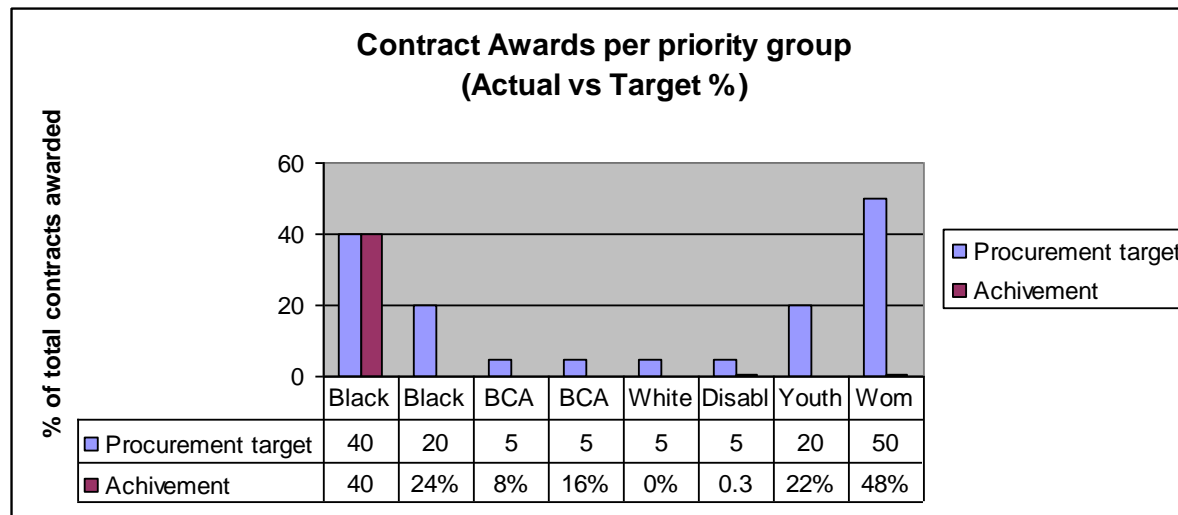
Strategic Objective	Measurable Objective	Performance Measure	2009/2010 Target	PROGRESS	CHALLENGES	INTERVENTIONS
To integrate all Departmental Information Management Systems	Integrated Information Management System Implemented	Approved Systems Integration Plan	31/03/2010	WIMS (Works Information Management System) and PREMIS (Professional Real Estate Management Information System) Integration Plan was approved.		
		Implemented Systems Integration Plan	31/03/2010	WIMS and PREMIS were successfully integrated.		

## FINANCE

### Summary of Achievements & Challenges

- The department performed well in managing its budget, achieving a budget variance of -0.31% on its expenditure, well within the targeted variance of 2%. This compares well with the variance of -0.24% in 2008/09. The performance reflects well on the department's ability to achieve its annual objectives within the budgeted expenditures, including effective supply chain management.
- The department continued to liaise closely with client departments in order to recover claims due and minimize cash flow problems. The annual recovery rate improved from 83% in 2008/09 to 92% in 2009/10 compared with the target recovery rate of 75%.
- The department continues to engage the youth, women and other priority groups in empowerment activities such as skills development (e.g. NYS, Masakhe ECDP), tender procedures information dissemination and the preferential point system for contract awards within the provisions of the BBBEE policy. The objective of these interventions is to improve their capacity to participate in Government procurement and other market opportunities. During 2009/10, African women and men, BCA men and women as well as youth, all exceeded the departmental procurement targets for their categories as shown in Figure 4 below.

**Figure 4: Contract Awards per priority for the 2009/10 Financial Year**



Under-performing categories are people living with disabilities and White women. The department has been engaging provincial Treasury regarding the inclusion of War Veterans as a separate target category.

- The department focused on improving its Anti-Fraud activities, including a review of the Fraud Prevention Strategy and Risk Management Strategy. 23 of the planned 25 compliance audits were carried out as per the annual Internal Audit Plan and quarterly risk management meetings were held at regional and head office level to identify and manage risk.

The Finance component of the administration programme had the following detailed achievements:

**Table 6: Programme 1 Performance (Finance)**

**STRATEGIC GOAL: FINANCIAL MANAGEMENT**

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTION
Budget to be aligned to District Municipalities.	◆ Budget allocated in line with District Municipalities.	◆ Aligned budget in line with Treasury guidelines and deadlines	◆ 100% compliance	◆ 2010/11 Budget submission completed and submitted to Provincial Treasury within due		

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTION
				deadlines		
Effective utilization of the budget within the current financial year in line with the cost cutting measures.	◆ Monthly monitoring and reporting.	◆ % budget variation	◆ within 2% budget variation	◆ 0,31% variance		
Recovery of in service & out of service debts (staff).	◆ Setting and collection of debts per monthly age analysis.	% Recovery of collectable debts in terms of debtor agreements	◆ 60%	◆ 38.83% in-service debts collected ◆ 56.83% out-service debts collected		

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTION
To recover outstanding claims from Client Departments	◆ Monthly / Quarterly liaison meetings with client departments	◆ No of meetings	◆ Quarterly	◆ Meetings were held with the following departments: -Human Settlements – 23 July 2009 -Royal Household – 25 August 2009 -Prov. Parliament – 3 Dec. 2009 and follow up meeting on 20 Jan. 2010 -Sports and Recreation – 17 February 2010 -Meeting with Accountant General and Departments of Health, Education,	Department of Transport declined meeting at the last minute	

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTION
				Office of the Premier, Local Government – 16 Feb. 2010		
	◆ Cash flow management to client departments	◆ % recovery	◆ 75%	◆ 92% recovered	◆ Challenges experienced with the Royal Household, Health, Legislature and Office of the Premier	◆ Meeting held with Treasury to assist in collection/write offs

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTION
Implementation of Loss Control Policies and Procedures	♦ Reduction in backlog.	♦ % Reduction (Backlog = 246 cases)	♦ 80%	♦ 78.8% cleared	♦ Finalisation of cases where there is no information on files as well as on the system (Loco) ♦ Delays with State Attorney cases	
	♦ Ensure compliance with loss control policies & procedures.	♦ % Compliance	♦ 100%	♦ 100% to date		



STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTION
	<ul style="list-style-type: none"> <li>Timely finalisation of loss cases.</li> </ul>	<ul style="list-style-type: none"> <li>3 months</li> </ul>	<ul style="list-style-type: none"> <li>100%</li> </ul>	<ul style="list-style-type: none"> <li>12.12% compliant</li> </ul>	<ul style="list-style-type: none"> <li>Processes followed make impossible to finalise cases within 3 months as every step is recommended by monthly meeting</li> </ul>	
	<ul style="list-style-type: none"> <li>Regional Loss Control Committees.</li> </ul>	<ul style="list-style-type: none"> <li>Number of meetings per month</li> </ul>	<ul style="list-style-type: none"> <li>Monthly meetings</li> </ul>	<ul style="list-style-type: none"> <li>Number of meetings held per Region for the year: <ul style="list-style-type: none"> <li>Midlands – 9</li> <li>Southern – 7</li> <li>Ethekwini – 8</li> <li>North Coast - 9</li> </ul> </li> </ul>		
To be fully compliant with	<ul style="list-style-type: none"> <li>Compliance with PFMA and</li> </ul>	<ul style="list-style-type: none"> <li>Unqualified audit report.</li> </ul>	<ul style="list-style-type: none"> <li>31/03/10</li> </ul>	<ul style="list-style-type: none"> <li>Monthly monitoring</li> </ul>		

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTION
PFMA and Treasury Regulations and Practice Notes.	Treasury Regulations			and reporting of AG action plan		
Implementation of Performance Budgeting.	◆ Operational Performance Budgeting in line with National Treasury Requirements.	◆ % Compliance	◆ 100%	◆ Outstanding	◆ Performance Based Budgeting System has been suspended by Treasury	

**STRATEGIC GOAL: RISK MANAGEMENT:**  
**SUB GOAL: FRAUD AND CORRUPTION**

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTION
Prevention and Management of fraud and corruption activities.	◆ Development and implementation of Fraud Prevention and Detection Strategy	◆ Strategy developed and implemented	◆ Strategy developed	◆ Fraud Prevention Strategy drafted		
Minimize audit queries	◆ Approved Annual Internal Audit Plan	◆ % Internal Audits carried out	◆ 100% (I A Plan)	2009/2010 ◆ 7 Completed ◆ 4 Draft reports issued ◆ 1 Drafting report ◆ 2 Rolled over 2010/11	◆ IA draft Operational Plan not finalised	

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTION
		<ul style="list-style-type: none"> <li>25 Compliance Audits carried out</li> </ul>	<ul style="list-style-type: none"> <li>25 (Comp plan)</li> </ul>	<ul style="list-style-type: none"> <li>23 compliance completed &amp; reports issued (11 draft) – 92%</li> <li>2 in execution – 8%</li> <li>11 prior years IA follow-ups performed</li> <li>2 prior years IA follow-ups in progress</li> </ul>		

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTION
		<ul style="list-style-type: none"> <li>◆ % of recommendations implemented</li> </ul>	<ul style="list-style-type: none"> <li>◆ 100%</li> </ul>	<ul style="list-style-type: none"> <li>◆ No new compliance follow-up audits performed during period</li> <li>◆ 11 prior years IA follow-ups performed</li> <li>◆ 2 prior years IA follow-ups in progress</li> <li>◆ 2% recommendations of Internal Audit currently outstanding for prior year Internal Audits</li> </ul>		

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTION
		<ul style="list-style-type: none"> <li>% Audit of identified high risk areas</li> </ul>	<ul style="list-style-type: none"> <li>100%</li> </ul>	All current high risk audits in line with IA plan and Compliance Audit Plan	<ul style="list-style-type: none"> <li>Capacity and skills / inexperience</li> <li>Resource constraints for training. Currently undergoing on the job training</li> </ul>	<ul style="list-style-type: none"> <li>Considering review of Compliance Structure</li> </ul>
Effective Risk Management	<ul style="list-style-type: none"> <li>Finalisation and approval of Risk Strategy and Procedures</li> <li>Manage risks through risk committee meetings: <ul style="list-style-type: none"> <li>Head Office Risk</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Approved Risk Strategy and Procedures by target date</li> <li>No of meetings per quarter</li> </ul>	<ul style="list-style-type: none"> <li>Sept 2009</li> <li>1</li> <li>19</li> </ul>	<ul style="list-style-type: none"> <li>Risk Strategy developed and tabled at EXCO on 26 May 2009 for approval</li> <li>4 Quarterly meetings held in April, July, October and November 09</li> <li>15 Regional</li> </ul>	<ul style="list-style-type: none"> <li>Delays in receiving responses to Audit &amp; Risk reports</li> </ul>	<ul style="list-style-type: none"> <li>Continuous follow-up with Managers</li> </ul>

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTION
	Committee - Regional Risk Committees			Risk Committee & 3 HO Risk Committee Meetings held. ♦ Next Regional & HO Risk Committee meetings schedule for April 10		

**STRATEGIC GOAL: SUPPLY CHAIN MANAGEMENT**

**SUB GOAL: INCLUSIVE ECONOMIC GROWTH**

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGE	INTERVEENTION
Close gap between second and first economy.	◆ Development of Annual Procurement Plan in line with Provincial Strategy.	◆ Annual Procurement Plan developed and implemented	◆ Annual Procurement Plan developed	◆ The PPO's was approved – 25 August 2009		



STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGE	INTERVEENTION
	<ul style="list-style-type: none"> <li>Development of a Preferential Procurement Strategy for targeted groups in terms of BBBEE Policy. (Women Youth War Veterans Disabled PPG's )</li> </ul>	Preferential Procurement Strategy developed	Preferential Procurement Strategy developed by due date	<ul style="list-style-type: none"> <li>PPO's were finalised. Below are the approved targets: <ul style="list-style-type: none"> <li>African F – 40%</li> <li>African M – 20%</li> <li>BCA F – 5%</li> <li>BCA M – 5%</li> <li>White F – 5%</li> <li>Disabled – 5%</li> <li>Youth – 20%</li> <li>Women total – 40%</li> </ul> </li> <li>Achievement: <ul style="list-style-type: none"> <li>African F – 40%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>As per Provincial priorities in terms of War Veterans, currently not included in procurement targets.</li> </ul>	<ul style="list-style-type: none"> <li>The matter has been addressed with Provincial Treasury and awaiting response.</li> </ul>

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGE	INTERVEENTION
				<ul style="list-style-type: none"> <li>◆ African M – 24%</li> <li>◆ BCA F – 8%</li> <li>◆ BCA M – 16%</li> <li>◆ White F – 0%</li> <li>◆ Disabled – 0.3%</li> <li>◆ Youth – 22%</li> <li>◆ Women total – 48%</li> </ul>		

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGE	INTERVEENTION
	<ul style="list-style-type: none"> <li>Development and Implementation of the Sub Contracting Policy.</li> </ul>	<ul style="list-style-type: none"> <li>Sub Contracting Policy in place</li> </ul>	<ul style="list-style-type: none"> <li>June 09</li> </ul>	<ul style="list-style-type: none"> <li>Research being conducted to prepare draft document (3<sup>rd</sup> quarter)</li> <li>Meeting held with Provincial Contractors forum and working group established</li> <li>Legal opinion indicated that policy is not necessary as this is adequately covered in conditions of contract</li> </ul>		

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGE	INTERVEENTION
Fast tracking payments to Emerging Suppliers.	◆ Timely processing of payments to emerging service providers.	◆ Average processing time.	◆ 7 days average (BAS) from date of receipt of invoice			
Effective Movable Asset Management.	◆ Ensure compliance with PFMA and SCM/Asset Management Guidelines.	◆ % compliance with SCM/Asset Management Guidelines	◆ 100% Compliance Audits Done twice a year	◆ 100% compliance ◆ Movable asset stock verification completed for the department. ◆ Updating of Hardcat in terms of unfound and duplicate assets finalised at 15 March 2010		

## **2.4 PROGRAMME 2: PROPERTY MANAGEMENT (REAL ESTATE)**

### **2.4.1 Programme Purpose**

The purpose of this programme is to provide and facilitate the provision of accommodation and integrated property management services to clients through planned property acquisition and disposal, optimal utilisation of state fixed assets, land valuation, maintenance of fixed property register, payment of property rates and integrated service delivery.

### **2.4.2 Summary of achievements & challenges**

**Table 7: Financial Performance for Property Management  
Programme**

<b>Appropriation</b>	<b>Main Appropriation (R' 000)</b>	<b>Adjusted Appropriation (R' 000)</b>	<b>Actual Amount Spent</b>	<b>Under / (Over) Expenditure (R'000)</b>
Programme 2	265,878	265,080	263,564	1,516

## Non-Financial achievements

- Integrated state property planning, asset maintenance and effective compliance with municipal rate payments require up to date property information. As such, the updating of the Fixed Asset register continued to be a key performance area. 60% of the targeted 48 000 property fields were updated, representing a reduction from the 80% achievement in 2008/09. By the end of the year, 58% of the properties on the register had been mapped with GIS information, improving the potential for sharing information about location and other relevant property information.
- The department relied mainly on municipal valuation rolls to assign property values to state properties on the register.
- 421 (64%) of the targeted 660 properties were audited to generate information for asset maintenance planning. The department received 9 out of the targeted 16 draft User Asset management Plans. These plans are meant to assist with lifecycle management plans of a long term nature in line with the requirements of the GIAMA Act. The main constraints were the unavailability of funding to finance the required planning in the client departments as well as the current shortage of staff in the Property Management Programme. The Human Resource Provisioning Plan prioritized filling of facilities management officials to improve performance in asset maintenance planning.
- Achievements in responding to client department's annual requests is highlighted below for the past two financial years:

**Table 8: Trends in no. of client requests for accommodation & response**

Year	Client department annual property requirements & provision							
	Hirings		Acquisitions		Lettings		Disposal	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
2008/09	104	31	48	12	27	Nil (Request withdrawn by DoH )	31	14
2009/10	66	35	65	7 (57 at various stages of acquisition)	16	7	42	Nil (86 approved for disposal)

Challenges faced in responding to client requests for accommodation as well the related interventions include the following:

- Improvements of SLAs with client departments to cut down on delays by client departments in submitting requests as well as slow confirmation of funding ;
- Low responses from suppliers in the procurement process;
- Planning for sub-division costs for property disposals that currently slow down property transfers;
- Liaison with State Attorney's office to reduce delays in property transfers;
- Prioritisation of posts in the Programme to reduce the high vacancy rate
- The Property Management Programme to employment creation and skills development through the following programmes:

- A total of 59 indigent local community members received contracts to clear 9 vacant government sites through the Izandla Ziyagezana Programme, which is a diversified EPWP project.
- 63 learners recruited for the Property Incubator programme received training in the first phase of the programme that intends to impart skills in property ownership, development and management.
- Although the department did not achieve its target of utilizing youth in refurbishing state buildings in 2009/10, it initiated work on bid documents and engaging landlords about employing youth for this activity.

Detailed programme achievements for Programme 2 are as per the 2008/09 Annual Performance Plan are shown below:

**Table 9: Programme Performance: Property Management Programme**

**STRATEGIC GOAL: INTEGRATED PROPERTY PLANNING & MANAGEMENT**

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET  2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS











STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET 2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
To provide efficient and effective management of Provincial Fixed Asset Register	◆ Accurate and updated Provincial Fixed Asset Register.	◆ New and additional data in the fixed asset register continuously updated	◆ 48000 fields	◆ A total of 28982 fields were updated.	◆ Shortage of staff in the Midlands and North Coast Regions. Lack updating was also due to priority being given to payment of Property Rates.	◆ Fast tracking the filling of posts.






STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET 2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
		<p>◆ % of newly constructed properties captured as and when they are completed.</p>	<p>◆ 100%</p>	<p>2 properties (DoE &amp; DoH) were received from Operations. The FAR will be updated.</p> <p><b>The following Users have complied:</b></p> <p>DAEARD, DHS, DoE, DCS, DSD, Legislature, DCGTA, DSR, Treasury and DoH, DoT, DAC and OTP</p> <p><b>The ff have not complied;</b></p> <p>DEDT.</p>	<p>◆ Poor response from user Departments in providing data of newly constructed assets.</p>	<p>In terms of the cabinet resolution clients are required to provide information on quarterly basis</p>




STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET 2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
		<ul style="list-style-type: none"> <li>◆ % of assets of State Entities included in the Asset Register</li> </ul>	<ul style="list-style-type: none"> <li>◆ 100%</li> </ul>	<p>55 properties from three state entities:</p> <ul style="list-style-type: none"> <li>◆ KZN Tourism— indicated a nil return.</li> <li>◆ Sharks board - 11 facilities</li> </ul> <p>KZN Wildlife – 44 nature reserves.</p>	<ul style="list-style-type: none"> <li>◆ Poor responses from other Public entities.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Follow ups are being made from the 8 remaining entities.</li> </ul>

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET 2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
		<ul style="list-style-type: none"> <li>% of Assets of State Entities audited for disability compliance</li> </ul>	<ul style="list-style-type: none"> <li>100%</li> </ul>	<ul style="list-style-type: none"> <li>0%.</li> </ul>	<ul style="list-style-type: none"> <li>Lack of capacity (Facilities management officials both at H/O and regional offices.</li> </ul>	<ul style="list-style-type: none"> <li>Property management posts have been prioritized and the HR provisioning plan in place to fast track the recruitment</li> </ul>
To spatially map immovable assets in line with PSEDS	<ul style="list-style-type: none"> <li>Immovable assets mapped</li> </ul>	<ul style="list-style-type: none"> <li>% of Immovable assets mapped</li> </ul>	<ul style="list-style-type: none"> <li>50%</li> </ul>	<ul style="list-style-type: none"> <li>50%</li> </ul>	58% of properties have the GIS information	
To ensure that state properties are audited	<ul style="list-style-type: none"> <li>State properties audited</li> </ul>	<ul style="list-style-type: none"> <li>Number of properties audited</li> </ul>	<ul style="list-style-type: none"> <li>660</li> </ul>	<ul style="list-style-type: none"> <li>ER 129</li> <li>MR 58</li> <li>NCR 192</li> </ul>	<ul style="list-style-type: none"> <li>Priority being given to payment of</li> </ul>	<ul style="list-style-type: none"> <li>Property management posts have</li> </ul>

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET 2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
				 SR 42 <b>Total = 421</b>	Property Rates since the conditional grant did not come with the HR to administer it and therefore utilised staff from other sections.	been prioritized and the HR provisioning plan in place to fast track the recruitment

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET 2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
To take transfer of all Provincial Immovable assets.	 Vesting of newly identified Provincial immovable assets	 Number of assets vested	 1520	 - Properties presented and recommended by PSLDC = 70  -Properties where Item 28(1) certificates were received = 27  -Title deeds endorsed = 26   Title Deeds received from the NDPW = 451	 Vesting process involves external factors (e.g. DRD&LR and Office of the State Attorney).  Lack of capacity within property management.	Vesting tracking system developed by DRD&LR is now operational.  Vesting Plan for 2010/2011 is in place  The vesting is scheduled to be finalised by 2015

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET 2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
	 R293 township Provincial assets registered	 No of provincial assets registered	 1060	 Nil	the fact that the process is dependent on the Ingonyama Trust first transferring the R293 properties to the municipalities, which has proved to be protracted and very slow	 The matter has been referred to the Department of Rural Development & Land Reform to resolve.

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET 2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
	 South African Development Trust Provincial assets registered	 No of Provincial assets registered	 700	Nil	<p>The challenge is around surveying of these properties and cost related to that, plus the transfer procedure which has to be drawn by the Department of Rural Development and Land Reform.</p>	<p>DRDLR will be further engaged in the 2010/11 to ensure the process is in place and the issue survey costs are resolved.</p>



STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET 2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
	◆ Umzimkulu Provincial Properties registered	◆ No of properties registered	• 608	80 Properties have been identified but transfer not yet taken due to outstanding information from the Eastern Cape govt though proclamation has been received.	Key information outstanding from the Eastern Cape, i.e. title deeds, item (28)1 certificate, etc.	The region is to have contact with the EC PSLDC with a view of getting the outstanding information.
	◆ Identify surveyed State Domestic Facilities on Ingonya	◆ No of properties identified	• 500	◆ 500, survey diagrams are still to be obtained from Department of Co-operative	The challenge is around the absence of transfer procedure which has to be drawn by the Department of	ITB will be further engaged in the 2010/11 to ensure the process is in place to facilitate the transfer.

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET 2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
	ma Trust Land			Governance and Traditional Affairs.	Rural Development and Land Reform.	
To facilitate the payment of property rates.	◆ Effective projection and timely payments of municipal property rates	◆ Expenditure of budget (R' million)	◆ R236m	Expenditure as at end March 2010 was R237M (99.9% budget spent). There was R 1 M rand rolled over from 2009/10	About R177 000 -00 could not be paid due to system closure.  Underfunding of the conditional grant resulted to unpaid invoices to the value of R221m.	Roll over of about R177 000 – 00 applied for.

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET 2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
To capture market values of state Immovable Assets in Fixed Asset Register	◆ State Immovable Asset values captured.	◆ Number of property values captured	◆ 2868	A total number of 2860 facilities on the Fixed Asset register have municipal values  .		

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET 2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
To effectively manage immovable assets in terms of GIAMA	◆ Development of User Asset Management plans.	◆ No of User Asset Management Plans developed (U-AMPs).	◆ 16	9 draft U-AMPs have been received, they are currently being checked.  A detailed progress on each user is in place	Lack of funding.  Capacity within user Departments.	Funding requests for the implementation of GIAMA submitted to treasury and to the National Public DPW.  One on one meeting ongoing to try and capacitate the users.
	◆ Development of Custodian Asset Management plan.	• Custodian Asset Management Plan developed(C-AMP).	◆ 1	Nil	This is dependent on receipt of finalised U-AMPS from users.	Assistance offered to Users who have not submitted.

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET 2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
To satisfy land and building needs of Provincial Departments through property acquisition and disposal	◆ Acquisition of properties for user departments .	◆ No of properties acquired	◆ 65	<p>7 properties were acquired. One was withdrawn by the client.</p> <p>Other 57 cases are progressing at various stages.</p>	<p>Delays in obtaining the rates clearance certificates.</p> <p>Delays in the State attorney's office.</p> <p>Clients not confirming funding as well as their acquisition plan.</p>	<p>◆ Liaison with the State attorney's office to be facilitated by departmental Legal Services component.</p>

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET 2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
		◆ No of properties hired	◆ 66	35 achieved	This is dependent on Client Departments submitting their needs assessment and funding timeously  Finding responsive bidders poses a challenge	SLAs being finalised to be signed with clients to ensure timeous submission of funds approvals and needs assessments. This will be implemented in the 2010/11 financial year.
		◆ Development of Infrastructure investment model for office accommodation as part of Acquisition and Hiring	◆ Approval of the model by cabinet	Not achieved	Lack of internal capacity (policy unit) within the chief directorate.	To prioritise funding for the resources required for the development of the model in 2010/11

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET 2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
	◆ Properties disposed of in-line with asset management plans	◆ Number of properties disposed of	◆ 42	◆ Nil properties were disposed however 86 properties were approved by cabinet for disposal.	Costs related to sub division of some properties and finalisation of transfers.	Completion of subdivision of properties and the finalisation of transfers
		◆ Number of properties let	◆ 16	◆ 7 properties were let in the financial year	◆ Backlog is due to the lack of capacity in the letting sections within property management. 36% vacancy rate.	◆ The filling of posts is being fast tracked to create the necessary capacity.

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET 2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
To create a revenue fund for special programmes	◆ Creation of a Departmental revenue fund	◆ Revenue fund created	◆ March 2010	The matter was investigated by the finance section but it was established that the approach will not be possible.		
To manage the eviction of identified illegal occupants from state-owned properties	◆ Eviction of identified illegal occupants on state properties.	◆ Identified illegal occupants evicted.	◆ 20	◆ 3 evictions achieved.	Delays at the State Attorney level.	◆ Legal Services requested to facilitate liaison with the Office of the State Attorney.



# STRATEGIC GOAL: STAKEHOLDER PARTICIPATION AND MANAGEMENT

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET 2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
To provide effective client liaison and management services.	◆ Ensure client liaison meetings.	◆ Number and frequency- OPAC & ROPAC and JTTs (quarterly & monthly respectively).	◆ 104	◆ OPAC = 3 ◆ ROPAC = 43 ◆ JTT = 10	◆ Lack of human resources.	◆ Fast tracking of filing of posts.

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET 2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
	◆ Client and end user satisfaction surveys.	◆ Number of surveys and date.	◆ 1 per client	◆ Not conducted.	◆ The previous SLAs did not include Property Management issues.	◆ Internal bilateral to take place to integrate the SLAs.
To improve communication with & increase involvement of service providers & Stakeholders.	◆ Hold Property Indaba ◆ Landlords Forum held	◆ Indaba held.  ◆ Forum held	◆ October 2010  ◆ December 2009	◆ Property Indaba will be held in 2010/11 as per the APP. ◆ See below	No challenge as the planned date was October 2010.	
	Establishment of Landlord Forum	◆ Landlord forum established	◆ Dec 09	forums established in North Coast and Midlands Regions		

# STRATEGIC GOAL: SECTOR SPECIFIC SKILLS DEVELOPMENT

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET 2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
To ensure youth participation in refurbishment of buildings in line with Property Management Strategy and NYS.	◆ Participation of youth in the refurbishment of leased and state owned buildings,	◆ Youth participation in refurbishment of 12 buildings ensured.	◆ 12sites / 1200 jobs	No achievement	At the time of amendment of the APP to incorporate this objective, the tender document was not aligned accordingly to enforce the compliance.	The draft hiring bid document has been amended to incorporate the requirement from the Land Lords to utilise and keep statistics of the youth utilised in the refurbishment of hired buildings.

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET 2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
To ensure implementation of Property Incubator Programme (PIP)	Implementation of KZN Property Incubator Programme : <ul style="list-style-type: none"> <li>◆ property and management skills</li> <li>◆ property development &amp; real estates</li> <li>◆ Facilities</li> <li>◆ Ownership</li> </ul>	◆ No of trainees	◆ 75	◆ 63 learners trained during the first phase of classroom training during the last quarter of the financial year. Module covered: Business build up.	◆ Drop out of some learners due to some having received jobs elsewhere.	◆
To train existing Property Management staff in property	Staff trained	◆ No of staff members	◆ 10	Not achieved	<ul style="list-style-type: none"> <li>◆ Financial constraints</li> <li>◆ The plan was to have two</li> </ul>	◆ Prioritise budgets

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET 2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
valuations		trained			officials from each region and head office. Due to cost cutting measures the training could not happen and one of the municipalities (uMsunduzi municipality) was approached but could not assist due to capacity issues on their side.	as training is required.

## STRATEGIC GOAL: JOB CREATION

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGET 2009/2010	PROGRESS	CHALLENGES	INTERVENTIONS
<ul style="list-style-type: none"> <li>To ensure implementation of vacant land clearance programme (Izandla Ziyagezana)</li> </ul>	<ul style="list-style-type: none"> <li>Programme implemented on the identified sites.</li> </ul>	<ul style="list-style-type: none"> <li>No of sites on which programme implemented</li> </ul>	<ul style="list-style-type: none"> <li>9sites / 54 contractors</li> </ul>	<ul style="list-style-type: none"> <li>Total of 59 contractors were achieved</li> </ul>		

## **2.5      *PROGRAMME 3: OPERATIONS / PROVISION OF BUILDINGS, STRUCTURES AND EQUIPMENT***

### **2.5.1      Programme Purpose**

The main purpose of this programme is the erection and/or acquisition of buildings, structures and engineering works and the maintenance of buildings to client specifications. The core services are:

- Improving integrated service delivery in the provision of buildings and structures;
- Creating jobs through the EPWP;
- Creating an enabling environment for affirmable business enterprises;
- Initiating and co-ordinating strategic partnerships; and
- Co-ordinating and aligning operational activities in line with municipal demarcations.

### **2.5.2      Programme Achievements & Challenges**

**Table 10: Financial Performance for Programme 3**

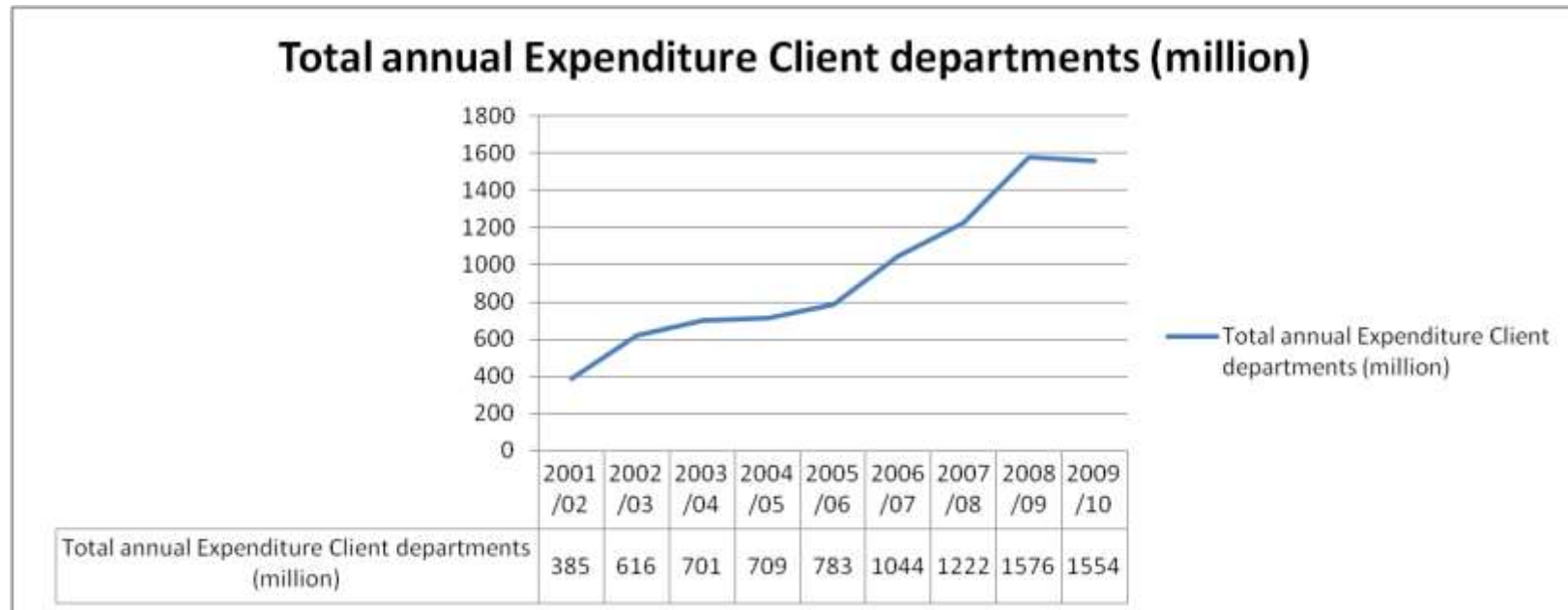
<b>Appropriation</b>	<b>Main Appropriation (R' 000)</b>	<b>Adjusted Appropriation (R' 000)</b>	<b>Actual Amount Spent</b>	<b>Under / (Over)Expenditure (R'000)</b>
Programme 3	322,748	323,756	323,388	369

## Non-financial performance

### Infrastructure delivery

The department spent R1.554 billion of client department budgets in implementing infrastructure building projects contracted to it by the client departments. This amount was a 1.4% reduction on the R1.576 billion spent in the previous year. The upward expenditure trend in client expenditure is shown in the Figure 5 below:

**Figure 5: Annual Client Expenditure on Building Infrastructure Projects**





**Table 11: Backlog projects: No. of backlog projects and no. of completed backlog projects per year**

YEAR	Toilets		Classrooms	
	Target	Achievement	Target	Achievement
2008/09	964	626	348	240
2009/10	338	208	108	64

The department cleared 208 of the 338 backlog toilet projects and 64 of the 108 backlog classroom projects in 2009/10. The remainder was scheduled for completion in the following year. Non-performance by contractors and lack of Project Managers contributed to the shortfall in clearing the backlog.

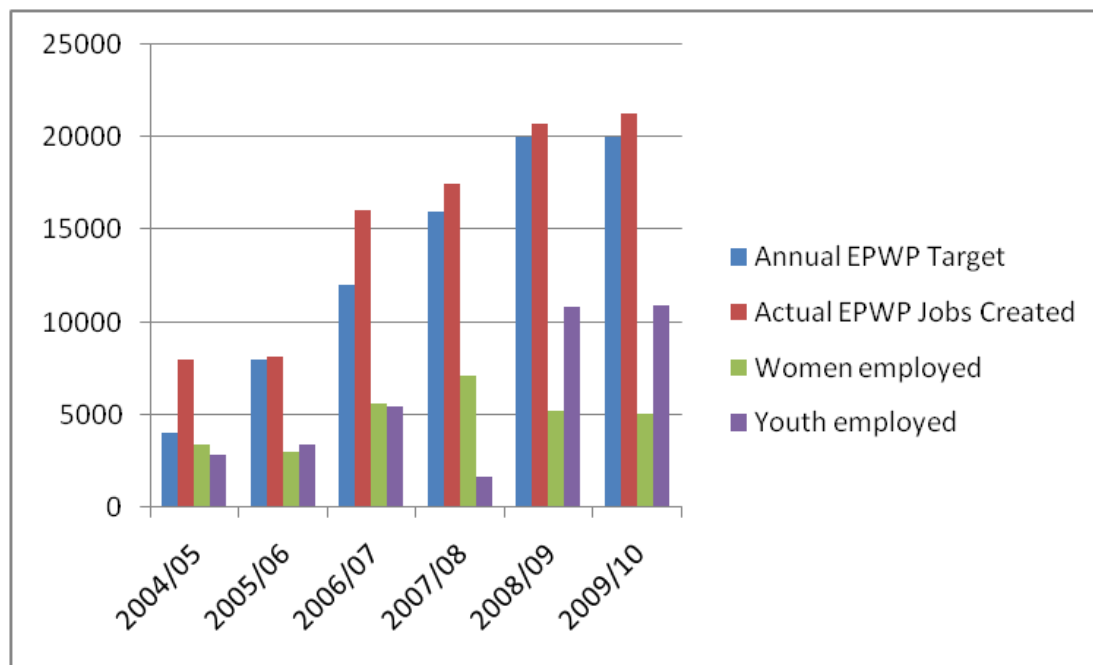
**Table 12: Current projects (Infrastructure Programme Implementation Plan): No. of completed projects**

YEAR	Capital projects		Planned maintenance projects	
	Target	Achievement	Target	Achievement
2009/10		405	2500	1855

- 405 Capital Projects were completed by March 2010 for the major client departments (Department of Health, Department of Education and Department of Public Works. This included 344 DoE projects; 56 DoH projects and 5 Other Clients projects above. On maintenance, the department completed 1855 of the requested 2500 of the projects requested by client department, which is a 74% achievement. Challenges to be resolved include how to minimize performance problems related to the award of multiple contracts to one contractor, fast-tracking the appointment of Project Managers and prospects of appointing Project Managers' Interns.

- The department also piloted the Envelop approach of contract awards as a strategy to maximize the use of scarce external expertise to carry out its infrastructure projects.
- The EPWP programme exceeded its annual job creation of target of 20 000 as 21258 jobs were achieved as depicted in Figure 6 below.

**Figure 6: KZN Public Works' EPWP Jobs created annually**



- Programme 3 contributed to skills development through the National Youth Service programme and the Masakhe Emerging Contractor Development Programme. The NYS trained 157 learners and the Masakhe Programme trained 542 contractors using internal staff. The two programmes are constrained by a lack of internal funding.

**Table 13: Programme 3 Performance**

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTIONS
Implementation of the Annual Infrastructure Delivery Improvement Programme (IDIP)	Finalisation of Infrastructure Programme Implementation Plan (IPIP) Backlog Projects for Classrooms and Toilets	All Projects defined as Backlog completed	<ul style="list-style-type: none"> <li>• 100% Projects completed</li> </ul>	<ul style="list-style-type: none"> <li>• 60% (272) Projects completed against a target of 100% by March 2010.</li> <li>• This includes 64 Classrooms and 208 Toilets completed against the target of 108 Classrooms and 338 Toilets.</li> <li>• The remaining 44 Classrooms &amp; 130 Toilets to be</li> </ul>	<ul style="list-style-type: none"> <li>• Non-performance by contractors and lack of Project Managers</li> </ul>	<ul style="list-style-type: none"> <li>• The department to speedily appoint Project Managers</li> </ul>

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTIONS
				completed in 10/11 Financial Year.		
	Finalise Infrastructure Programme Implementation Plan (IPIP)	IPIP finalised in line with approved IPMP by June for IDIP Departments only	<ul style="list-style-type: none"> <li>June 2009</li> </ul>	<ul style="list-style-type: none"> <li>IPIP 2009/2010 for DoPW, DoE, and DoH finalised.</li> </ul>	<ul style="list-style-type: none"> <li>Lack of submission of Infrastructure Plans by Client Departments in time.</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of IDIP by all Client Departments.</li> </ul>
	Implementation of Infrastructure Delivery Improvement Programme (IDIP)	% of allocated budget spent by end of financial year	<ul style="list-style-type: none"> <li>100% Budget spent</li> </ul>	<ul style="list-style-type: none"> <li>98% of the overall budget spent against 100% time lapsed by March 2010.</li> </ul> <p><u>DoPW :</u></p> <p>107% achieved</p> <p><u>DoE :</u></p> <p>103% achieved</p>	<ul style="list-style-type: none"> <li>Non-Performance by contractors and lack of Project Managers</li> </ul>	<ul style="list-style-type: none"> <li>The department to fast-track the appointment of Project Managers.</li> <li>The department to also consider the appointment of Project</li> </ul>

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTIONS
				<u>DoH :</u>  102% achieved  <u>Other Clients :</u>  Arts and Culture: 79% Agriculture : 77% Economic Dev: 117% DoH Cond. Grant: 85% Royal Household: 100% Human Settlement: 94% Prov Parliament: 96% Premier: 85% Transport: 105% Trad. & Loc Gov: 95% Social Devt: 91%		Managers' Interns.
		No. of projects completed per IPIP Programme including Non-IDIP	<ul style="list-style-type: none"> <li>No of Projects completed</li> </ul>	<u>DoE</u> <ul style="list-style-type: none"> <li>344 capital Projects completed in 09/10</li> </ul>	<u>DoE</u> <ul style="list-style-type: none"> <li>26 Projects have been cancelled.</li> </ul>	<ul style="list-style-type: none"> <li>SCM to resolve the issue of awarding the multiple</li> </ul>

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTIONS
		Client Departments		<p>financial year.</p> <p><u>DoH</u></p> <ul style="list-style-type: none"> <li>56 capital projects completed in 09/10 Financial Year</li> </ul> <p><u>Other Clients</u></p> <ul style="list-style-type: none"> <li>5 capital projects completed in 09/10 Financial Year.</li> <li>This includes : <ul style="list-style-type: none"> <li>191 Phase 1 Upgrades (Public Works)</li> <li>Nongoma – Upgrades</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>3 Projects cancelled on Other Client Departments.</li> </ul> <p><u>DoH</u></p> <ul style="list-style-type: none"> <li>10 projects have been cancelled; 39 are not performing and 78 put on hold. Some Projects have been withdrawn due to Treasury circular for cost cutting</li> </ul>	<p>contracts to one contractor.</p> <ul style="list-style-type: none"> <li>Need to Urgently appoint Project Managers</li> <li>The department to also consider the appointment of Project Managers' Interns.</li> </ul>

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTIONS
				<p>(Public Works)</p> <ul style="list-style-type: none"> <li>– Juncao</li> <li>Mushroom : Civil Project (Agric)</li> <li>– Umbumbulu : Upgrade to offices (Agric)</li> <li>– Allerton : replacement of Incinerator(Agri c)</li> </ul> <ul style="list-style-type: none"> <li>• Total of 405 Capital Projects have been completed by March 2010. This includes 344 DoE projects; 56 DoH projects and 5</li> </ul>	measures.	

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTIONS
				Other Clients projects above.		
		% of Projects completed per Client request (Maintenance Projects)	<ul style="list-style-type: none"> <li>100% Projects completed</li> </ul>	<ul style="list-style-type: none"> <li>74% (1,855) Projects have been completed against a target of 100% (2,500) by end of March 2010.</li> </ul>	<ul style="list-style-type: none"> <li>Non-performance by contractors and lack of Project Managers</li> </ul>	<ul style="list-style-type: none"> <li>SCM to resolve the issue of awarding multiple contracts to one contractor</li> <li>The department to fast-track the appointment of Project Managers.</li> <li>The department to also consider the appointment</li> </ul>



STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTIONS
						of Project Managers' Interns.
	Multi-Purpose Community Centres handed over to DLGTA	No. of MPCC's handed over	<ul style="list-style-type: none"> <li>8</li> </ul>	<ul style="list-style-type: none"> <li>1 MPCC handed over by March 2010</li> <li>Both MEC (DoPW) and MEC (DTLGA) have agreed to hand-over MPCCs.</li> </ul>	<ul style="list-style-type: none"> <li>Delays in terms of the MPCCs hand-over by the DTLGA.</li> </ul>	<ul style="list-style-type: none"> <li>Ministry level intervention has been requested.</li> </ul>
	Eradication of Mud Schools (National Public	No. of Mud Schools constructed jointly with IDT	<ul style="list-style-type: none"> <li>8</li> </ul>	<ul style="list-style-type: none"> <li>All 8 Mud Schools (Inappropriate Structures)</li> </ul>		

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTIONS
	Works Plan)			replaced and completed by end March 2010.		
Facilitate Infrastructure Delivery Projects	New District Offices and Upgrading of new Offices established	% Completion of Umkhanyakude District Offices	<ul style="list-style-type: none"> <li>5% construction Progress achieved</li> </ul>	<ul style="list-style-type: none"> <li>Project on site 20% completed foundation stage completed</li> </ul>		
		% completion of Ilembe District Offices	<ul style="list-style-type: none"> <li>5% construction Progress achieved</li> </ul>	<ul style="list-style-type: none"> <li>Ilembe District Offices at Design Stage.</li> </ul>	<ul style="list-style-type: none"> <li>Treasury cost cutting has affected the continuation of the project in 2009/2010.</li> </ul>	

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTIONS
		% completion of Sisonke District Offices	<ul style="list-style-type: none"> <li>30% construction Progress achieved</li> </ul>	<ul style="list-style-type: none"> <li>Sisonke District Offices at Tender Stage.</li> <li>Tender due to lapsing of tender validity</li> </ul>	<ul style="list-style-type: none"> <li>Treasury cost cutting has affected the continuation of the project in 2009/2010.</li> </ul>	
		% completion of Prince Alfred Phase1 (191 Offices)	<ul style="list-style-type: none"> <li>100% construction completed</li> </ul>	<ul style="list-style-type: none"> <li>100% Construction completed.</li> <li>Project handed over on the 18th Nov 2009 and retention to be paid in 2010/2011.</li> </ul>		

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTIONS
		% completion of Prince Alfred Phase II (191 Offices)	<ul style="list-style-type: none"> <li>100% Planning completed</li> </ul>	<ul style="list-style-type: none"> <li>Prince Alfred Phase II (191 Offices) at Planning stage.</li> <li>Project to resume in 2011/2012.</li> </ul>	<ul style="list-style-type: none"> <li>Treasury cost cutting has affected the continuation of the projects in 2009/2010</li> </ul>	
	Ensure compliance of existing District Offices as Disable-friendly	No. of existing Internal District Offices to be disable user-friendly in terms of Toilets	<ul style="list-style-type: none"> <li>7 Offices</li> </ul>	<ul style="list-style-type: none"> <li>6 offices disabled user-friendly in terms of Toilets by March 2010 and 1 (Dundee) on hold.</li> <li>Projects (Vryheid &amp; LA Buildings) are 100% construction complete &amp; part of entire renovation (i.e.: Midlands,</li> </ul>	<ul style="list-style-type: none"> <li>Only Dundee office was on hold and will continue in 2010/2011 due to Treasury letter for cost-cutting measures.</li> </ul>	

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTIONS
				Newcastle Mtubatuba & Southern Region).		
	Establish CIDB Satellite Contact Centres through Agreement with CIDB	No. of Operational CIDB Satellite Contact Centres established	<ul style="list-style-type: none"> <li>1</li> </ul>	<ul style="list-style-type: none"> <li>1 CIDB Satellite Centre Project at Southern Region is at tender stage and will not continue due to funding.</li> </ul>	<ul style="list-style-type: none"> <li>On hold due to Treasury cost cutting.</li> </ul>	
Enhancement and Integration of WIMS into a Project Management Tool	Development of a Project Management Tool	Project Management Tool developed	<ul style="list-style-type: none"> <li>Business Process Mapping finalised</li> </ul>	<ul style="list-style-type: none"> <li>First draft for the Business Process Mapping has been finalised by March 2010.</li> </ul>	<ul style="list-style-type: none"> <li>Lack of funding for Project Management Tool</li> </ul>	<ul style="list-style-type: none"> <li>To be prioritised in the 2010/2011 financial year</li> </ul>

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTIONS
Programme Management Approach	Improved client satisfaction	Implementation of the Envelope Management Approach	<ul style="list-style-type: none"> <li>Piloting of Envelope Approach at North-Coast Region and Midlands Region</li> </ul>	<ul style="list-style-type: none"> <li>Tender documents for the piloting of Envelope Management Approach has been finalised by March 2010.</li> </ul>	<ul style="list-style-type: none"> <li>Delays due to having tender documentation through the relevant Regional BSC as this type of Contractor condition were new to the members.</li> </ul>	<ul style="list-style-type: none"> <li>Project leader addressed issue directly with relevant officials and committees in the different regions and explained all processes.</li> </ul>

STRATEGIC GOAL: INNOVATIVE RESEARCH

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTIONS
Innovative Research	Alternative Construction Methods	Explore Alternative Construction Methods	<ul style="list-style-type: none"> <li>Make Recommendations to Cabinet for Approval</li> </ul>	<ul style="list-style-type: none"> <li>Investigations and Recommendations have been finalised, adopted and approved by Departmental EXCO, March 2010.</li> </ul>	<ul style="list-style-type: none"> <li>Lack of sufficient internal skills on Alternative Construction Methods</li> </ul>	<ul style="list-style-type: none"> <li>To identify funding for a proper research.</li> </ul>
		Explore Indigenous Construction Methods	<ul style="list-style-type: none"> <li>Make Recommendations to Cabinet for Approval</li> </ul>	<ul style="list-style-type: none"> <li>Investigations and Recommendations have been finalised, adopted and approved by departmental EXCO, March 2010.</li> </ul>	<ul style="list-style-type: none"> <li>Lack of sufficient internal skills on Indigenous Construction Methods</li> </ul>	<ul style="list-style-type: none"> <li>To identify funding for a proper research.</li> </ul>

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTIONS
Planning in line with Spatial Development Strategy	Advice Clients in terms of Spatial Development Approach	Align to the multi-year Infrastructure Approach	<ul style="list-style-type: none"> <li>March 2010</li> </ul>	<ul style="list-style-type: none"> <li>Clients have been requested to provide infrastructure plans aligned to Spatial Development Plan by 30 October 2009.</li> <li>Department of Economic Development, Human Settlement, Social Development, Agriculture and Local Government have responded.</li> <li>Reminder letters to the departments have been sent.</li> </ul>		



STRATEGIC GOAL: SECTOR SPECIFIC SKILLS DEVELOPMENT

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTIONS
Develop Emerging Contractors in line with Construction Charter through Masakhe ECDP	Developed Contractors through targeted training	No. of Contractors trained.	<ul style="list-style-type: none"> <li>300 contractors trained</li> </ul>	<ul style="list-style-type: none"> <li>542 Contractors trained against a target of 300 Contractors using internal staff by March 2010.</li> </ul>	<ul style="list-style-type: none"> <li>No funding was received for the Masakhe ECDP for 2009/2010</li> </ul>	
	Mentorship / Incubator Programme developed and implemented	<ul style="list-style-type: none"> <li>Programme developed</li> <li>Number of Contractors incubated / mentored</li> </ul>	<ul style="list-style-type: none"> <li>10 contractors mentored</li> </ul>	<ul style="list-style-type: none"> <li>8 Contractors mentored by March 2010.</li> <li>Pilot implementation has been finalised.</li> </ul>	<ul style="list-style-type: none"> <li>Lack of funding for mentorship</li> </ul>	<ul style="list-style-type: none"> <li>Client departments to include as part of project costs</li> </ul>
	Emerging Consultants Programme in	A new Roster in place	—	<ul style="list-style-type: none"> <li>Draft Emerging Consultants Policy has</li> </ul>	<ul style="list-style-type: none"> <li>The non-alignment of procurement</li> </ul>	<ul style="list-style-type: none"> <li>Review of PSP (Procurement section) to align</li> </ul>

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTIONS
	place in line with the Policy			<p>been developed.</p> <ul style="list-style-type: none"> <li>Implementation to be implemented in the 2010/2011 financial year.</li> </ul>	systems with the National Department of Public Works	to the National Public Works Policy in the 1 <sup>st</sup> Quarter.
		No. of Consultants participating & benefiting	<ul style="list-style-type: none"> <li>50</li> </ul>	<ul style="list-style-type: none"> <li>262 Emerging Consultants awarded project on PSP by March 2010</li> </ul>		
To empower Youth through National Youth Service	Implementation of NYS	No. of NYS Learners completing NYS Programme	<ul style="list-style-type: none"> <li>168 Learners trained and placed</li> </ul>	<ul style="list-style-type: none"> <li>167 Phase 1 Learners placed and 30 on sustainable jobs by March 2010.</li> </ul>	<ul style="list-style-type: none"> <li>Lack of funding</li> </ul>	<ul style="list-style-type: none"> <li>Due Diligence exercise conducted by the Dept. of Higher Education on</li> </ul>

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTIONS
(NYS) Programme				<ul style="list-style-type: none"> <li>152 Phase 2 Learners completed training in December 2009 and the moderation has been finalised for all trainings.</li> <li>Training Providers have uploaded requests for certificates as follows : <ul style="list-style-type: none"> <li>60 Carpentry Learners and 18 on sustainable jobs.</li> <li>52 Bricklaying and Plastering Learners and 35 on sustainable</li> </ul> </li> </ul>		<p>the 06<sup>th</sup> February 2010.</p> <ul style="list-style-type: none"> <li>A letter requesting feedback was sent by 24 March 2010 and the OTP stated that DHET is still in the process of approving proposals</li> </ul>

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTIONS
				<p>jobs.</p> <ul style="list-style-type: none"> <li>– 40 Youth Contractors at Sisonke.</li> </ul> <ul style="list-style-type: none"> <li>• It is expected that the certificates will start coming in May 2010.</li> </ul>		

# STRATEGIC GOAL: STAKEHOLDER PARTICIPATION AND MANAGEMENT

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTIONS
To implement Partnership Projects	Implementation of the Youth in Construction Resolutions	Implementation of Resolutions	<ul style="list-style-type: none"> <li>June 2009</li> </ul>	<ul style="list-style-type: none"> <li>Summit held 10 July 2009 and Resolutions implemented by March 2010.</li> </ul>		
	Implementation of the Women in Construction Resolutions	Implementation of Resolutions	<ul style="list-style-type: none"> <li>August 2009</li> </ul>	<ul style="list-style-type: none"> <li>Summit held 28 August 2009 and Resolutions implemented by March 2010.</li> </ul>		
	Partnership Projects Implemented	No. of Partnership Projects Implemented	<ul style="list-style-type: none"> <li>2</li> </ul>	<ul style="list-style-type: none"> <li>1 Partnership MoU agreement signed with Department of Economic Development and</li> </ul>		

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTIONS
				Tourism by March 2010.		
	Coordination of Contractor Forums	Contractor Forums held	<ul style="list-style-type: none"> <li>• Bi-monthly meetings held</li> </ul>	<ul style="list-style-type: none"> <li>• Bi-monthly meetings held</li> <li>• 20 meetings were held, 3 Provincial and 17 District</li> </ul>		
	Provincial Liaison Meetings held	Inter-departmental meetings held	<ul style="list-style-type: none"> <li>• Monthly meetings held</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly meetings held</li> </ul>		

# STRATEGIC GOAL: JOB CREATION

STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	2009/2010 TARGET	PROGRESS	CHALLENGES	INTERVENTIONS
Promotion of Labour Intensive Construction Method	Jobs created	No. of Jobs created	<ul style="list-style-type: none"> <li>20,000</li> </ul>	<ul style="list-style-type: none"> <li>21,258 jobs created against the target of 20,000 jobs by March 2010.</li> </ul>		
	Respond to HIV/AIDS pandemic	Construction of Richmond NIP Sites as part of EPWP HIV/AIDS interventions	<ul style="list-style-type: none"> <li>March 2010</li> </ul>	<ul style="list-style-type: none"> <li>Sketch plans finalised, on hold due to Treasury circular.</li> </ul>	<ul style="list-style-type: none"> <li>Project to stop at design stage</li> </ul>	<ul style="list-style-type: none"> <li>Project to stop at design stage</li> </ul>

## CHAPTER 3: AUDIT COMMITTEE REPORT

### REPORT OF THE AUDIT AND RISK COMMITTEE ON VOTE 14 – WORKS

The KwaZulu-Natal Provincial Audit and Risk Committee is pleased to present their report for the financial year ended 31 March 2010.

#### Audit and Risk Committee Members and Attendance:

The Audit and Risk Committee consists of the members listed hereunder. During the year under review two (2) members resigned from the committee. Furthermore the Audit and Risk Committee was re-organised during December 2009 to align to the Government Clusters arrangement and this has resulted in the appointment of five (5) additional members. The Cluster Audit & Risk Committees (CARC) and the Provincial Audit & Risk Committee (PARC) are required to meet at least four times and two times respectively in a financial year. During the financial year ending 31 March 2010 a total of eight (8) meetings were held, namely, three (3) PARC meetings, three (3) CARC meetings and two (2) special meetings. Members attended the meetings as reflected below:

Surname & Initial	PARC	CARC	Special	Total
Adv BS Khuzwayo (Chairman)	3	3	2	8
Mr V Naicker	3	3	1	7
Mr N Mhlongo (Appointed 01 Feb 2010)	1	1	1	3
Mr S Taku (Appointed 01 Dec 2009)	1	1	1	3
Mr P Mnisi (Appointed 01 Dec 2009)	1	0	0	1
Ms P Gobinca (Appointed 01 Dec 2009)	1	0	1	2
Ms E Ogunniyi (Appointed 01 Dec 2009)	1	1	1	3
Ms T Sibanyoni (Resigned 11 Nov 2009)	1	0	0	1
Adv S Kuboni (Resigned 26 Feb 2010)	1	0	1	2

#### Audit and Risk Committee Responsibility

The Audit and Risk Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.



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

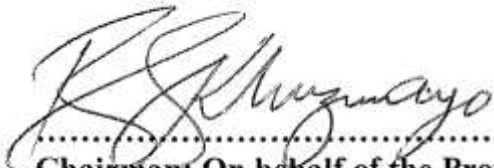
The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the requirements of the PFMA and the King Report on Corporate Governance, Internal Audit provides the Audit and Risk Committee and management with assurance that the systems of internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Report of the Auditor-General on the Annual Financial Statements and the management report of the Auditor-General, it was noted that no significant or material non compliance with prescribed policies and procedures have been reported, except for certain weaknesses identified in Property Management, Assets Management and the management of Ethics. .

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

The Audit and Risk Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review except for certain control weaknesses around in year monitoring.

### **Evaluation of Financial Statements**

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



.....  
**Chairman: On behalf of the Provincial Audit and Risk Committee**

**Date: 10 August 2010**

## **CHAPTER 4: REPORT OF THE AUDITOR-GENERAL**

### **REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE NO.14: DEPARTMENT OF PUBLIC WORKS FOR THE YEAR ENDED 31 MARCH 2010**

#### **REPORT ON THE FINANCIAL STATEMENTS**

##### **Introduction**

1. I have audited the accompanying financial statements of the Department of Public Works, which comprise the appropriation statement, the statement of financial position as at 31 March 2010, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 125 to 185.

##### **Accounting Officer's responsibility for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 to the financial statements and in the manner required by the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and Division of Revenue Act of South Africa, 2009 (Act No. 12 of 2009) (DoRA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

##### **Auditor-General's responsibility**

3. As required by section 188 of the Constitution of South Africa and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 40(2) of the PFMA, my responsibility is to express an opinion on the financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Basis for qualified opinion**

#### **Immovable assets**

7. The department departed from the Sector Specific Guide on Immovable Assets and opted to recognise only those properties registered in the name of the Provincial Government of KwaZulu-Natal and not all properties for which the vesting process had been completed. However, certain properties registered in the name of the province were not included in the disclosure note 43 to the financial statements, together with the estimated cost.

Consequently, I could not determine the completeness of properties that needed to be accounted for in the financial statements.

The fixed asset register is incomplete as the department did not have adequate systems to account for all additions to the immovable assets in its financial statements.

Included in the immovable assets disclosure, is an amount of R3, 854 billion in respect of prior period adjustments. This amount did not agree to the balance of R3, 617 billion as per the supporting schedules, and the department could not substantiate the difference of R237, 139 million between the financial statements and underlying records.

Consequently, I could not obtain sufficient appropriate audit evidence to satisfy myself as to the completeness and valuation of immovable assets of the department.

### **Qualified opinion**

8. In my opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Department of Public Works as at 31 March 2010 and its financial performance and its cash flows for the year then ended in accordance with the modified cash basis of accounting as determined by National Treasury as set out in accounting policy note 1.1 to the financial statements and in the manner required by the PFMA and DoRA.

### **Emphasis of matter**

9. I draw attention to the matters below. My opinion is not modified in respect of these matters:

### **Basis of accounting**

10. The department's policy is to prepare financial statements on the modified cash basis of accounting, described in accounting policy note 1.1.

### **Significant uncertainties**

11. With reference to note 29 to the financial statements, the department is the defendant in 18 lawsuits to the estimated value of R22 million. The ultimate outcome of these matters cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.

### **Irregular expenditure**

12. As disclosed in note 35 to the financial statements the department incurred irregular expenditure of R85,276 million

(2009: R159 000) relating to approval of payments in excess of R200 000 in contravention of delegations.

### **Additional matter**

13. I draw attention to the matter below. My opinion is not modified in respect of this matter:

### **Unaudited supplementary schedules**

14. The supplementary information set out on pages 186 to 196 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

15. In terms of the PAA and *General Notice 1570 of 2009*, issued in *Government Gazette No. 32758 of 27 November 2009* I include below my findings on the report on predetermined objectives, compliance with the PFMA and DoRA and financial management (internal control).

## **Findings**

### **Predetermined objectives**

16. No matters to report.

### **Compliance with laws and regulations**

#### **KwaZulu – Natal Land Administration Act**

### **Non-adherence to legislation**

17. Contrary to the requirements of the KwaZulu-Natal Land Administration Act, 2003 (Act No. 3 of 2003), as delegated by the Premier of the Province, the department did not maintain a complete consolidated asset register of all provincial state land with full details of any improvements to, and structures on the land.

## **INTERNAL CONTROL**

18. I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA and DoRA, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

### **Leadership**

19. The leadership of the department has not adequately fulfilled its legislative responsibility of maintaining a consolidated asset register for the province.

### **Financial management**

20. Management did not implement adequate systems to prepare reliable financial statements to ensure safeguarding of resources and compliance with the KwaZulu-Natal Land Administration Act.

### **Governance**

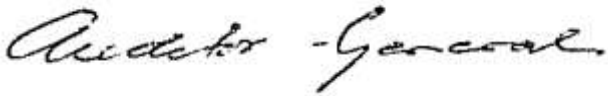
21. The leadership has not implemented internal controls, together with focused internal audit activities, to correct the prior year qualification on immovable assets.

## OTHER REPORTS

### Investigations

#### Investigations in progress

22. There is an investigation being conducted relating to possible irregularities in the awarding of a tender.
23. There are 21 other internal investigations relating to procurement irregularities, abuse of departmental resources and theft and losses relating to equipment.



PIETERMARITZBURG

30 July 2010



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010

**CHAPTER 5 : FINANCIAL STATEMENTS**

**REPORT FOR THE ACCOUNTING OFFICER**

**For the year ended 31 March 2010**

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

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

**1.1 Key Priorities**

During the 2009/10 financial year, the Department maintained its focus on accelerated service delivery by implementing the multi-year approach to infrastructure planning, the Infrastructure Delivery Improvement Programme (IDIP), identified in the 5-year strategic plan as the service delivery model. This was done as a strategic move towards the implementation of the 2009-2014 Medium Term Strategic Framework (MTSF) objectives

The main programme initiative in the 2009/10 financial year with a substantial new budgetary requirement related to the devolution of the payment of municipal property rates from the national to the provincial department of Public Works. The National Treasury allocated the department a conditional grant of *R237, 382, 000 for 2009/10* to pay the property rates including a roll-over of R1, 118 million. The necessary processes to transfer the function and implement it within the province were carried out successfully. The department spent R257, 205,000 (99.9%) of the grant by the end of the 2009/10 financial year. It must be noted that the budget allocation in terms of the conditional grant has a shortfall of some R221 million in the 2009/10 financial year.

KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14

REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010

In preparation for the effective management of State-owned immovable assets in terms of the Government Immovable Asset Management (GIAMA) Act, the department stepped up the update of the provincial fixed asset register, as well as vesting those properties not yet registered under the Provincial Government in the Deeds registry.

To facilitate planning of asset maintenance, the department prioritized assessment of the state of these properties and conducted a trial of User Asset Management Plans in nine client departments i.e. Departments of Human Settlement, Co-operative Governance and Traditional Affairs, Sports and Recreation, Community Safety and Liaison, Economic Development and Tourism, Public Works, Arts and Culture, Office of the Premier and Legislature. Training of personnel in the requirements of the Act was also a priority activity.

To meet its stated objectives of transforming the construction and property sectors, contributing to employment creation and skills development, the department pursued the following programmes:

- Intensified and diversified Expanded Public Works Programme including;
- Izandla Ziyagezana Programme;
- National Youth Service;
- Masakhe Emerging Contractor Development Programme;
- Bursary & Internship Programme;
- Participation in the National Inter-governmental Cuban skills transfer.

Under various conditions, budget cuts and ailing economy, the department has confidently been in a position to make great strides in delivering and meeting its mandate and government objectives as contained in the 2009-2014 MTSF.



KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14

REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010

## **1.2 Spending Trends**

The budget allocation to the department's vote increased by 8.94% from

R733 087 000 in 2008/09 to R798 625 000 in 2009/10 which was basically in line with inflationary pressures.

The Department allocated the 2008/009 budget in line with district municipal areas, in line with Treasury Budget Guidelines.

At the end of the 2009/10 financial year, the department had spent R796, 169 million or 99, 7% of its budget. The under-expenditure of 0.3% of the budget allocation is well within the department's targeted variance of 2%.

## **1.3 World Cup Activities**

No expenditure was incurred in terms of World Cup Activities.

## **2.Services Rendered By the Department**

In terms of its mandate, the department provides provincial client departments with the following building infrastructure and property management services:

- The construction of public buildings, involving the physical erection or major improvement in respect of infrastructure in the building environment;
- The maintenance of public buildings and land, including performing the necessary work to keep the required level of operation;
- The acquisition of buildings and land to meet the accommodation and service facility needs of provincial government departments; and
- The alienation of public buildings and land, including the disposal of fixed assets by selling, demolition, exchanging and donation.

The Department bears the cost of providing the administrative, professional and technical support from its budget and it recovers the cost of providing building infrastructure services from the client departments on a cost basis. The Department therefore does not operate a tariff policy.

KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14

REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010

The value of building and property management services provided to client departments is shown in the total annual expenditure figures in the table below:

**Table 14: Total Annual Expenditure per client department**

YEAR	TOTAL ANNUAL EXPENDITURE CLIENT DEPARTMENTS
2001/02	R385 million
2002/03	R616 million
2003/2004	R701 million
2004/2005	R709 million
2005/2006	R783 million
2006/2007	R1,044 million
2007/2008	R1,222 million
2008/2009	R1,576 million
2009/2010	R1,554 million

Detailed analysis of expenditure on client departments for 2009/10 shows that services are provided to all the client departments throughout the province.

CLIENT EXPENDITURE FOR 2009 TO 2010

**Table 15: Total Annual Expenditure per client department: Infrastructure**

OBJECTIVE	ETHEKWINI REGION	MIDLANDS REGION	NORTH COAST REGION	SOUTHERN REGION	TOTAL
Arts and Culture	27	0	3	246	276
Agriculture	1,800	2,735	11,803	31,362	47,700
Economic Dev	0	0	6,460	22	6,482
Education	106,852	69,495	257,221	110,944	544,511
Health	85,599	76,298	177,116	163,508	502,521
Health - Conditional Grant	88,346	52,644	33,887	49,923	224,801

KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14

REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010

Royal Household	0	0	11	0	11
Human Settlement	1,399	0	0	13	1,412
Prov. Parliament	0	0	85	2,419	2,504
Premier	1,148	0	0	0	1,148
Transport	576	905	370	2,715	4,567
Sport & Recreation	0	0	0	0	0
Trad. & Loc Govt	1,926	102	322	162	2,512
Social Development	2,724	13,692	22,618	626	39,660
Public Works	4,754	13,824	27,658	34,227	80,464
<b>TOTAL</b>	<b>295,153</b>	<b>229,695</b>	<b>537,555</b>	<b>396,167</b>	<b>1,458,570</b>

**Table 16: Client Expenditure for 2009 to 2010 - Leased Properties**

OBJECTIVE	ETHEKWINI REGION	MIDLANDS REGION	NORTH COAST REGION	SOUTHERN REGION	TOTAL
Arts and Culture	2,684	705	0	3,256	6,645
Agriculture	2,105	1,828	2,377	3,241	9,551
Comm Safety	0	0	0	3,814	3,814
Economic Dev	1,170	2,717	0	10,000	13,887
Education	735	5,221	2,852	15,211	24,019
Royal Household	0	0	0	0	0
Human Settlements	1,166	0	49	4,246	5,461
Prov. Parliament	0	0	0	0	0
Premier	768	0	0	0	768
Transport	0	1	0	1,478	1,479
Sport & Recreation	0	289	1,155	1,939	3,383
Trad. & Loc Govmnt	195	1,051	115	8,583	9,944
Social Development	3,587	1,535	765	8,409	14,296
Treasury	0	0	0	2,352	2,352
Public Works	0	176	0	136	312
<b>TOTAL</b>	<b>12,410</b>	<b>13,523</b>	<b>7,313</b>	<b>62,665</b>	<b>95,911</b>

REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010

### **Property Rates**

Other than infrastructure and leasing of properties the department is also responsible for the payment of property rates by the mean of the Devolution of Property Rates Funds Grant which was devolved to Provinces at the beginning of the 2008/09 financial year. The department received a conditional grant of R237, 382 million of which it spent 99.9% of this budget.

### **3. Capacity Constraints**

Operating within the built environment professions makes it compulsory for the department to employ and utilize skilful, technical and specialist services of the architectures, engineers like civil, electrical and mechanical, and other related fields. These professions remain a national challenge and they fall within a category of scarce skills in our country. Hence the shortage of suitably labour is identified as one of the binding constraints that negatively contribute to challenges the Department face in realizing optimal growth and development.

Responding to this challenge, as a short-term measure to alleviate the skills shortage, the Department is benefiting from a national initiative to make use of professionals from Cuba in the fields of architecture, civil and electrical engineering.

In the medium-term the department is intensifying its Internship Programme and has recruited nine interns: three architects, four quantity surveyors, an electrical engineer and one mechanical engineer. The department is in a process of recruiting project managers as well as candidate project managers to enable it to respond to the infrastructure demands of the province. The departmental bursary policy is starting to slowly show results with a total of 8 ex-bursary holders who will be absorbed in 2010/11 into vacant technical positions with the department. The Department's interns are gaining practical exposure to project design, project management and other learning areas – a requirement for their registration as professionals.

REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010

#### **4. Utilisation of Donor Funding**

The Department did not utilise any donor funds during the 2009/10 financial year.

#### **5. Trading entities and public entities**

The Department was not involved with trading and public entities during the 2009/10 financial year.

#### **6. Organisations to who transfer payments have been made**

Transfer payments as reflected in the Annual Financial Statements are in respect of payment of Municipal rates as well as transfers to households in respect of Voluntary Severance Packages.

#### **7. Public private partnerships (PPP)**

The Department has not entered into any public private partnerships during the 2009/10 financial year.

#### **8. Corporate governance arrangements**

The department has an established Executive Committee which meets on a monthly basis to monitor and report back on the performance of each of the departments programmes. This committee also sets and provides the strategic leadership within the department.

The Departmental Finance Committee continues to meet on a monthly basis. This committee provides the much needed coordination of financial decision-making within the department and is a focal point for addressing issues in the complex financial environment within which Works must manage its relationships with the client departments and with the multitude of contractors working on its behalf.

REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010

The department has also established a Risk Management Committee. The purpose of this committee is to monitor and manage the impact of identified risks and to ensure corrective action is taken to mitigate the impact of these risks.

A zero tolerance policy on fraud and corruption has been adopted by the department. A fraud and corruption prevention plan has been adopted by the departmental Executive Committee and approved by the Head of Department. The plan is being actioned through staff workshops.

#### **9. Discontinued activities / activities to be discontinued**

There are no discontinued activities.

#### **10. New Proposed activities**

The department will address the following key challenges and developments in the current year:

##### ***Implementation of Government-Wide Immovable Asset Management Act (GIAMA)***

- The Government Immovable Asset Management Act, No 19 of 2007 (GIAMA) came into effect on 1 April 2010 for all provincial departments.
- Government Immovable Asset Management (GIAMA) Act provides a uniform, efficient, effective, transparent and accountable management of immovable assets in the province.
- The Act offers enormous possibilities for departments to be cost effective in the management of provincial assets.
- The department of Public Works has a responsibility to roll out the implementation of GIAMA to all provincial government departments so that

KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14

REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010

they are able to compile User Asset Management Plans which will form the basis of allocation of maintenance budget.

To be done to give effect to the Act this financial year:

- Audits will be conducted to 50 state owned and hired properties to ensure optimal utilization and management of immovable assets
- Technical condition assessments to three government departments, namely Department of Agriculture, Environmental affairs and Rural development, Department of Social Development and department of Royal Household.
- Elementary condition assessments will be conducted to other government departments.

***Disposal of State Owned Properties***

The Department has obtained Cabinet approval to dispose of 96 provincially-owned properties comprising residences in the R293 townships, ministerial houses, former urban representatives' houses and vacant land. It is envisaged that the disposal of these properties will commence in the 2010/11 financial year.

***Property Incubator Programme***

The Property Incubator Programme (PIP) is a contribution by the KZN Provincial Department of Public Works in response to Property Transformation Charter. It is aimed at addressing the scarce skills amongst the previously disadvantaged encouraging them to enter the property sector. The trainees will obtain skills that will assist them to penetrate the market either by starting their own entrepreneurial businesses or get employment opportunities in the property market.

The implementation of first phase of the Property Incubator Programme commenced during 2009/10 financial year with a total number of 63 participants who were trained on Business Build-up which is one of the modules towards the completion of the New

REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010

Venture Creation NQF Level 4. The second phase is planned to take place in the 2010/11 financial year.

### **11. Asset Management**

The department has established both an immovable and movable asset register. In terms of the immovable asset register the department has a complete register meeting the minimum requirement of National Treasury guidelines. In terms of movable assets the department has recorded all assets on the register and meets the minimum requirements as required by National Treasury.

### **12. Events after the reporting date**

There were no significant events after the reporting date which would materially affect the financial statements.

### **13. Performance information**

The departmental performance information has been reported on monthly and quarterly basis. This has enabled the department to track its performance per functional area and also identify challenges and appropriate interventions and control measures. In addition to this the department conducts mid-term reviews.

To effectively improve on this function, the department has established a dedicated unit to improve the internal processes on matters relating to planning, implementation, monitoring and reporting.



KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14

REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010

**14. SCOPA resolutions**

SCOPA RESOLUTION	SUBJECT	PROGRESS
<b>Resolution 72/2008</b>	Financial misconduct	An updated schedule reflecting all cases of financial misconduct was forwarded to The Secretary, SCOPA, and KZN Legislature.
<b>Resolution 77/2008</b>	Urban representative's houses	A schedule containing a progress report of offices and houses that were used by the Urban Representatives was forwarded to The Secretary: SCOPA, KZN Legislature.
<b>Resolution 78/2008</b>	Ulundi Ministerial Houses and Legislature Assembly Flats: Amounts owing	<p><b><u>Arrear rental for the Ministerial houses</u></b> 3 Ministerial houses require recovery of rentals.</p> <ul style="list-style-type: none"> <li>House no. 2B North. A response is still awaited from the Department of Royal Household.</li> <li>House no. 8B North and 13 B North. A response is still awaited from Legislature.</li> </ul> <p><b><u>Arrear Municipal services in Ulundi</u></b> The recovery of the outstanding municipal services owed by officials in the Provincial Administration as a result of relocation to Pietermaritzburg was raised through the Office Planning Action Committee.</p> <p>Letters were written to all relevant Departments with schedules per Department reflecting the amounts that were owed.</p> <p><b><u>Arrear rental for the Legislature Flats</u></b> <b>Houses</b> – There are no illegal</p>

KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14

REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010

SCOPA RESOLUTION	SUBJECT	PROGRESS
		occupants in the 15 ministerial houses. <b>Flats</b> –The process of evictions of the 3 remaining occupants is continuing with the State Attorney.
<b>Resolution 79/2008</b>	Annual Financial Statements: Intergovernmental receivables: Unconfirmed balances	Of the R374 million outstanding at year end, R326 million has been collected as at 31 August 2009 representing a collection of 87.6%. The remaining balance outstanding (R48m) is being followed up with the respective departments along with any new amounts outstanding.
<b>Resolution 80/2008</b>	Annual Financial Statements: Contingent Liabilities: Claims against the Department	A schedule which gives the status of each matter which constitutes the disclosed contingent liability of R32, 8 million was forwarded to The Secretary, SCOPA, and KZN Legislature.
	Unauthorised expenditure – 2007/2008 Financial year – R576 000	The said overspending is related to Program 1 and was mainly because of the recruitment expenditure. Funds were initially identified to fund this expense from other programs however when the necessary virement was about to be undertaken it was found to be exceeding the allowable limits and as a result it was not effected. The said overspending made 0.3% of Program 1 budget.  It needs to be noted that during the said financial year, the department had a total of R211,000.00 under spending including the said unauthorized expenditure, of which the surplus was surrendered to Treasury
	Unauthorised expenditure –	The said overspending is related to Program 1 and was attributed to

KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14

REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010

SCOPA RESOLUTION	SUBJECT	PROGRESS
	2008/2009 Financial year – R3 918 000	<p>spending pressures on the following items, i.e. computer services, GMT travelling and related costs, consultants and household expenditure. These pressures can be attributed to increases in fuel costs and retirements benefits which couldn't be avoided. The said overspending made 1.9% of Program 1 budget.</p> <p>It needs to be noted that during the said financial year, the department had a total of R1.8 million under spending including the said unauthorized expenditure, of which the surplus was surrendered to Treasury.</p>
<b>Resolution 39/2009</b>	2008/2009 Report of the Auditor-General: Basis for qualified opinion: Immoveable assets	The department has undertaken a comprehensive approach to addressing the issues raised by the Auditor General in terms of the Immovable Asset register.
<b>Resolution 4/2010</b>	Transversal resolution: Report on performance information	Departmentally the monitoring and evaluation directorate has started the process of conceptualizing and design of an appropriate Corporate Performance Management System that will enable the department to track both the financial and performance information. The system is expected to be fully operational by 2010/2011 financial year
<b>Resolution 9/2010</b>	Transversal resolution: Key Governance Responsibilities	Action is being taken to comply with the key governance responsibilities included in the reports of the Auditor-General schedule.

KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14

REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010

**15. Exemptions and deviations received from the National Treasury**

No exemption were granted from National Treasury

**16. Approval**

The Annual Financial Statements as set out on the attached pages have been approved by the Accounting Officer.

**Dr FB Madlopha**

**Head: Department of Public Works**

**ACCOUNTING POLICIES**  
for the year ended 31 March 2010

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2006.

**1. Presentation of the Financial Statements**

**1.1 Basis of preparation**

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

**1.2 Presentation currency**

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

**1.3 Rounding**

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

**1.4 Comparative figures**

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

**1.5 Comparative figures - Appropriation Statement**

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

ACCOUNTING POLICIES  
for the year ended 31 March 2010

## **2. Revenue**

### **2.1 Appropriated funds**

Appropriated funds comprises of departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriation).

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

The total appropriated funds received during the year are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Any amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

### **2.2 Departmental revenue**

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Fund is recognised as a payable in the statement of financial position.

No accrual is made for the amount receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure note to the annual financial statements.

### **2.3 Direct Exchequer receipts / payments**

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and subsequently paid into the National/Provincial Revenue Fund, unless otherwise stated.

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

Any amount owing to the National/Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

### **2.4 Aid assistance**

Aids assistance is recognised as revenue when received

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements

**ACCOUNTING POLICIES**  
for the year ended 31 March 2010

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year)

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later than 31 March of each year)

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

### **3. Expenditure**

#### **3.1 Compensation of employees**

##### **3.1.1 Short-term employee benefits**

The cost of short-term employee benefits are expensed in the statement of financial performance when financial authorisation for payment is effected on the system (by no later than 31 March each year)

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

Employee cost are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time in the project. These payments form part of expenditure for capital assets in the statement of financial performance.

ACCOUNTING POLICIES  
for the year ended 31 March 2010

**3.1.2 Post retirement benefits**

Employer contribution (i.e. social contributions) is expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Funds and not in the financial statements of the employer department.

Social contribution (such as medical benefits) made by the department for certain of its ex-employees are classified as transfers to households in the statement of financial performance.

**3.1.3 Termination benefits**

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

**3.1.4 Other long-term employee benefits**

Other long-term employee benefits (such as capped leave) are recognised as an expense in the statement of financial performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements.

**3.2 Goods and services**

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

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5, 000). All other expenditures are classified as current.

**3.3 Interest and rent on land**

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.



ACCOUNTING POLICIES  
for the year ended 31 March 2010

**3.4 Financial transactions in assets and liabilities**

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements amounts.

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

**3.5 Transfers and subsidies**

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

**3.6 Unauthorised expenditure**

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

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.

**3.7 Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

**3.8 Irregular expenditure**

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

ACCOUNTING POLICIES  
for the year ended 31 March 2010

**4. Assets**

**4.1 Cash and cash equivalents**

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

Bank overdrafts are shown separately on the face of the statement of financial position.

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

**4.2 Other financial assets**

Other financial assets are carried in the statement of financial position at cost.

**4.3 Prepayments and advances**

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and where the goods and services have not been received by year end.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

**4.4 Receivables**

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party or from the sale of goods/rendering of services.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

**4.5 Investments**

Capitalised investments are shown at cost in the statement of financial position.

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

**4.6 Loans**

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

ACCOUNTING POLICIES  
for the year ended 31 March 2010

#### **4.7 Inventory**

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

#### **4.8 Capital assets**

##### **4.8.1 Movable assets**

###### **Initial recognition**

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register R1.

###### **Subsequent recognition**

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

##### **4.8.2 Immovable assets**

###### **Initial recognition**

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

###### **Subsequent recognition**

Work-in-progress of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset". On completion, the total cost of the project is included in the asset register of the department that legally owns the asset or the provincial/national department of public works.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

ACCOUNTING POLICIES  
for the year ended 31 March 2010

**5. Liabilities**

**5.1 Payables**

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

**5.2 Contingent liabilities**

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

**5.3 Contingent assets**

Contingent assets are included in the disclosure notes to the financial statements when it is possible that an inflow of economic benefits will flow to the entity.

**5.4 Commitments**

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

**5.5 Accruals**

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

**5.6 Employee benefits**

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

**5.7 Lease commitments**

**Finance lease**

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

ACCOUNTING POLICIES  
for the year ended 31 March 2010

**Operating lease**

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

**5.8 Provisions**

The department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

**6. Receivables for departmental revenue**

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

**7. Net Assets**

**7.1 Capitalisation reserve**

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlining asset is disposed and the related funds are received.

**7.2 Recoverable revenue**

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

**8. Related party transactions**

Specific information with regards to related party transactions is included in the disclosure notes.

ACCOUNTING POLICIES  
for the year ended 31 March 2010

**9. Key management personnel**

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

**10. Public private partnerships**

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

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2010**

Appropriation per programme									
2009/10								2008/09	
APPROPRIATION STATEMENT	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1. ADMINISTRATION</b>									
Current payment	199,783	-	(1,262)	198,521	199,960	(1,439)	100.7%	199,178	202,739
Transfers and subsidies	561	-	1,788	2,349	3,722	(1,373)	158.5%	691	4,638
Payment for capital assets	9,655	-	(736)	8,919	5,535	3,384	62.1%	9,986	6,400
<b>2. REAL ESTATE</b>									
Current payment	21,189	-	(1,969)	19,220	21,255	(2,035)	110.6%	15,777	15,776
Transfers and subsidies	244,226	-	1,171	245,397	242,067	3,330	98.6%	210,851	209,728
Payment for capital assets	463	-	-	463	242	221	52.3%	284	140
<b>3. PROVISION OF BUILDINGS, STRUCTURES AND EQUIPMENT</b>									
Current payment	249,469	-	(105)	249,364	247,941	1,423	99.4%	229,264	229,227
Transfers and subsidies	1,274	-	377	1,651	2,706	(1,055)	163.9%	8,,423	9,334
Payment for capital assets	72,005	-	736	72,741	72,741	-	100.0%	58,633	53,277
.....									
<b>Subtotal</b>	<b>798,625</b>	<b>-</b>	<b>-</b>	<b>798,625</b>	<b>796,169</b>	<b>2,456</b>	<b>99.7%</b>	<b>733,087</b>	<b>731,259</b>
<b>Statutory Appropriation</b>									
Current payment				-					
Transfers and subsidies				-					
Payment for capital assets				-					
<b>TOTAL</b>	<b>798,625</b>	<b>-</b>	<b>-</b>	<b>798,625</b>	<b>796,169</b>	<b>2,456</b>	<b>99.7%</b>	<b>733,087</b>	<b>731,259</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2010**

	2009/10			2008/09	
	Final Appropriation	Actual Expenditure		Final Appropriation	Actual Expenditure
<b>TOTAL (brought forward)</b>					
<b>Reconciliation with statement of financial performance</b>					
<b>ADD</b>					
Departmental receipts	4,982			4,573	
Direct Exchequer receipts	-			-	
Aid assistance	-			-	
<b>Actual amounts per statement of financial performance (total revenue)</b>	<b>803,607</b>			<b>737,660</b>	
<b>ADD</b>					
Aid assistance		-			
Direct Exchequer payments					
Prior year unauthorised expenditure approved without funding					
<b>Actual amounts per statement of financial performance (total expenditure)</b>		<b>796,169</b>			<b>731,259</b>



**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2010**

Appropriation per economic classification									
	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	340,722	-	(2,605)	338,117	336,217	1,900	99.4%	306,470	300,931
Goods and services	129,719	-	(731)	128,988	128,708	280	99.8%	137,749	146,813
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	4,231	(4,231)	-	-	-
<b>Transfers and subsidies</b>									
Provinces and municipalities	244,186	-	-	244,186	240,566	3,620	98.5%	217,175	216,688
Departmental agencies and accounts	528	-	-	528	306	222	58.0%	499	362
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1,347	-	3,336	4,683	7,623	(2,940)	162.8%	2,291	6,650
<b>Payments for capital assets</b>									
Buildings and other fixed structures	70,780	-	1,310	72,090	72,090	-	100.0%	56,555	51,845
Machinery and equipment	11,343	-	(1,664)	9,679	6,074	3,605	62.8%	12,174	7,323
Biological assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	354	354	354	-	100.0%	174	647
Land and subsoil assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>798,625</b>	<b>-</b>	<b>-</b>	<b>798,625</b>	<b>796,169</b>	<b>2,456</b>	<b>99.7%</b>	<b>733,087</b>	<b>731,259</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2010**

2009/10								2008/09	
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1.1 MINISTER'S SUPPORT</b>									
Current payment	8,728		(1,935)	6,793	6,284	509	92.5%	6,282	6,006
Transfers and subsidies	-		-	-	-	-			267
Payment for capital assets	900		-	900	1,059	(159)	117.7%		8
<b>1.2 MANAGEMENT</b>									
Current payment	191,055		673	191,728	193,676	(1,948)	101.0%	192,896	196,733
Transfers and subsidies	561		1,788	2,349	3,722	(1,373)	158.5%	691	4,371
Payment for capital assets	8,755		(736)	8,019	4,476	3,543	55.8%	9,986	6,392
<b>Total</b>	<b>209,999</b>	<b>-</b>	<b>(210)</b>	<b>209,789</b>	<b>209,217</b>	<b>572</b>	<b>99.7%</b>	<b>209,855</b>	<b>213,777</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2010**

Appropriation per economic classification									
2009/10								2008/09	
Program Administration Per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	138,135		(551)	137,584	137,582	-	100.0%	124,199	124,198
Goods and services	61,648		(711)	60,937	59,634	1,303	97.9%	74,979	78,542
Interest and rent on land	-		-			-			
Financial transactions in assets and liabilities	-		-		2,742	(2,742)			
<b>Transfers and subsidies</b>									
Provinces and municipalities	-		-			-			
Departmental agencies and accounts	231		(97)	134		134		424	355
Universities and technikons	-		-		-	-			
Foreign governments and international organisations	-		-		-	-			
Public corporations and private enterprises	-		-		-	-			
Non-profit institutions	-		-		-	-			
Households	330		1,885	2,215	3,722	(1,507)	168.0%	267	4,282
<b>Payments for capital assets</b>									
Buildings and other fixed structures	-		-			-			
Machinery and equipment	9,655		(1,090)	8,565	5,181	3,384	60.5%	9,930	5,871
Biological assets	-		-			-			
Software and other intangible assets	-		354	354	354	-	100.00%	56	529
Land and subsoil assets	-		-		-	-			
<b>Total</b>	<b>209,999</b>	<b>-</b>	<b>(210)</b>	<b>209,789</b>	<b>209,217</b>	<b>572</b>	<b>99,7%</b>	<b>209,855</b>	<b>213,777</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**DETAIL PER PROGRAMME  
for the year ended 31 March 2010**

2009/10								2008/09	
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>2.1 PERSONNEL &amp; ADMIN. RELATED</b>									
Current payment	18,708		(1,969)	16,739	18,789	(2,050)	112.2%	13,291	13,242
Transfers and subsidies	244,226		1,171	245,397	242,067	3,330	98.6%	210,851	209,728
Payment for capital assets	463			463	242	221	52.3%	284	140
<b>2.2 HIRING</b>									
Current payment	2,270		112	2,382	2,382	-	100%	2,212	2,211
Transfers and subsidies	-		-	-	-	-			
Payment for capital assets	-		-	-	-	-			
<b>2.3. ACQUISITION OF LAND</b>									
Current payment	211		(112)	99	84	15	84.8%	274	323
Transfers and subsidies	-		-	-	-	-			
Payment for capital assets	-		-	-	-	-			
<b>TOTAL</b>	<b>265,878</b>	<b>-</b>	<b>(798)</b>	<b>265,080</b>	<b>263,564</b>	<b>1,516</b>	<b>99.4%</b>	<b>226.912</b>	<b>225.644</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**DETAIL PER PROGRAMME  
for the year ended 31 March 2010**

2009/10								2008/09	
Programme Real Estate Per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	15,855		(2,229)	13,626	13,626	-	100.0%	10,670	10,670
Goods and services	5,334		260	5,594	7,629	(2,035)	136.4%	5,107	5,107
Interest and rent on land	-		-	-	-	-			
Financial transactions in assets and liabilities	-		-	-	-	-			
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	244,186			244,186	240,566	3,620	98.5%	210,846	209,728
Departmental agencies and accounts	15			15	-	15		5	
Universities and technikons	-		-	-	-	-			
Foreign governments and international organisations	-		-	-	-	-			
Public corporations and private enterprises	-		-	-	-	-			
Non-profit institutions	-		-	-	-	-			
Households	25		1,171	1,196	1,501	(305)	125.5%		
<b>Payment for capital assets</b>									
Buildings and other fixed structures	-		-	-	-	-			
Machinery and equipment	463			463	242	221	52.3%	284	139
Biological assets	-		-	-	-	-			
Software and other intangible assets	-		-	-	-	-			
Land and subsoil assets	-		-	-	-	-			
<b>Total</b>	<b>265,878</b>		<b>(798)</b>	<b>265,080</b>	<b>263,564</b>	<b>1,516</b>	<b>99.4%</b>	<b>226,912</b>	<b>225,644</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**DETAIL PER PROGRAMME  
for the year ended 31 March 2010**

2009/10								2008/09	
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3.1. PERSONNEL &amp; ADMIN. RELA</b>									
Current payment	240,994		(235)	240,759	239,336	1,423	99.4%	219,622	215,378
Transfers and subsidies	1,274		377	1,651	2,706	(1,055)	163.9%	2,094	2,374
Payment for capital assets	1,068		(417)	651	651	-	100.0%	1,944	1,426
<b>3.2. BUILDINGS &amp; STRUCTURES</b>									
Current payment	8,475		130	8,605	8,605	-	100.0%	9,642	13,849
Transfers and subsidies	-		-	-	-	-	-	6,329	6,960
Payment for capital assets	70,937		1,153	72,090	72,090	-	100.0%	56,689	51,851
<b>Total</b>	<b>322,748</b>	<b>-</b>	<b>1,008</b>	<b>323,756</b>	<b>323,388</b>	<b>368</b>	<b>99.9%</b>	<b>269,320</b>	<b>291,838</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**DETAIL PER PROGRAMME  
for the year ended 31 March 2010**

2009/10								2008/09	
Programme Provision of Buildings, Structures and Equipment Per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	186,732		175	186,907	185,007	1,900	99.0%	171,601	166,063
Goods and services	62,737		(280)	62,457	61,445	1,012	98.4%	57,663	63,164
Interest and rent on land	-		-	-	-	-			
Financial transactions in assets and liabilities	-		-	-	1,489	(1,489)			
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	-		-	-	-	-		6,329	6,960
Departmental agencies and accounts	282		97	379	306	73	80.7%	70	7
Universities and technikons	-		-	-	-	-			
Foreign governments and international organisations	-		-	-	-	-			
Public corporations and private enterprises	-		-	-	-	-			
Non-profit institutions			-	-	-	-			
Households	992		280	1,272	2,400	(1,128)	188..7%	2,024	2,368
<b>Payment for capital assets</b>									
Buildings and other fixed structures	70,780		1,310	72,090	72,090	-	100.0%	56,555	51,845
Machinery and equipment	1,225		(574)	651	651	-	100.0%	1,960	1,313
Biological assets	-		-	-	-	-			
Software and other intangible assets	-		-	-	-	-		118	118
Land and subsoil assets	-		-	-	-	-			
<b>Total</b>	<b>322,748</b>		<b>1,008</b>	<b>323,756</b>	<b>323,388</b>	<b>368</b>	<b>99,9%</b>	<b>296,320</b>	<b>291,838</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2010**

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

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

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

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

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

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

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
-------------------	------------------------	-----------------------	-------------------	--

<b>Administration</b>	209,789	209,217	572	0.3%
-----------------------	---------	---------	-----	------

Saving mainly due to Travel & subsistence costs and advertising recruitment costs. These savings were due to costs containment measure as well as the moratorium place on the filling of vacant post which resulted in a reduction in advertising recruitment expenditure.

<b>Real Estate</b>	265,080	263,564	1,516	0.6%
--------------------	---------	---------	-------	------

Under expenditure mainly due to the decrease in payments for Ulundi rates. This presently being investigated between the department and municipality. Savings under conditional rates grant-roll over has been requested.

<b>Provision of building, structures and equipment</b>	323,756	323,388	368	0.1%
--	---------	---------	-----	------

Saving mainly due to goods and services – Travel & Subsistence costs, training, inventory and current equipment due to cost containment measures. Under expenditure for compensation of employees due to the payment of the payment of the Occupational Specific Dispensation not materialising as anticipated, this was due to delays with receipt of coding from DPSA. The funds have however been requested to be rolled over into the 2010/11 financial year.



**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**NOTES TO THE APPROPRIATION STATEMENT**  
**for the year ended 31 March 2010**

**4.2Per Economic classification**

	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Variance as a % of Final Appropriation</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>
<b>Current payments:</b>				
Compensation of employees	338,117	336,217	1,900	0.6%
Goods and services	128,988	128,708	280	0.2%
Interest and rent on land	0	0	0	0.0%
Financial transactions in assets and liabilities	0	4,231	-4,231	0.0%
Unauthorised expenditure approved	0	0	0	0.0%
<b>Transfers and subsidies:</b>				
Provinces and municipalities	244,186	240,566	3,620	1.5%
Departmental agencies and accounts	528	306	222	42.0%
Universities and technikons	0	0	0	0.0%
Public corporations and private enterprises	0	0	0	0.0%
Foreign governments and international organisations	0	0	0	0.0%
Non-profit institutions	0	0	0	0.0%
Households	4,683	7,623	-2,940	-62.8%
<b>Payments for capital assets:</b>				
Buildings and other fixed structures	72,090	72,090	0	0.0%
Machinery and equipment	9,679	6,074	3,605	37.2%
Heritage assets	0	0	0	0.0%
Biological assets	0	0	0	0.0%
Software and other intangible assets	354	354	0	0.0%
Land and subsoil assets	0	0	0	0.0%

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2010**

<b>PERFORMANCE</b>	<b>Note</b>	<b>2009/10 R'000</b>	<b>2008/09 R'000</b>
<b>REVENUE</b>			
Annual appropriation	1	798,625	733,087
Statutory appropriation		-	-
Departmental revenue	2	4,982	4,573
Direct Exchequer Receipts		-	-
Aid assistance		-	-
<b>TOTAL REVENUE</b>		<b>803,607</b>	<b>737,660</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	336,217	300,931
Goods and services	4	128,708	146,813
Interest and rent on land		-	-
Financial transactions in assets and liabilities	5	4,231	-
Aid assistance		-	-
Unauthorised expenditure approved without funding		-	-
<b>Total current expenditure</b>		<b>469,156</b>	<b>447,744</b>
<b>Transfers and subsidies</b>		<b>248,495</b>	<b>223,700</b>
Transfers and subsidies	6	248,495	223,700
Aid assistance		-	-
Unauthorised expenditure approved without funding		-	-
<b>Expenditure for capital assets</b>			
Tangible capital assets	7	78,164	59,168
Software and other intangible assets	7	354	647
Unauthorised expenditure approved without funding		-	-
<b>Total expenditure for capital assets</b>		<b>78,518</b>	<b>59,815</b>
Direct Exchequer Payments		-	-
<b>TOTAL EXPENDITURE</b>		<b>796,169</b>	<b>731,259</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>7,438</b>	<b>6,401</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		2,456	1,828
Annual appropriation		1,999	710
Conditional grants		457	1,118
Unconditional grants		-	-
Departmental revenue	13	4,982	4,573
Direct Exchequer receipts/payments		-	-
Aid assistance		-	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>7,438</b>	<b>6,401</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**STATEMENT OF FINANCIAL POSITION  
as at 31 March 2010**

<b>POSITION</b>	<b>Note</b>	<b>2009/10 R'000</b>	<b>2008/09 R'000</b>
<b>ASSETS</b>			
<b>Current assets</b>		<b>383,294</b>	<b>351,054</b>
Unauthorised expenditure	8	4,498	4,498
Fruitless and wasteful expenditure		-	-
Cash and cash equivalents	9	36	31
Other financial assets		-	-
Prepayments and advances	10	-	83
Receivables	11	378,760	346,442
Loans		-	-
Aid assistance receivable		-	-
<b>Non-current assets</b>		-	-
Investments		-	-
Loans		-	-
Other financial assets		-	-
<b>TOTAL ASSETS</b>		<b>383,294</b>	<b>351,054</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>382,295</b>	<b>349,816</b>
Voted funds to be surrendered to the Revenue Fund	12	2,456	6,326
Departmental revenue to be surrendered to the Revenue Fund	13	841	458
Direct Exchequer Receipts to be surrendered to the Revenue Fund		-	-
Bank overdraft	14	375,528	340,287
Payables	15	3,470	2,745
Aid assistance repayable		-	-
Aid assistance unutilised		-	-
<b>Non-current liabilities</b>		-	-
Payables		-	-
<b>TOTAL LIABILITIES</b>		<b>382,295</b>	<b>349,816</b>
<b>NET ASSETS</b>		<b>999</b>	<b>1,238</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**STATEMENT OF FINANCIAL POSITION  
as at 31 March 2010**

	<i>Note</i>	<b>2009/10 R'000</b>	<b>2008/09 R'000</b>
<b>Represented by:</b>			
Capitalisation reserve		-	-
Recoverable revenue		999	1,238
Retained funds		-	-
Revaluation reserves		-	-
<b>TOTAL</b>		<b>999</b>	<b>1,238</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the year ended 31 March 2010**

<b>NET ASSETS</b>	<b>Note</b>	<b>2009/10 R'000</b>	<b>2008/09 R'000</b>
<b>Capitalisation Reserves</b>		-	-
Opening balance			
Transfers:			
Movement in Equity			-
Movement in Operational Funds			-
Other movements			-
Closing balance		-	-
<b>Recoverable revenue</b>			
Opening balance		1,238	821
Transfers:		<b>(239)</b>	<b>417</b>
Irrecoverable amounts written off	23.1	-90	-
Debts revised		-106	81
Debts recovered (included in departmental receipts)		-457	-318
Debts raised		414	654
Closing balance		<b>999</b>	<b>1,238</b>
<b>Retained funds</b>			
Opening balance		-	-
Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)			-
Utilised during the year			-
Other			-
Closing balance		-	-
<b>Revaluation Reserve</b>			
Opening balance		-	-
Revaluation adjustment (Housing departments)			-
Transfers			-
Other			-
Closing balance		-	-
<b>TOTAL</b>		<b>999</b>	<b>1,238</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**CASH FLOW STATEMENT  
for the year ended 31 March 2010**

<b>CASH FLOW</b>	<b>Note</b>	<b>2009/10 R'000</b>	<b>2008/09 R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>803,601</b>	<b>737,616</b>
Annual appropriated funds received	1.1	798,625	733,087
Statutory appropriated funds received		-	-
Departmental revenue received	2	4,976	4,529
Direct Exchequer Receipts		-	-
Aid assistance received		-	-
Net (increase)/decrease in working capital		(31,510)	44,524
Surrendered to Revenue Fund		(10,925)	(4,737)
Surrendered to RDP Fund/Donor		-	-
Current payments		(469,156)	(443,822)
Transfers and subsidies paid		(248,495)	(223,700)
<b>Net cash flow available from operating activities</b>	16	<b>43,515</b>	<b>109,881</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	7	(78,518)	(59,815)
Proceeds from sale of capital assets	2.3	6	44
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
<b>Net cash flows from investing activities</b>		<b>(78,512)</b>	<b>(59,771)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Distribution/dividend received		-	-
Increase/(decrease) in net assets		(239)	417
Increase/(decrease) in non-current payables		-	-
<b>Net cash flows from financing activities</b>		<b>(239)</b>	<b>417</b>
Net increase/(decrease) in cash and cash equivalents		(35,236)	50,527
Cash and cash equivalents at beginning of period		(340,256)	(390,783)
<b>Cash and cash equivalents at end of period</b>	17	<b>(375,492)</b>	<b>(340,256)</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010**

**1. Annual Appropriation**

**1.1 Annual Appropriation**

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

<b>Programme</b>	<b>Final Appropriation R'000</b>	<b>Actual Funds Received R'000</b>	<b>Funds not requested/ not received R'000</b>	<b>Appropriation received 2008/09 R'000</b>
Administration	209,789	209,789	-	209,855
Real Estate	265,080	265,080	-	226,912
Provision of buildings, Structures and Equipment	323,756	323,756	-	296,320
<b>Total</b>	<b>798,625</b>	<b>798,625</b>	<b>-</b>	<b>733,087</b>

**1.2 Conditional grants**

	<i>Note</i>	<b>2009/10 R'000</b>	<b>2008/09 R'000</b>
Total grants received	30	237,662	210,846
Provincial grants included in Total Grants received		-	-

**2. Departmental revenue**

	<i>Note</i>	<b>2009/10 R'000</b>	<b>2008/09 R'000</b>
Tax revenue		-	-
Sales of goods and services other than capital assets	2.1	3,032	3,606
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land	2.2	310	97
Sales of capital assets	2.3	6	44
Financial transactions in assets and liabilities	2.4	1,634	826
Transfer received		-	-
<b>Total revenue collected</b>		<b>4,982</b>	<b>4,573</b>
Less: Own revenue included in appropriation		-	-
<b>Departmental revenue collected</b>		<b>4,982</b>	<b>4,573</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

**2.1 Sales of goods and services other than capital assets**

	Note 2	2009/10 R'000	2008/09 R'000
Sales of goods and services produced by the department		3,030	3,603
Sales by market establishment		2,628	3,223
Administrative fees		-	-
Other sales		402	380
Sales of scrap, waste and other used current goods		2	3
<b>Total</b>		<b>3,032</b>	<b>3,606</b>

**2.2 Interest, dividends and rent on land**

	Note 2	2009/10 R'000	2008/09 R'000
Interest		222	59
Dividends		-	-
Rent on land		88	38
<b>Total</b>		<b>310</b>	<b>97</b>

**2.3 Sale of capital assets**

	Note 2	2009/10 R'000	2008/09 R'000
<b>Tangible capital assets</b>		6	44
Buildings and other fixed structures		-	-
Machinery and equipment		-	-
Land and subsoil assets	29	6	44
Investment property		-	-
Biological assets		-	-
<b>Software and other intangible assets</b>		-	-
Capitalised development costs		-	-
Computer software		-	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Other intangibles		-	-
<b>Total</b>		<b>6</b>	<b>44</b>



**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

**2.4 Financial transactions in assets and liabilities**

	<i>Note</i>	<b>2009/10</b>	<b>2008/09</b>
	2	<b>R'000</b>	<b>R'000</b>
Loans and advances		-	-
Repayment of Public Contributions		-	-
Receivables		502	321
Proceeds from investment		-	-
Forex gain		-	-
Stale cheques written back		2	42
Other Receipts including Recoverable Revenue		1,130	463
<b>Total</b>		<b>1,634</b>	<b>826</b>

**3. Compensation of employees**

**3.1 Salaries and Wages**

	<i>Note</i>	<b>2009/10</b>	<b>2008/09</b>
		<b>R'000</b>	<b>R'000</b>
Basic salary		232,125	207,628
Performance award		6,424	5,226
Service Based		980	1,098
Compensative/circumstantial		2,453	2,880
Periodic payments		88	673
Other non-pensionable allowances		41,878	38,744
<b>Total</b>		<b>283,948</b>	<b>256,249</b>

**3.2 Social contributions**

	<i>Note</i>	<b>2009/10</b>	<b>2008/09</b>
		<b>R'000</b>	<b>R'000</b>
<b>Employer contributions</b>			
Pension		30,524	25,564
Medical		21,679	19,048
UIF		-	-
Bargaining council		66	70
Official unions and associations		-	-
Insurance		-	-
<b>Total</b>		<b>52,269</b>	<b>44,682</b>
 <b>Total compensation of employees</b>		 <b>336,217</b>	 <b>300,931</b>
 Average number of employees		 <b>2,215</b>	 <b>2,271</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

**4. Goods and services**

	<i>Note</i>	<b>2009/10 R'000</b>	<b>2008/09 R'000</b>
Administrative fees		9	-
Advertising		5,269	9,944
Assets less than R5,000	4.1	484	1,735
Bursaries (employees)		304	324
Catering		1,544	2,229
Communication		10,775	10,719
Computer services	4.2	10,982	8,874
Consultants, contractors and agency/outsourced services	4.3	24,540	20,538
Entertainment		181	215
Audit cost – external	4.4	4,597	3,459
Government motor transport		7,073	8,316
Inventory	4.5	5,921	5,984
Housing		-	-
Operating leases		7,294	6,649
Owned and leasehold property expenditure	4.6	33,533	33,810
Transport provided as part of the departmental activities		47	136
Travel and subsistence	4.7	12,452	20,017
Venues and facilities		1,202	2,856
Training and staff development		1,547	9,814
Other operating expenditure	4.8	954	1,194
<b>Total</b>		<b>128,708</b>	<b>146,813</b>

**4.1 Assets less than R5,000**

	<i>Note</i>	<b>2009/10 R'000</b>	<b>2008/09 R'000</b>
<b>Tangible assets</b>	4		
Buildings and other fixed structures		-	-
Biological assets		-	-
Machinery and equipment		484	1,735
Specialised military assets		-	-
<b>Intangible assets</b>		-	-
<b>Total</b>		<b>484</b>	<b>1,735</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

**4.2 Computer services**

	<i>Note</i> 4	<b>2009/10</b> <b>R'000</b>	<b>2008/09</b> <b>R'000</b>
SITA computer services		7,706	6,411
External computer service providers		3,276	2,463
<b>Total</b>		<u>10,982</u>	<u>8,874</u>

**4.3 Consultants, contractors and agency/outsourced services**

	<i>Note</i> 4	<b>2009/10</b> <b>R'000</b>	<b>2008/09</b> <b>R'000</b>
Business and advisory services		121	304
Infrastructure and planning		1,129	525
Laboratory services		-	-
Legal costs		261	732
Contractors		967	197
Agency and support/outsourced services		22,062	18,780
<b>Total</b>		<u>24,540</u>	<u>20,538</u>

**4.4 Audit cost – External**

	<i>Note</i> 4	<b>2009/10</b> <b>R'000</b>	<b>2008/09</b> <b>R'000</b>
Regularity audits		4,597	3,459
Performance audits		-	-
Investigations		-	-
Environmental audits		-	-
Other audits		-	-
<b>Total</b>		<u>4,597</u>	<u>3,459</u>

**4.5 Inventory**

	<i>Note</i> 4	<b>2009/10</b> <b>R'000</b>	<b>2008/09</b> <b>R'000</b>
Medsas inventory interface		-	-
Learning and teaching support material		105	133
Food and food supplies		-	-
Fuel, oil and gas		50	128
Other consumable materials		1,845	1,513
Maintenance material		219	46
Stationery and printing		3,698	4,135
Medical supplies		4	29
Military stores		-	-
<b>Total</b>		<u><u>5,921</u></u>	<u><u>5,984</u></u>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

**4.6 Owned and leasehold property expenditure**

	<i>Note</i> 4	<b>2009/10</b> <b>R'000</b>	<b>2008/09</b> <b>R'000</b>
Municipal services		7,823	8,521
Property management fees		-	-
Property maintenance and repairs		7,426	8,545
Other		18,284	16,744
<b>Total</b>		<u>33,533</u>	<u>33,810</u>

**4.7 Travel and subsistence**

	<i>Note</i> 4	<b>2009/10</b>	<b>2008/09</b>
Local		12,433	19,985
Foreign		19	32
<b>Total</b>		<u>12,452</u>	<u>20,017</u>

**4.8 Other operating expenditure**

	<i>Note</i> 4	<b>2009/10</b> <b>R'000</b>	<b>2008/09</b> <b>R'000</b>
Learnerships		-	-
Professional bodies, membership and subscription fees		3	1
Resettlement costs		810	1,122
Other		141	71
<b>Total</b>		<u>954</u>	<u>1,194</u>

**5. Financial transactions in assets and liabilities**

	<i>Note</i>	<b>2009/10</b> <b>R'000</b>	<b>2008/09</b> <b>R'000</b>
Material losses through criminal conduct		-	-
Theft		-	-
Other material losses		-	-
Other material losses written off		-	-
Debts written off	5.1	4,231	-
Forex losses		-	-
<b>Total</b>		<u>4,231</u>	<u>-</u>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

**5.1 Debts written off**

	<i>Note</i> 5	<b>2009/10</b> <b>R'000</b>	<b>2008/09</b> <b>R'000</b>
<b>Nature of debts written off</b>			
Transfer to debts written off			
(Group major categories, but list material items)			
Debt written off relating to irregular expenditure			-
Debt written off due to prescription		2,740	-
Inter dept claims-National Public Works		1,489	-
Claims from other institutions- prescribed		2	-
			-
<b>Total</b>		<b>4,231</b>	<b>-</b>

**6. Transfers and subsidies**

		<b>2009/10</b> <b>R'000</b>	<b>2008/09</b> <b>R'000</b>
	<i>Note</i>		
Provinces and municipalities	<i>Annex 1A</i>	240,566	216,688
Departmental agencies and accounts	<i>Annex 1B</i>	306	362
Universities and technikons		-	-
Foreign governments and international organisations		-	-
Public corporations and private enterprises		-	-
Non-profit institutions		-	-
Households	<i>Annex 1C</i>	7,623	6,65
Gifts, donations and sponsorships made			-
<b>Total</b>		<b>248,495</b>	<b>223,700</b>

Unspent funds transferred to the above beneficiaries

**7. Expenditure for capital assets**

	<i>Note</i>	<b>2009/10</b> <b>R'000</b>	<b>2008/09</b> <b>R'000</b>
<b>Tangible assets</b>			
		78,164	59,168
Buildings and other fixed structures	29	72,090	51,845
Heritage assets		-	-
Machinery and equipment	27	6,074	7,323
Land and subsoil assets		-	-
Investment property		-	-
Biological assets		-	-

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

		354	647
<b>Software and other intangible assets</b>			
Capitalised development costs		-	-
Computer software	28	354	647
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Other intangibles		-	-
<b>Total</b>		<b>78,518</b>	<b>59,815</b>

The following amounts have been included as project costs in Expenditure for capital assets

Compensation of employees	-
Goods and services	-
<b>Total</b>	-

**7.1 Analysis of funds utilised to acquire capital assets – 2009/10**

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	78,164	-	78,164
Buildings and other fixed structures	72,090		72,090
Machinery and equipment	6,074		6,074
Land and subsoil assets			-
Investment property			-
Biological assets			-

<b>Software and other intangible assets</b>	354	-	354
Capitalised development costs	-		-
Computer software	354		354
Mastheads and publishing titles			-
Patents, licences, copyright, brand names, trademarks			-
Recipes, formulae, prototypes, designs, models			-

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

Services and operating rights			-
Other intangibles			-
<b>Total</b>	<b>78,518</b>	<b>-</b>	<b>78,518</b>

**7.2 Analysis of funds utilised to acquire capital assets – 2008/09**

	<b>Voted funds</b>	<b>Aid assistance</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Tangible assets</b>	59,168	-	59,168
Buildings and other fixed structures	51,845	-	51,845
Machinery and equipment	7,323	-	7,323
Land and subsoil assets	-	-	-
Investment property	-	-	-
Biological assets	-	-	_*
<b>Software and other intangible assets</b>	647	-	647
Capitalised development costs	-	-	-
Computer software	647	-	647
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Other intangibles	-	-	-
<b>Total</b>	<b>59,815</b>	<b>-</b>	<b>59,815</b>

**8. Unauthorised expenditure**

**8.1 Reconciliation of unauthorised expenditure**

	<i>Note</i>	<b>2009/10 R'000</b>	<b>2008/09 R'000</b>
Opening balance		4,498	576
Unauthorised expenditure – discovered in current year	12		3,922
Less: Amounts approved by Parliament/Legislature with funding		-	-
Less: Amounts approved by Parliament/Legislature without funding and written off in the Statement of Financial Performance		-	-

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

Capital		-
Current		-
Transfers and subsidies		-
Less: Amounts transferred to receivables for recovery		-
<b>Unauthorised expenditure awaiting authorisation / written off</b>	<b>4,498</b>	<b>4,498</b>
<b>Analysis of awaiting authorisation per economic classification</b>		
Capital	4,498	4,498
Current		-
Transfers and subsidies		-
<b>Total</b>	<b>4,498</b>	<b>4,498</b>

**9. Cash and cash equivalents**

	<i>Note</i>	<b>2009/10</b>	<b>2008/09</b>
		<b>R'000</b>	<b>R'000</b>
Consolidated Paymaster General Account		-	-
Cash receipts		-	-
Disbursements		-	-
Cash on hand		36	31
Cash with commercial banks (Local)		-	-
Cash with commercial banks (Foreign)		-	-
<b>Total</b>		<b>36</b>	<b>31</b>

**10. Prepayments and advances**

	<i>Note</i>	<b>2009/10</b>	<b>2008/09</b>
		<b>R'000</b>	<b>R'000</b>
Staff advances		-	-
Travel and subsistence		-	83
Prepayments		-	-
Advances paid to other entities		-	-
SOCPEN advances		-	-
<b>Total</b>		<b>-</b>	<b>83</b>



**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010**

**11. Receivables**

		2009/10			2008/09
		R'000	R'000	R'000	R'000
		Less	One to	Older	
		than one	three	than	
		year	years	three	
	Note			years	
					Total
Claims recoverable	11.1	318,898	24,949	15,197	323,873
	Annex				
	3				
Trade receivables					-
Recoverable	11.2				18
expenditure					
Staff debt	11.3	448	889	1,039	4,833
Other debtors	11.4	50	5,361	11,929	17,718
<b>Total</b>		<b>319,396</b>	<b>31,199</b>	<b>28,165</b>	<b>346,442</b>

**11.1 Claims recoverable**

	Note	2009/10	2008/09
		R'000	R'000
National departments	11	215	-
Provincial departments		353,457	323,873
Foreign governments			-
Public entities		5,182	-
Private enterprises		190	-
Universities and technikons			-
Households and non-profit institutions			-
Local governments			-
<b>Total</b>		<b>359,044</b>	<b>323,873</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010**

**11.2 Recoverable expenditure (disallowance accounts)**

	<i>Note</i> 11	<b>2009/10 R'000</b>	<b>2008/09 R'000</b>
Sal tax debts: CA			18
			-
<b>Total</b>		<b>-</b>	<b>18</b>

**11.3 Staff debt**

	<i>Note</i> 11	<b>2009/10 R'000</b>	<b>2008/09 R'000</b>
Breach of Contract		259	4,833
Employee		569	-
Ex- employee		1,220	-
Other		328	-
<b>Total</b>		<b>2,376</b>	<b>4,833</b>

**11.4 Other debtors**

	<i>Note</i> 11	<b>2009/10 R'000</b>	<b>2008/09 R'000</b>
Fraudulent cheques household		11,620	11,620
Disallowances damages and Losses Control account		5,662	5,662
Sal: income tax: CL		-	430
Sal: Insurance Deduction : CL		8	6
Sal: Medical Aid: CL		2	-
Disall Dishonoured Cheque		11	-
Sal: Reversal Control		37	-
<b>Total</b>		<b>17,340</b>	<b>17,718</b>

**12. Voted funds to be surrendered to the Revenue Fund**

	<i>Note</i> 8	<b>2009/10 R'000</b>	<b>2008/09 R'000</b>
Opening balance		6,326	788
Transfer from statement of financial performance		2,456	1,828
Add: Unauthorised expenditure for current year			3,922
Voted funds not requested/not received		-	-
Transferred to retained revenue to defray excess expenditure (PARLIAMENT/LEGISLATURES ONLY)			-
Paid during the year		(6,326)	(212)
<b>Closing balance</b>		<b>2,456</b>	<b>6,326</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

**13. Departmental revenue to be surrendered to the Revenue Fund**

	<i>Note</i>	<b>2009/10</b> <b>R'000</b>	<b>2008/09</b> <b>R'000</b>
Opening balance		458	410
Transfer from Statement of Financial Performance		4,982	4,573
Own revenue included in appropriation		-	-
Transfer from aid assistance			-
Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)			-
Paid during the year		(4,599)	(4,525)
<b>Closing balance</b>		<b>841</b>	<b>458</b>

**14. Bank Overdraft**

	<i>Note</i>	<b>2009/10</b> <b>R'000</b>	<b>2008/09</b> <b>R'000</b>
Consolidated Paymaster General Account		375,528	340,287
Fund requisition account			-
Overdraft with commercial banks (Local)			-
Overdraft with commercial banks (Foreign)			-
<b>Total</b>		<b>375,528</b>	<b>340,287</b>

**15. Payables – current**

	<i>Note</i>	<b>2009/10</b> <b>Total</b>	<b>2008/09</b> <b>Total</b>
Amounts owing to other entities	<i>Annex 4</i>	-	-
Advances received		-	-
Clearing accounts	15.1	2,463	353
Other payables	15.2	1,007	2,392
<b>Total</b>		<b>3,470</b>	<b>2,745</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

**15.1 Clearing accounts**

	<i>Note</i> 15	<b>2009/10</b> <b>R'000</b>	<b>2008/09</b> <b>R'000</b>
Description			
(Identify major categories, but list material amounts)			
Salary ACB Recalls		1,097	250
Pension Recoverable		37	21
Salary: Pension fund: CL		114	5
Sal: Medical Aids:CL		-	1
Sal: Finance other institution: CL			4
Sal: Reversal Control: CA		-	63
Dissallowance Miscellaneous		254	9
Sal: Income tax		958	-
Salary Tax Debt		1	-
Sal: Persal Interface		2	-
<b>Total</b>		<b>2,463</b>	<b>353</b>

**15.2 Other payables**

	<i>Note</i> 15	<b>2009/10</b> <b>R'000</b>	<b>2008/09</b> <b>R'000</b>
Description			
Tender Deposits		987	2,392
Salary Reversal Account		20	-
<b>Total</b>		<b>1,007</b>	<b>2,392</b>

**16. Net cash flow available from operating activities**

	<i>Note</i>	<b>2009/10</b> <b>R'000</b>	<b>2008/09</b> <b>R'000</b>
Net surplus/(deficit) as per Statement of Financial Performance		7,438	6,401
Add back non cash/cash movements not deemed operating activities		36,077	103,480
(Increase)/decrease in receivables – current		(32,318)	49,834
(Increase)/decrease in prepayments and advances		83	(83)
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		725	(1,305)
Proceeds from sale of capital assets		(6)	(44)
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

Expenditure on capital assets	78,518	59,815
Surrenders to Revenue Fund	(10,925)	(4,737)
Surrenders to RDP Fund/Donor		
Voted funds not requested/not received		-
Own revenue included in appropriation		-
Other non-cash items		-
<b>Net cash flow generated by operating activities</b>	<b>43,515</b>	<b>109,881</b>

**17. Reconciliation of cash and cash equivalents for cash flow purposes**

	<i>Note</i>	<b>2009/10</b>	<b>2008/09</b>
		<b>R'000</b>	<b>R'000</b>
Consolidated Paymaster General account		(375,528)	(340,287)
Fund requisition account		-	-
Cash receipts		-	-
Disbursements		-	-
Cash on hand		36	31
Cash with commercial banks (Local)		-	-
Cash with commercial banks (Foreign)		-	-
<b>Total</b>		<b>(375,492)</b>	<b>(340,256)</b>

**18. Contingent liabilities and contingent assets**

**18.1 Contingent liabilities**

	<i>Note</i>	<b>2009/10</b>	<b>2008/09</b>
		<b>R'000</b>	<b>R'000</b>
<b>Liable to Nature</b>			
Motor vehicle guarantees		-	-
Employees		-	-
Housing loan guarantees	<i>Annex 2A</i>	581	1,236
Employees		-	-
Other guarantees		-	-
Claims against the department	<i>Annex 2B</i>	22,077	17,737
Other departments (interdepartmental unconfirmed balances)	<i>Annex 4</i>	3,928	1,227
Environmental rehabilitation liability		-	-
Other		-	-
<b>Total</b>		<b>26,586</b>	<b>20,200</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

**18.2 Contingent assets**

	<i>Note</i>	<b>2009/10</b> <b>R'000</b>	<b>2008/09</b> <b>R'000</b>
<b>Nature of contingent asset</b>			
Claims for damages on vehicles		138	
Breach of contracts		3,034	
Rentals claims		72	
Arbitration costs		250	
<b>Total</b>		3,494	-

**19. Commitments**

	<i>Note</i>	<b>2009/10</b> <b>R'000</b>	<b>2008/09</b> <b>R'000</b>
<b>Current expenditure</b>			
Approved and contracted		8,350	35,950
Approved but not yet contracted		8,350	1,175
		8,350	37,125
<b>Capital expenditure</b>			
Approved and contracted		79,521	42,469
Approved but not yet contracted		13,179	8,315
		92,700	50,784
<b>Total Commitments</b>		<b>101,050</b>	<b>87,909</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

**20. Accruals**

	<b>2009/10</b>			<b>2008/09</b>
	<b>R'000</b>			<b>R'000</b>
<b>Listed by economic classification</b>				
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	4,033	880	<b>4,913</b>	4,834
Interest and rent on land			-	-
Transfers and subsidies	4,705	79,734	<b>84,439</b>	42,482
Buildings and other fixed structures				
Machinery and equipment			-	-
Land and subsoil assets	1,313	369	<b>1,682</b>	305
Investment property			-	-
Biological assets			-	-
Software and other intangible assets			-	-
Other			-	-
<b>Total</b>	<b>10,051</b>	<b>80,983</b>	<b>91,034</b>	<b>47,621</b>

	<i>Note</i>	<b>2009/10</b>	<b>2008/09</b>
		<b>R'000</b>	<b>R'000</b>
<b>Listed by programme level</b>			
Administration		5,583	3,583
Real Estate		84,831	42,120
Provision of building, Structure & Equipment		620	1,918
<b>Total</b>		<b>91,034</b>	<b>47,621</b>

	<i>Note</i>	<b>2009/10</b>	<b>2008/09</b>
		<b>R'000</b>	<b>R'000</b>
Confirmed balances with other departments	<i>Annex 4</i>	410	852
Confirmed balances with other government entities	<i>Annex 4</i>	12	125
<b>Total</b>		<b>422</b>	<b>977</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

**21. Employee benefits**

	<i>Note</i>	<b>2009/10</b>	<b>2008/09</b>
		<b>R'000</b>	<b>R'000</b>
Leave entitlement		16,882	15,521
Service bonus (Thirteenth cheque)		9,703	8,747
Performance awards			9,558
Capped leave commitments		56,668	54,815
Other		1,863	347
<b>Total</b>		<b>85,116</b>	<b>88,988</b>

**22. Lease commitments**

**22.1 Operating leases expenditure**

<b>2009/10</b>	<b>Land</b>	<b>Buildings and other fixed structures</b>	<b>Machinery and equipment</b>	<b>Total</b>
Not later than 1 year		791	1,186	1,977
Later than 1 year and not later than 5 years		15	1,016	1,031
Later than five years				-
<b>Total lease commitments</b>	-	806	2,202	3,008

<b>2008/09</b>	<b>Land</b>	<b>Buildings and other fixed structures</b>	<b>Machinery and equipment</b>	<b>Total</b>
Not later than 1 year	-	1,750	820	2,570
Later than 1 year and not later than 5 years	-	594	558	1,152
Later than five years	-	-	-	-
<b>Total lease commitments</b>	-	2,344	1,378	3,722



**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

	2009/10	2008/09
	R'000	R'000
Rental earned on lease sub-leased assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**22.2 Finance leases expenditure\*\***

	Land	Buildings and other fixed structures	Machinery and equipment	Total
<b>2009/10</b>				
Not later than 1 year			2,030	2,030
Later than 1 year and not later than 5 years			1,859	1,829
Later than five years			-	-
<b>Total lease commitments</b>	-	-	<b>3,859</b>	<b>3,859</b>
LESS: finance costs			-	-
<b>Total present value of lease liabilities</b>	<b>-</b>	<b>-</b>	<b>3,859</b>	<b>3,859</b>

	Land	Buildings and other fixed structures	Machinery and equipment	Total
<b>2008/09</b>				
Not later than 1 year	-	-	2,506	2,506
Later than 1 year and not later than 5 years	-	-	2,958	2,958
Later than five years	-	-	-	-
<b>Total lease commitments</b>	-	-	5,464	5,464
LESS: finance costs	-	-	-	-
<b>Total present value of lease liabilities</b>	<b>-</b>	<b>-</b>	<b>5,464</b>	<b>5,464</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

**23. Receivables for departmental revenue**

	<i>Note</i>	<b>2009/10 R'000</b>	<b>2008/09 R'000</b>
Tax revenue		-	-
Sales of goods and services other than capital assets		-	-
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land		-	-
Sales of capital assets		-	-
Financial transactions in assets and liabilities		-	-
Transfers received (incl. conditional grants to be repaid by provincial departments)		-	-
Other		-	-
<b>Total</b>		<u>-</u>	<u>-</u>

**23.1 Analysis of receivables for departmental revenue**

	<i>Note</i>	<b>2009/10 R'000</b>	<b>2008/09 R'000</b>
Opening balance		-	-
Less: amounts received		-	-
Add: amounts recognised		-	-
Less: amounts written-off/reversed as irrecoverable		-	-
<b>Closing balance</b>		<u>-</u>	<u>-</u>

**24. Irregular expenditure**

**24.1 Reconciliation of irregular expenditure**

	<i>Note</i>	<b>2009/10 R'000</b>	<b>2008/09 R'000</b>
Opening balance		159	159
Add: Irregular expenditure – relating to prior year		85,276	-
Add: Irregular expenditure – relating to current year		-	-
Less: Amounts condoned		-	-
Less: Amounts recoverable (not condoned)		-	-
Less: Amounts not recoverable (not condoned)		-	-
<b>Irregular expenditure awaiting condonation</b>		<u>85,435</u>	<u>159</u>

**Analysis of awaiting condonation per age classification**

Current year	85,276	-
Prior years	159	-
<b>Total</b>	<u>85,435</u>	<u>-</u>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

**24.2 Details of irregular expenditure – current year**

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>2009/10 R'000</b>
Authorisation of payments other than delegated official	Investigation in progress	<b>85,276</b>
<b>Total</b>		<b>85,276</b>

**25. Key management personnel**

	<b>No. of Individuals</b>	<b>2009/10 R'000</b>	<b>2008/09 R'000</b>
Political office bearers (provide detail below)	2	1,471	1,328
Officials:			-
Level 15 to 16	2	1,979	1,856
Level 14 (incl. CFO if at a lower level)	3	2,283	2,250
Family members of key management personnel		-	-
<b>Total</b>		<b>5,733</b>	<b>5,434</b>

**26. Provisions**

	<i>Note</i>	<b>2009/10 R'000</b>	<b>2008/09 R'000</b>
<b>Potential irrecoverable debts</b>			
Households and non profit institutions			-
Private enterprises			-
Staff debtors		460	-
Other debtors			2,914
Claims recoverable		4,664	12,181
<b>Total</b>		<b>5,124</b>	<b>15,095</b>

**Provisions**

Impairment of investments			-
Provision for non-recoverable loans			-
Other – Specify one per line		17,283	17,283
<b>Total</b>		<b>17,283</b>	<b>17,283</b>
<b>Total</b>		<b>22,407</b>	<b>32,378</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

**27. Movable Tangible Capital Assets**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010**

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	-	-	-	-	-
Heritage assets	-	-	-	-	-
<b>MACHINERY AND EQUIPMENT</b>	<b>58,081</b>	<b>(105)</b>	<b>6,074</b>	<b>(727)</b>	<b>64,777</b>
Transport assets	23,570		1,154	(236)	24,660
Specialised military assets	-		-	-	-
Computer equipment	28,570	1,527	4,131	(480)	34,708
Furniture and office equipment	5,155	(1,703)	789	(11)	4,252
Other machinery and equipment	1,086	71	-	-	1,157
<b>BIOLOGICAL ASSETS</b>	-	-	-	-	-
Biological assets	-	-	-	-	-
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>58,081</b>	<b>(105)</b>	<b>6,074</b>	<b>(727)</b>	<b>64,777</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

**27.1 Additions**

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010**

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	-	-	-	-	-
Heritage assets	-	-	-	-	-
<b>MACHINERY AND EQUIPMENT</b>	<b>6,074</b>	-	-	-	<b>6,074</b>
Transport assets	1,154				1,154
Specialised military assets					-
Computer equipment	4,131				4,131
Furniture and office equipment	789				789
Other machinery and equipment					-
<b>BIOLOGICAL ASSETS</b>	-	-	-	-	-
Biological assets					-
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>6,074</b>	-	-	-	<b>6,074</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

**27.2 Disposals**

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010**

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	-	-	-	-
Heritage assets				
<b>MACHINERY AND EQUIPMENT</b>	-	(727)	(727)	-
Transport assets		(236)	(236)	
Specialised military assets		-	-	
Computer equipment		(480)	(480)	
Furniture and office equipment		(11)	(11)	
Other machinery and equipment		-	-	
<b>BIOLOGICAL ASSETS</b>	-	-	-	-
Biological assets				
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>(727)</b>	<b>(727)</b>	<b>-</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

**27.3 Movement for 2008/09**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>HERITAGE ASSETS</b>	-	-	-	-
Heritage assets	-	-	-	-
<b>MACHINERY AND EQUIPMENT</b>	<b>50,758</b>	<b>7,323</b>	<b>-</b>	<b>58,081</b>
Transport assets	22,678	592	-	23,270
Specialised military assets	-	-	-	-
Computer equipment	22,680	5,890	-	28,570
Furniture and office equipment	4,321	834	-	5,155
Other machinery and equipment	1,079	7	-	1,086
<b>BIOLOGICAL ASSETS</b>	-	-	-	-
Biological assets	-	-	-	-
<b>TOTAL MOVABLE TANGIBLE ASSETS</b>	<b>50,758</b>	<b>7,323</b>	<b>-</b>	<b>58,081</b>

**27.4 Minor assets**

**MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2010**

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Minor assets			439		439
<b>TOTAL</b>	-	-	439	-	439

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets			21,293		21,293
Number of minor assets at cost			21,293		21,293
<b>TOTAL NUMBER OF MINOR ASSETS</b>	-	-	42,586	-	42,586

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010**

**MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2009**

	<b>Intangible assets</b>	<b>Heritage assets</b>	<b>Machinery and equipment</b>	<b>Biological assets</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Minor assets	-	-	6,490	-	6,490
<b>TOTAL</b>	-	-	6,490	-	6,490

	<b>Intangible assets</b>	<b>Heritage assets</b>	<b>Machinery and equipment</b>	<b>Biological assets</b>	<b>Total</b>
Number of R1 minor assets			27,988		27,988
<b>TOTAL NUMBER OF MINOR ASSETS</b>	-	-	27,988	-	27,988



**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010**

**28. Intangible Capital Assets**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010**

	Opening balance	Current Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
CAPITALISED DEVELOPMENT COSTS	-				
COMPUTER SOFTWARE	953	106	354	-	1,413
MASTHEADS AND PUBLISHING TITLES	-		-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	28	(28)	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-		-	-	-
SERVICES AND OPERATING RIGHTS	-		-	-	-
OTHER INTANGIBLES	-		-	-	-
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>981</b>	<b>78</b>	<b>354</b>	<b>-</b>	<b>1,413</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

**28.1 Additions**

**ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2010**

	Cash	Non-Cash	(Develop- ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
CAPITALISED DEVELOPMENT COSTS					-
COMPUTER SOFTWARE	354				354
MASTHEADS AND PUBLISHING TITLES					-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS					-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS					-
SERVICES AND OPERATING RIGHTS					-
OTHER INTANGIBLES					-
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>354</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>354</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010**

**28.2 Disposals**

**DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010**

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
CAPITALISED DEVELOPMENT COSTS			-	
COMPUTER SOFTWARE			-	
MASTHEADS AND PUBLISHING TITLES			-	
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS			-	
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS			-	
SERVICES AND OPERATING RIGHTS			-	
OTHER INTANGIBLES			-	
<b>TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

**28.3 Movement for 2008/09**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
CAPITALISED DEVELOPMENT COSTS	-	-	-	-
COMPUTER SOFTWARE	306	647	-	953
MASTHEADS AND PUBLISHING TITLES	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	28	-	28
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-
OTHER INTANGIBLES	-	-	-	-
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>306</b>	<b>675</b>	<b>-</b>	<b>981</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

**29. Immovable Tangible Capital Assets**

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010**

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>4,490,067</b>	<b>(3,537,044)</b>	<b>8,032</b>		<b>961,055</b>
Dwellings	206,043	(194,111)	8,032	-	11,932
Non-residential buildings	4,284,024	(3,342,933)	8,032	-	949,123
Other fixed structures	-	-	-	-	-
<b>HERITAGE ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Heritage assets	-	-	-	-	-
<b>LAND AND SUBSOIL ASSETS</b>	<b>367,253</b>	<b>(317,360)</b>	<b>67</b>	<b>-</b>	<b>49,960</b>
Land	367,253	(317,360)	67	-	49,960
Mineral and similar non-regenerative resources	-	-	-	-	-
<b>INVESTMENT PROPERTY</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Investment property	-	-	-	-	-
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>4, 857,320</b>	<b>(3, 854,404)</b>	<b>8,099</b>	<b>-</b>	<b>1, 011,015</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

**29.1 Additions**

**ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010**

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>	<b>8,032</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,032</b>
Dwellings					-
Non-residential buildings	8,032				8,032
Other fixed structures					-
<b>HERITAGE ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Heritage assets					-
<b>LAND AND SUBSOIL ASSETS</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67</b>
Land	67				67
Mineral and similar non-regenerative resources					
<b>INVESTMENT PROPERTY</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Investment property					-
<b>TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>8,099</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,099</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010**

**29.2 Disposals**

**DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR  
ENDED 31 MARCH 2010**

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	-	-	-
Dwellings				
Non-residential buildings				
Other fixed structures				
<b>HERITAGE ASSETS</b>	-	-	-	-
Heritage assets				
<b>LAND AND SUBSOIL ASSETS</b>	-	-	-	-
Land				
Mineral and similar non- regenerative resources				
<b>INVESTMENT PROPERTY</b>	-	-	-	-
Investment property				
<b>TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	-	-	-	-

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

**29.3 Movement for 2008/09**

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>4,485,899</b>	<b>4,168</b>	<b>-</b>	<b>4,490,067</b>
Dwellings	202,713	3,330	-	206,043
Non-residential buildings	4,283,186	838	-	4,284,024
Other fixed structures	-	-	-	-
<b>HERITAGE ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Heritage assets	-	-	-	-
<b>LAND AND SUBSOIL ASSETS</b>	<b>365,466</b>	<b>1,787</b>	<b>-</b>	<b>367,253</b>
Land	365,466	1,787	-	367,253
Mineral and similar non-regenerative resources	-	-	-	-
<b>INVESTMENT PROPERTY</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Investment property	-	-	-	-
<b>TOTAL IMMOVABLE TANGIBLE ASSETS</b>	<b>4,851,365</b>	<b>5,955</b>	<b>-</b>	<b>4,857,320</b>

**29.4 Immovable assets valued at R1**

**IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2010**

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Investment property R'000	Total R'000
R1 Immovable assets	9,006		122		9,128
<b>TOTAL</b>	<b>9,006</b>	<b>-</b>	<b>122</b>	<b>-</b>	<b>9,128</b>



**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS**  
**VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2010*

**IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2009**

	<b>Buildings and other fixed structures R'000</b>	<b>Heritage assets R'000</b>	<b>Land and subsoil assets R'000</b>	<b>Investment property R'000</b>	<b>Total R'000</b>
R1 Immovable assets	201	-	29	-	230
<b>TOTAL</b>	<b>201</b>	<b>-</b>	<b>29</b>	<b>-</b>	<b>230</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010**

**30. STATEMENT OF CONDITIONAL GRANTS RECEIVED**

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2008/09	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
KZN public Works-Devolution of property Rate Grant	236,264	1,118			237,382	237,382	237,205	100%	210,846	209,728
KZN Public Works-EPWP Incentive Grant	84,180			(83,900)	280	280	-	0%	-	-
					-					
Total	320,444	1,118	-	(83,900)	237,662	237,662	237,205	100%	210,846	209,728

Other adjustment relating to EPWP Incentive grant was a function shift to KZN-Department of Transport

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010**

**ANNEXURE 1A  
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2008/09
	Amount					% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	Roll Overs	Adjust-ments	Total Available	Actual Transfer	%	R'000	R'000	%	R'000
Ethekwini Metro	170,315	1,118		171,433	189,805	111%	189,805	189,805		151,962
Ugu Municipalities	4,799			4,799	1,932	40%	1,932	1,932	100%	4,285
Umgugundlovu Municipalities	25,014			25,014	27,388	109%	27,388	27,388		22,334
Uthukela Municipalities	12,006			12,006	6,613	55%	6,613	6,613	100%	10,720
Umzinyathi Municipalities	2,960			2,960	318	11%	318	318	100%	2,643
Amajuba Municipalities	2,414			2,414	-		-	-		2,155
Zululand Municipalities	2,353			2,353	2,302	98%	2,302	2,302	100%	487
*Zululand Municipalities	6,804			6,804	3,361	49%	3,361	3,361	100%	7,943
Umkhanyakude Municipalities	82			82	190	232%	190	190		73
Uthungulu Municipalities	3,995			3,995	3,933	98%	3,933	3,933	100%	3,567
Ilembe Municipalities	10,383			10,383	533	5%	533	533	100%	9,271
Sisonke Municipalities	1,943			1,943	4,191	216%	4,191	4,191		1,735
				-						
	243,068	1,118	-	244,186	240,566	99%	240,566	240,566	100%	217,175

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010**

**ANNEXURE 1B  
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2008/09
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Compensation Commissioner	194	-	-	194	-	0%	65
Skills development	334	-	-	334	306	92%	297
				-			
	528	-	-	528	306	58%	362

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010**

**ANNEXURE 1C  
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2008/09
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
H/H: Empl Social Benefits	1,347	-	-	1,347	5,082	377%	4,796
H/H: Other Transfer	-	-	-	-	2,541	0%	1,584
				-			
	1,347	-	-	1,347	7,623	566%	6,380
<b>Subsidies</b>							
				-			
	1,347	-	-	1,347	7,623	566%	6,380

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010**

**ANNEXURE 2A  
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2010 – LOCAL**

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2009	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2010	Guaranteed interest for year ended 31 March 2010	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	<b>Motor vehicles</b>								
							-		
							-		
							-		
	<b>Subtotal</b>	-	-	-	-	-	-	-	-
	<b>Housing</b>								
ABSA		165	30		14		16		
FIRSTRAND BANK		740	148				148		
ITHALA		3,740	730		525		205		
NEDBANK		957	178		41		137		
OLD MUTUAL		529	83		56		27		
STANDARD BANK		333	67		19		48		
	<b>Subtotal</b>	<b>6,464</b>	<b>1,236</b>	-	<b>655</b>	-	<b>581</b>	-	-
	<b>Other</b>								
							-		
	<b>Subtotal</b>	-	-	-	-	-	-	-	-
							-		
	<b>TOTAL</b>	<b>6,464</b>	<b>1,236</b>	-	<b>655</b>	-	<b>581</b>	-	-

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010**

**ANNEXURE 2B  
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2010**

Nature of Liability	Opening Balance  1 April 2009 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelle d/reduced during the year R'000	Liabilities recoverabl e (Provide details hereunder) R'000	Closing Balance 31 March 2010 R'000
Claims against the department					
Claims against the department of Public works	17,737	4,340	-	-	22,077
					-
<b>Subtotal</b>	<b>17,737</b>	<b>4,340</b>	<b>-</b>	<b>-</b>	<b>22,077</b>
<b>Environmental Liability</b>					
					-
					-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other</b>					
					-
					-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
					-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010**

**ANNEXURE 3  
CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Department</b>						
Agriculture, Environmental Affairs & Rural Development		440	394	-	394	440
Arts, Culture and Tourism	674	1,573	643	-	1,317	1,573
Community Safety and liaison		1,342	540	-	540	1,342
Co-operative Governance and Traditional Affairs		2,284	7,662	10,491	7,662	12,775
Economic Development		2,177	3,223	1,056	3,223	3,233
Education	220,162	72,269	-	4,404	220,162	76,673
Health	85,982	133,310	1,401	17,249	87,383	150,559
Human Settlement	2,496	45	646	6,550	3,142	6,595
KZN Legislature	1,436	1,555	2,487	3,958	3,923	5,513
Premier	4,576	10,383	4,896	666	9,472	11,049
Provincial Treasury	282	-	21	21	303	21
Social Development	5,364	27,377	4,444	2,049	9,808	29,426
Sport and Recreation	807	311	876	179	1,683	490
The Royal Household	-	-	2,454	2,638	2,454	2,638
Transport	1,771	17,737	219	-	1,990	17,737
National Department of Home affairs		-	151	151	151	151
National Department of Justice			4		4	-
National Department of Agriculture			15		15	-
National Public Works			4	1,489	4	1,489
South African Police Service (National)		15	41	26	41	41
					-	-
<b>Subtotal</b>	<b>323,550</b>	<b>270,818</b>	<b>30,122</b>	<b>50,927</b>	<b>353,671</b>	<b>321,745</b>
<b>Other Government Entities</b>						



**KWAZULU-NATAL-DEPARTMENT OF PUBLIC WORKS  
VOTE 14**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010**

SASSA		-	5,168	1,951	5,168	1,951
Ezemvelo KZN Wildlife	14	25		-	14	25
Other institutions-FAZ		-	3	152	3	152
Other institutions- SITA	187		-		187	-
<b>Subtotal</b>	<b>201</b>	<b>25</b>	<b>5,171</b>	<b>2,103</b>	<b>5,372</b>	<b>2,128</b>
<b>TOTAL</b>	<b>323,751</b>	<b>270,843</b>	<b>35,293</b>	<b>53,030</b>	<b>359,044</b>	<b>323,873</b>

**ANNEXURE 4**  
**INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
<b>DEPARTMENTS</b>						
<b>Current</b>						
Agriculture and Environment Affairs		-	-	14	-	14
Department of Health – CPS		195	65	92	65	287
Government Printing Works		10		-	-	10
Department of Justice		39		26	-	65
Department of Labour		25		-	-	25
Office of the Premier	410	-	741	197	1,151	197
Safety and Security – SAPS		9	90	89	90	98
Department of Transport		574	748	259	748	833
Provincial Treasury	-	-	550	550	550	550
Economic Development		-	735	-	735	-
Cooperative Gvt and Traditional Affairs	-		200		200	-
Justice	-		779		779	-
					-	-
					-	-
<b>Subtotal</b>	410	852	3,908	1,227	4,318	2,079
<b>Non-current</b>						
					-	-
					-	-
<b>Subtotal</b>	-	-	-	-	-	-
<b>Total</b>	<b>410</b>	<b>852</b>	<b>3,908</b>	<b>1,227</b>	<b>4,318</b>	<b>2,079</b>

<b>OTHER GOVERNMENT ENTITY</b>						
<b>Current</b>						
Public Administration Leadership and Management Academy	12	125	20	-	32	125
					-	
<b>Subtotal</b>	12	125	20	-	32	125
<b>Non-current</b>						
					-	-
					-	-
<b>Subtotal</b>	-	-	-	-	-	-
<b>Total</b>	12	125	20	-	32	125

## ANNEXURE 5 INVENTORY

	<i>Note</i>	<b>Quantity</b>	<b>2009/10 R'000</b>
<b>Inventory</b>			
Opening balance		43,501	1,163
Add/(Less): Adjustments to prior year balance			
Add: Additions/Purchases – Cash		96,305	3,857
Add: Additions - Non-cash			
(Less): Disposals			
(Less): Issues		(55,259)	(3,004)
Add/(Less): Adjustments			
<b>Closing balance</b>		<b>84,547</b>	<b>2,016</b>

## **CHAPTER 6: HUMAN RESOURCE MANAGEMENT REPORT**

### **HUMAN RESOURCE MANAGEMENT 2009/2010**

**(OVERSIGHT REPORT) 01/04/2009 – 31/03/2010**

#### **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, and the public and other key stakeholders to monitor whether departments:-

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

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

The 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](mailto: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](http://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**

<b>Main services</b>	<b>Actual customers</b>	<b>Potential customers</b>	<b>Standard of service</b>	<b>Actual achievement against standards</b>
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 months at the most.
2. Management of employment changes within the Department (staff mobility)	Departmental employees, other Government employees and employees.	Same	Timeous finalization per our service Commitment Charter	Service terminations finalized within the officials last 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 Levies Act.	Development and implementation of W.S.P.
4. Development and implementation of Employee 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 an Employee Assistance Programme.
5. Mainstreaming equity (gender, disability) throughout the Department's policies, programmes and practices.	Departmental employees  Office of the Premier  Department of Labour  Prospective employees  Department of Public Service & Administration	Same	Compliance with National targets and stated time frames	Continuous monitoring of the implementation of the existing EE Plan.  Buildings made accessible to people with disabilities throughout the province.  Audit conducted amongst Departmental staff to identify needs and provide assistive devices. 22% Black female representation at senior management level against the National target of 50%.

**Table 1.2 – Consultation arrangements with customers**

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
1. Consultative forums; Roadshows/workshops internal circulars; newsletters, media, e-mails and Departmental Website.	Departmental employees Prospective Employees Other stakeholders	Same	Elimination of communication barriers Awareness of Department Policies amongst staff Transparency
2. Departmental Forums	Organised labour Employees Other stakeholders	Same	Increased consultation and awareness, improvements in support and commitment. And Informed stakeholders

**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.	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 standing radio slots	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"> <li>Fault logging office per region</li> <li>Whistle blowing toll free lines</li> <li>Suggestion box</li> <li>Grievance procedure</li> </ul>	Fully functioning Help desk services Addressing of grievances

## 2. **Expenditure – (01/04/2009 – 31/03/2010)**

Departments budget in terms of clearly defined programmes. The following tables summarise 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, 2009/10**

Programme	Total Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as a percent of total expenditure	Average personnel cost per employee (R'000)	Employment
Prog 1: Administration	207,492	137,626	3,779	11,479	66.3	64	2167
Prog 2: Real Estate	263,501	13,560	0	3,700	56.7	85	2167
Prog: 3: Provide bldg struct & equip	326,289	185,066	568	19,720	5.1	6	2167
Z=Total on Financial System (BAS)	797,281	336,251	4,347	34,899	42.2	155	2167

**TABLE 2.2 – Personnel costs by salary bands, 2009/10**

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average Cost per Employee (R)	Total Personnel Cost	Number of employees
Lower skilled (Levels 1-2)	60,075	18.7	102.2	<b>336251</b>	588
Skilled (Levels 3-5)	64,692	19.2	92.2	<b>336251</b>	702
Highly skilled production (Levels 6-8)	106,046	31.5	188.7	<b>336251</b>	562
Highly skilled supervision (Levels 9-12)	76,308	22.7	340.7	<b>336251</b>	224
Senior management (Levels 13-16)	14,797	4.4	672.6	<b>336251</b>	22
Contract (Level 3-5)	2,190	0.6	109.5	<b>336251</b>	20
Contract (Level 6-8)	4,819	1.4	209.5	<b>336251</b>	23
Contract (Level 9-12)	6,471	1.9	323.6	<b>336251</b>	20
Contract (Level 13-16)	765	0.2	765	<b>336251</b>	1
Periodical Remuneration	88	0.02	17.6	<b>336251</b>	5
<b>Total</b>	<b>336,251</b>		<b>155.2</b>	<b>336251</b>	<b>2167</b>

The following tables provide a summary per programme (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 programme, 2009/10**

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance a % of Personnel Cost		Total Personnel Cost per Programme (R'000)
	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	
Prog 1: Administration	98667	29	436	0.1	4245	1.3	8808	2.6	137,626
Prog 2: Real Estate	10493	3.1	0	0	256	0.07	751	0.2	13,560
Prog 3: Provide bldg struct & equip	133580	39.7	46	0.01	6084	1.8	11980	3.6	185,066
<b>Total</b>	<b>242740</b>	<b>72</b>	<b>482</b>	<b>0.11</b>	<b>10585</b>	<b>3.1</b>	<b>21539</b>	<b>6.4</b>	<b>336,251</b>

**TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2009/10**

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance		Total Personnel Cost per Salary Band (R'000)
	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)	40073	11.9	431	0.1	3593	1.1	5451	1.6	59184
Skilled (Levels 3-5)	43489	12.9	37	0.01	3188	0.9	6359	1.9	62986
Highly skilled production (Levels 6-8)	75584	22.5	11	0.003	2770	0.8	6733	2	105027
Highly skilled supervision (Levels 9-12)	57623	17.1	4	0.001	805	0.2	2728	0.8	81649
Senior management (Levels 13-16)	12202	3.6	0	0	204	0.1	224	0.06	14122
Contract ( Level 3-5)	2170	0.6	0	0	1	0.0002	3	0.0008	2209
Contract ( Level 6-8)	4637	1.4	0	0	10	0.002	26	0.007	3596
Contract (Level 9-12)	6242	1.9	0	0	13	0.003	15	0.004	6573
Contract (Level 13-16)	720	0.2	0	0	1	0.0002	0	0	808
Periodical Remuneration	0	0	0	0	0	0	0	0	97
<b>Total</b>	<b>242740</b>	<b>72.2</b>	<b>483</b>	<b>0.1</b>	<b>10585</b>	<b>3.1</b>	<b>21539</b>	<b>6.4</b>	<b>336251</b>

### 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 2010**

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Prog 1	927	849	8.4	15
Prog 2	83	65	21.7	0
Prog 3:	1376	1253	8.9	198
<b>Total</b>	<b>2386</b>	<b>2167</b>	<b>9.2</b>	<b>213</b>

**TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2010**

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	634	594	6.3	138
Skilled(Levels 3-5)	715	702	1.8	42
Highly skilled production (Levels 6-8)	639	562	12.1	33
Highly skilled supervision (Levels 9-12)	308	223	27.6	0
Senior management (Levels 13-16)	26	22	15.4	0
Contract ( Levels 3-5) Permanent	20	20	0	0
Contract (Levels 6-8), Permanent	23	23	0	0
Contract (Levels 9-12), Permanent	20	20	0	0
Contract (Levels 13-16)	1	1	0	0
<b>Total</b>	<b>2386</b>	<b>2167</b>	<b>9.2</b>	<b>213</b>

**TABLE 3.3 – Employment and vacancies by critical occupation, @ 31 March 2010**

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Architects town and traffic planners, Permanent	15	15	0	1
Civil engineering technicians, Permanent	17	10	41.2	0
Engineer science related, Permanent	5	5	0	0
Engineers and related professionals, Permanent	14	14	0	0
Quantity surveyors and rela prof class elsewhere	6	6	0	0
Senior managers, Permanent	39	27	30.8	0
<b>Total</b>	<b>96</b>	<b>77</b>	<b>19.8</b>	<b>1</b>

The information in each case reflects the situation as at 31 March 2009. 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 2009 to 31 March 2010**

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)	634	0	0	0	0	0	0
Skilled (Levels 3-5)	20	0	0	0	0	0	0
Contract (Levels 6-8)	23	0	0	0	0	0	0
Contract (Levels 9-12)	20	0	0	0	0	0	0
Contract (Band B)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	715	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	639	22	3.4	3	13.6	0	0
Highly skilled supervision (Levels 9-12)	308	48	16	1	2.1	0	0
Senior Management Service Band A	20	0	0	0	0	0	0
Senior Management Service Band B	3	0	0	0	0	0	0
Senior Management Service Band C	2	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
<b>Total</b>	<b>2386</b>	<b>70</b>	<b>2.9</b>	<b>4</b>	<b>5.7</b>	<b>0</b>	<b>0</b>

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, April 2009 to 31 March 2010**

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	0	0	0	0	0
<b>Employees with a disability</b>					0

**TABLE 4.3 – Employees whose salary level exceeds the graded determined by job Evaluation, April 2009 to 31 March 2010 (in terms of PSR 1.V.C.3)**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	0
	0	0	0	0
<b>Total</b>	0	0	0	0
Percentage of Total Employment	0	0	0	0
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2009/09				0
Percentage of total employment				0

Table 4.4 summarises 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 2009 to 31 March 2010 (in terms of PSR 1.V.C.3)**

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	0	0	0	0	0

Employees with a disability	0
-----------------------------	---

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

<b>Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2009/10</b>	<b>0</b>
---	----------

## 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 2009 to 31 March 2010**

Salary Band	Number of employees per band as on 1 April 2009	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2) Permanent	766	0	30	3.9
Skilled (Levels 3-5) Permanent	587	17	34	5.8
Highly skilled production(Levels 6-8)	588	8	30	5.1
Highly skilled supervision(Levels 9-12)	226	13	13	5.8
Senior Management Service Band A Permanent	15	2	1	6.7
Senior Management Service Band B Permanent	3	0	0	0
Senior Management Service Band C	2	0	1	50
Senior Management Service Band D, Permanent	1	0	0	0
Other Permanent	1	0	0	0
Contract (Levels 3-5), Permanent	23	27	45	195.7
Contract (Levels 6-8) Per	31	31	41	132.3
Contract (Levels 9-12) Permanent	17	5	5	29.4
Contract (Band A), Perm	2	1	2	100
<b>TOTAL</b>	<b>2262</b>	<b>104</b>	<b>202</b>	<b>8.9</b>

**TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2009 to 31 March 2010**

Occupation:	Number of employees per occupation as on 1 April 2009	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Architects town and traffic planners, Permanent	15	0	0	0
Civil engineering technicians, Permanent	12	7	9	75
Engineer science related, Permanent	5	0	0	0
Engineers and related professionals, Permanent	11	3	0	0
Quantity surveyors and rela prof class elsewhere	6	2	2	33.3
Senior managers, Permanent	25	2	0	0
<b>Total</b>	<b>74</b>	<b>14</b>	<b>11</b>	<b>14.9</b>

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 resignations	%of total employment	Total	Total Employment
Death,	43	21.3	1.9	202	2167
Resignation	20	9.9	0.9	202	2167
Expiry of Contract	89	44.1	4.1	202	2167
Transfers	2	1	0.1		2167
Discharge, due to Ill-Health	2	1	0.1		2167
Dismissal – misconduct	8	4.1	0.4	202	2167
Retirement	38	18.8	1.8		2167
<b>Total</b>	<b>202</b>		<b>9.3</b>	<b>202</b>	<b>2167</b>
Total number of employees who left as a % of the total employment			9.3		

**Table 5.4 – Promotions by critical occupation**

Occupation	Employees as at 1 April 2009	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
Architects town and traffic planners	15	1	6.7	1	6.7
Civil engineering technicians	12	0	0	1	8.3
Engineer science related	5	1	20	0	0
Engineers and related professionals	11	2	18.2	0	0
Inspectors of apprentices works	2	0	0	0	0
Quantity surveyors and rela prof class	6	2	33.3	0	0
Senior managers	17	2	11.8	0	0
<b>Total</b>	<b>68</b>	<b>8</b>	<b>11.8</b>	<b>2</b>	<b>2.9</b>

**Table 5.5 – Promotions by salary band**

Salary Band	Employees 1 April 2009	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)	766	0	0	45	5.9
Skilled(Levels 3-5)	587	27	4.6	511	87.1
Highly skilled prodct (Levels 6-8)	588	50	8.5	227	38.6
Highly skilled supervision (Levels9-12)	226	20	8.8	63	27.9
Snr management (Levels13-16)	21	3	14.3	0	0
Other permanent	1	0	0	0	0
Contract (Levels 3-5), Permanent	23	0	0	0	0
Contract (Levels 6-8) Per	31	0	0	0	0
Contract (Levels 9-12) Permanent	17	1	5.9	0	0
Contract (levels 13-16)	2	0	0	0	0
<b>Total</b>	<b>2262</b>	<b>101</b>	<b>4.5</b>	<b>846</b>	<b>37.4</b>

## 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 2010

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	6	0	2	7	5	0	1	1	22
Professionals	45	2	4	19	41	3	5	7	126
Technicians and associate professionals	82	0	13	10	71	1	13	12	202
Clerks	125	0	20	2	287	6	34	39	513
Service and sales workers	187	0	0	3	36	0	0	0	226
Craft and related trades workers	203	12	17	23	44	0	0	0	299
Plant and machine operators and assemblers	75	1	3	0	6	0	0	0	85
Elementary occupations	492	1	5	0	194	0	1	0	693
Other permanent	0	0	0	0	1	0	0	0	1
<b>Total</b>	<b>1215</b>	<b>16</b>	<b>64</b>	<b>64</b>	<b>685</b>	<b>10</b>	<b>54</b>	<b>59</b>	<b>2167</b>

### 6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	1	1	0	1	0	5
Senior Management	7	0	2	3	3	0	0	1	16
Professionally qualified and experienced specialists and mid-management	109	3	12	30	50	0	10	9	223
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	232	9	27	22	201	6	27	38	562
Semi-skilled and discretionary decision making	438	2	20	0	221	3	11	7	702
Unskilled and defined decision making	403	0	1	2	187	0	0	1	594
Contract (Senior Magement), Permanent	0	0	0	1	0	0	0	0	1
Contract (Professionally qualified) Permanent	5	2	0	5	3	1	1	3	20
Contract (skilled tech) Permanent	9	0	14	0	11	0	2	0	23
Contract (skilled technician ) Perm	10	0	1	0	7	0	2	0	20
Contract(Semi skilled)	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1215</b>	<b>16</b>	<b>64</b>	<b>64</b>	<b>685</b>	<b>10</b>	<b>54</b>	<b>59</b>	<b>2167</b>



### 6.3 – Recruitment for the period 1 April 2009 to 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management Permanent	0	0	1	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management	6	0	1	1	5	0	0	0	13
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	1	0	3	0	0	1	8
Semi-skilled and discretionary decision making	3	0	1	0	13	0	0	0	17
Contract Senior Management(Permanent )	0	0	0	1	0	0	0	0	1
Contract (Professionally qualified), Permanent	3	0	0	0	1	0	1	0	5
Contract (Skilled technical) Permanent	6	0	3	0	17	0	3	0	29
Contract (Semi-skilled) Permanent	16	0	1	0	10	0	2	0	29
<b>Total</b>	<b>37</b>	<b>0</b>	<b>8</b>	<b>2</b>	<b>50</b>	<b>0</b>	<b>6</b>	<b>1</b>	<b>104</b>

### 6.4 Promotions

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
<b>Top Management</b>	0	0	0	0	0	0	1	0	1
Senior Management	2	0	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	31	2	7	16	19	1	4	3	83
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	128	6	14	6	91	4	12	16	277
Semi-skilled and discretionary decision making	389	1	10	2	130	0	1	5	538
Unskilled and defined decision making	36	0	0	0	9	0	0	0	45
Contract professionally qualified (Permanent)	1	0	0	0	0	0	0	0	1
<b>Total</b>	<b>587</b>	<b>9</b>	<b>31</b>	<b>24</b>	<b>249</b>	<b>5</b>	<b>18</b>	<b>249</b>	<b>947</b>
<b>Employees with disabilities</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>7</b>

## 6.5 – Terminations for the period 1 April 2009 to 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	5	0	2	3	3	0	0	0	13
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	16	1	1	4	5	1	0	2	30
Semi-skilled and discretionary decision making	27	0	0	1	5	0	1	0	34
Unskilled and defined decision making	21	0	0	0	9	0	0	0	30
Contract senior management(Permanent)	1	0	0	0	1	0	0	0	2
Contract (Prof qualified), Permanent	4	0	0	0	1	0	0	0	5
Contract (Skilled Tech) Perm	11	0	4	0	24	0	2	0	41
Contract (Semi Skilled) Perm	24	0	0	0	20	0	1	0	45
<b>Total</b>	<b>110</b>	<b>1</b>	<b>7</b>	<b>8</b>	<b>69</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>202</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

## 6.6 – Disciplinary action for the period 1 April 2009-31 March 2010

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Final written warning	06	01	01	00	01	00	00	00	09
Written Warning	13	00	00	00	06	00	00	00	19
Correctional Counseling	01	00	00	00	00	00	00	00	01
Verbal Warning	00	00	00	00	00	00	00	00	00
Suspended Without pay	02	01	00	00	00	00	00	00	03
Fine	01	00	00	00	00	00	00	00	01
Demotion	01	00	00	00	00	00	00	00	01
Dismissal	01	00	00	01	00	00	00	00	02
Not guilty	03	00	00	00	01	00	00	00	04
Case withdrawn	11	00	00	00	03	00	00	00	14
<b>Total</b>	<b>39</b>	<b>02</b>	<b>01</b>	<b>01</b>	<b>11</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>54</b>

## 6.7 – Skills development for the period 1 April 2009 – 31 March 2010

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	42	0	1	3	30	0	5	2	83
Professionals	2	0	0	9	1	0	0	3	15
Technicians and associate professionals	54	2	6	17	24	0	0	0	103
Clerks	110	0	14	5	186	6	18	17	356
Servi & sales wrks	0	0	0	0	0	0	0	0	0
Skilled agriculture & fishery workers	0	0	0	0	0	0	0	0	0
Community & pers serv workers	22	0	0	0	12	0	0	0	34
Plant and machine operators and assemblers	6	1	0	0	0	0	0	0	7
Elementary occupations	23	0	1	0	31	0	0	0	55
<b>Total</b>	<b>259</b>	<b>3</b>	<b>22</b>	<b>34</b>	<b>284</b>	<b>6</b>	<b>23</b>	<b>22</b>	<b>653</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

## 7. Performance Rewards

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

**TABLE 7.1 – Performance Rewards by race, gender, and disability, 01/04/2009 – 31/03/10**

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (Actual)	Average cost per beneficiary
African female	213	683	31.2	1,788	8,395
African Male	446	1214	36.7	3,163	7,093
Asian Female	20	54	37	239	11,943
Asian male	31	64	48.4	444	14,319
Coloured female	5	10	50	57	11,332
Coloured Male	2	16	12.5	33	16,540
White female	23	58	39.7	350	15,200
White male	13	61	21.3	168	12,936
Employees with a disability	2	7	28.6	36	18,067
<b>Total</b>	<b>755</b>	<b>2167</b>	<b>34.8</b>	<b>6278</b>	<b>8315</b>

**TABLE 7.2 – Performance Rewards by salary bands for personnel below  
Senior Management Service, 1 April 2009 to 31 March 2010**

Salary Bands	Beneficiary Profile			Total Cost (R'000)	Average cost per beneficiary	Total Cost as % of the total Personnel Expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands			
Lower skilled (Levels 1-2)	239	593	40.3	1,090	4,561	239
Skilled (Levels 3-5)	265	702	37.7	1,724	6,506	265
Highly skilled production (Levels 6-8)	213	562	37.9	2,574	12,085	213
Highly skilled supervision (Levels 9-12)	37	224	16.5	864	23,351	37
Contract (Levels 3-5), Permanent	0	20	0	0	0	0
Contract (Levels 6-8) Per	0	23	0	0	0	0
Contract (Levels 9-12) Permanent	0	20	0	0	0	0
Periodical Remuneration	0	5	0	0	0	0
<b>Total</b>	<b>754</b>	<b>2149</b>	<b>35.1</b>	<b>6252</b>	<b>8292</b>	<b>754</b>

**TABLE 7.3 – Performance Rewards by critical occupations, 1 April 2009 to 31 March 2010**

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per beneficiary
Architects town and traffic planners	0	12	0	0	0
Civil engineering technicians	2	17	11.8	18	9,000
Engineer science related	0	2	0	0	0
Engineers and related professionals	0	12	0	0	0
Inspectors of apprentices works and vehicles	18	109	16.5	265	14,722
Quantity surveyors and rela prof class elsewhere	0	7	0	0	0
Senior Managers	0	20	0	0	0
<b>Total</b>	<b>20</b>	<b>179</b>	<b>11.2</b>	<b>283</b>	<b>23,722</b>

**TABLE 7.4 – Performance related rewards (cash bonus), by salary band, for Senior Management Service**

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			% of SMS Wage Bill
Band A	1	17	5.9	26	2,600	0.2
Band B	0	3	0	0	0	0
Band C	0	2	0	0	0	0
Band D	0	1	0	0	0	0
<b>Total</b>	<b>1</b>	<b>23</b>	<b>4.3</b>	<b>26</b>	<b>2,600</b>	<b>0.2</b>

## 8. Foreign Workers

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

**TABLE 8.1 – Foreign Workers, 1 April 2009 to 31 March 2010, by salary band**

Salary Band	1 April 2009		31 March 2010		Change		Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
	Number	% of total	Number	% of total	Number	% of total			
Highly skilled supervision (Levels 9-12)	1	6.7	1	7.1	0	0	15	14	-1
Senior management (Levels 13-16)	1	6.7	1	7.1	0	0	15	14	-1
Contract (Levels 9-12)	13	86.7	12	85.7	-1	100	15	14	-1
<b>TOTAL</b>	<b>15</b>	<b>100</b>	<b>14</b>	<b>100</b>	<b>-1</b>	<b>100</b>	<b>15</b>	<b>14</b>	<b>-1</b>

**TABLE 8.2 – Foreign Worker, 1 April 2009 to 31 March 2010, by major occupation**

Major Occupation	1 April 2009		31 March 2010		Change		Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
	Number	% of total	Number	% of total	Number	% of total			
Professionals and managers	15	100	14	100	-1	0	15	14	-1
<b>TOTAL</b>	<b>15</b>	<b>100</b>	<b>14</b>	<b>100</b>	<b>-1</b>	<b>100</b>	<b>15</b>	<b>14</b>	<b>-1</b>

## 9. Leave utilisation for the period 1 January 2009 to 31 December 2009

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 9.1 – Sick leave, 1 January 2009 to 31 December 2009**

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'0)	Total number of Employees using Sick Leave	Total number of days with medical certification
Lower skilled (Levels 1-2)	2478	91.1	333	23	7	480	1447	22
Skilled (Levels 3-5)	4082	82.9	500	34.6	8	972	1447	33
Highly skilled production (Levels 6-8)	3375	82.1	410	28.3	8	1,592	1447	27
Highly skilled supervision (Levels 9-12)	1280	84.8	172	11.9	7	1,200	1447	10
Senior management (Levels 13-16)	39	76.9	10	0.7	4	88	1447	
Contract (Levels 3-5)	39	74.4	10	0.7	4	10	1447	
Contract (Levels 6-8)	32	71.9	10	0.7	3	16	1447	
Contract (Levels 9-12)	15	100	2	0.1	8	7	1447	
<b>TOTAL</b>	<b>11340</b>	<b>84.6</b>	<b>1447</b>	<b>100</b>	<b>8</b>	<b>4365</b>	<b>1447</b>	<b>95</b>

**TABLE 9.2 – Disability leave (temporary and permanent), 1 January 2009 to 31 December 2009**

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
Lower skilled (Levels 1-2)	1453	100	62	27.8	23	284	1453	223
Skilled (Levels 3-5)	1713	100	65	29.1	26	427	1713	223
Highly skilled production (Levels 6-8)	2632	100	80	35.9	33	1,219	2632	223
Highly skilled supervision (Levels 9-12)	804	100	15	6.7	54	1,108	804	223
Senior management (Levels 13-16)	18	100	1	0.4	18	45	18	223
<b>TOTAL</b>	<b>6620</b>	<b>100</b>	<b>223</b>	<b>100</b>	<b>30</b>	<b>3083</b>	<b>6620</b>	<b>223</b>

Table 9.3 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 9.3 – Annual Leave, 1 January 2009 to 31 December 2009**

Salary Bands	Total days taken	Average per employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	13105	22	583
Skilled (Levels 3-5)	15764	22	710
Highly skilled production (Levels 6-8)	12995	22	584
Highly skilled supervision (Levels 9-12)	4287	18	236
Senior management (Levels 13-16)	416	21	20
Contract (Levels 3-5)	69	4	17
Contract (Levels 6-8)	139	7	19
Contract (Levels 9-12)	370	22	17
Contract (Levels 13-16)	16	16	1
Not Available	18	9	2
<b>TOTAL</b>	<b>47179</b>	<b>22</b>	<b>2189</b>

**TABLE 9.4 – Capped leave, 1 January 2009 to 31 December 2009**

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2009	Number of Employees who took Capped leave	Total number of capped leave available at 31 Dec 2009	Number of Employees as at 31 December 2009
Lower skilled (Levels 1-2)	219	7	82	30	36717	448
Skilled (Levels 3-5)	156	7	98	21	50150	513
Highly skilled production (Levels 6-8)	194	7	118	26	47981	408
Highly skilled supervision (Levels 9-12)	14	5	83	3	7329	88
<b>TOTAL</b>	<b>583</b>	<b>7</b>	<b>98</b>	<b>80</b>	<b>142177</b>	<b>1457</b>

**TABLE 9.5 – Leave payouts for the period 1 April 2009 to 31 March 2010**

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
Capped leave payouts on termination of service for 2009/10	981	195	5031
Current leave payout on termination of service for 2009/10	123	14	8786
<b>TOTAL</b>	<b>1104</b>	<b>209</b>	<b>5282</b>

## **10.HIV/AIDS & Health Promotion Programmes**

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

<b>Units/categories of employees identified to be at high risk of contracting HIV &amp; related diseases (if any)</b>	<b>Key steps taken to reduce the risk</b>
Staff between salary levels 1-7 involved in the line function i.e workshop staff, grass cutters, cleaners, due to accidents which may occur on site. All professional and technical staff that interacts with this vulnerable group are at risk for exposure to TB and also to other occupational hazards.	Safety training has been conducted for staff. Ensuring that Regions have dedicated Safety Officers to ensure safe work practices and procedures. Provision of protective clothing first aid kits. Provision of Safety Equipment to all professional staff and undertake safety training for professionals which has commenced and will continue.

**TABLE 10.2 – Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)**

<b>Question</b>	<b>Yes</b>	<b>No</b>	<b>Details, if yes</b>
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.	√		Ms SS 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.	√		7 staff members within the EAP Division, including the regions and the Deputy Manager. Due to financial restrictions, no budget allocated.



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.	√	Employee Wellness (iro all chronic illnesses) HIV/AIDS and TB Management, Health & Productivity Management iro bereavement, personal problems, stress, rehabilitation , financial wellness, etc. SHERQ, eg medical surveillance
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	√	Ms Ngiba (Ex-officio) Ms S.S. Ngiba (Alt) Chairperson) Human Resources Manager Ms L Mtolo: DM: EHW; Mr Nzimande (Dep. Man: Labour Relations; Organised Labour; Regional Representatives (from 4 regions- Assist Man: HR i.e. Midland Region Rep, Mr Kendall, Miss Nel, Mr S Xulu (Act); Mr Mgobozi Dep. Man: HR Utilisation; Mr Atwaru Dep. Man: HRM: Prov.; Miss N Khumalo EAP Practitioner
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.	√	EAP, Affirmative Action Policy, HIV and AIDS Workplace Policy, recruitment 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.	√	Use of reference numbers for each employee instead of the name. Use of these numbers on all documentation and even on itineraries for use of vehicles to take employees to Doctors. Awareness training for all staff members to break the stigma and consequent discrimination.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	√	Employees have eagerly come forward to enrol on the EAP for medical assistance with positive results.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	√	M&E measures will be implemented upon receipt of the approved provincial frameworks.

## 11. Labour Relations

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

**TABLE 11.1 – Collective agreements, 1 April 2009 to 31 March 2010**

If there were no agreements, then use the following table

<b>Total collective agreements</b>	<b>nil</b>
------------------------------------	------------

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

**TABLE 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2009 to 31 March 2010**

Outcomes of disciplinary hearings	Number	% of total
Correctional counseling	1	2%
Verbal warning	00	00%
Written warning	19	35%
Final written warning	9	17%
Suspended without pay	3	6%
Fine	1	2%
Demotion	1	2%
Dismissal	2	3%
Not guilty	4	7%
Case withdrawn	14	26%
<b>Total</b>	<b>54</b>	<b>100%</b>

**TABLE 11.3 – Types of misconduct addressed at disciplinary hearings**

Type of misconduct	Number	% of total
Negligence	1	3%
Intimidating Threats	00	00%
Unsatisfactory work performance	1	3%
Coming to work under influence of alcohol	0	00%
Use of abusive language	1	3%
Abuse of State equipment viz. Telephone	5	14%
Failure to adhere to official hours	3	8%
Failure to comply with leave procedure	1	3%
Failure to comply with given instructions	6	16%
Failure to attend a counseling session	00	00%
Unauthorized absence	3	8%
Theft	7	19%
Fraud	4	11%
Assault	1	3%
Sexual Harassment	00	00%
<b>Total</b>	<b>37</b>	<b>100%</b>

**TABLE 11.4 – Grievances lodged for the period 1 April 2009 to 31 March 2010**

	Number	% of Total
Number of grievances resolved	37	62
Number of grievances not resolved	23	38
Total	60	0

**TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2009 to 31 March 2010**

	Number	% of Total
Upheld /Settled	1	7
Dismissed /Withdrawn	8	53
Number of disputes pending	6	40
Total	15	

**TABLE 11.6 – Strike actions for the period 1 April 2009 to 31 March 2010**

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

**TABLE 11.7 – Precautionary suspensions – 01/04/ 2009 to 31/03/2010**

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

## 12. **Skills development:**

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

### 12.1 – Training needs identified 1 April 2009 to 31 March 2010

Occupational Categories	Gender	Number of employees as at 1 April 2009	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	5	0	25	0	25
	Male	13	0	47	0	47
Professionals	Female	43	0	23	0	23
	Male	75	0	31	0	31
Technicians & assoc prof	Female	94	0	19	0	19
	Male	93	0	209	0	209
Clerks	Female	377	0	279	0	279
	Male	160	0	104	0	104
Service and sales workers	Female	39	0	0	0	0
	Male	203	0	0	0	0
Skilled agric & fish workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and Related Trade Workers	Female	46	0	2	0	2
	Male	283	0	128	0	128
Plant & mach oper & assem	Female	6	0	2	0	2
	Male	85	0	30	0	30
Elementary occupations	Female	206	0	43	0	43
	Male	534	10	191	0	201
Sub Total	Female	816	0	393	0	393
	Male	1446	10	740	0	750
<b>Total</b>		<b>2262</b>	<b>10</b>	<b>1133</b>	<b>0</b>	<b>1143</b>

### 12.2 – Training provided 1 April 2009 to 31 March 2010

Occupational Categories	Gender	Number of employees as at 1 April 2009	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	5	0	26	0	26
	Male	13	0	41	0	41
Professionals	Female	43	0	5	0	5
	Male	75	0	14	0	14
Technicians and associate professionals	Female	94	0	1	0	1
	Male	93	0	5	0	5
Clerks	Female	377	0	104	0	104
	Male	160	0	52	0	52
Service and sales workers	Female	39	0	0	0	0
	Male	203	0	0	0	0
Skilled	Female	0	0	0	0	0

agriculture and fishery workers	Male	0	0	0	0	0
Craft & Related trade Workers	Female	46	0	0	0	0
	Male	283	0	0	0	0
Plant and machine operators and assemblers	Female	6	0	0	0	0
	Male	85	0	2	0	2
Elementary occupations	Female	206	0	0	0	0
	Male	534	0	0	0	0
Sub Total	Female	816	0	136	0	136
	Male	1446	0	114	0	114
<b>Total</b>		2262	0	250	0	250

### 13. **Injury on duty**

The following tables provide basic information on injury on duty.

**TABLE 13.1 – Injury on duty, 1 April 2009 to 31 March 2010**

Nature of injury on duty	Number	% of total
Required basic medical attention only	7	17.5
Temporary Total Disablement	19	47.5
Permanent Disablement	1	2.5
Fatal	13	32.5
Total	40	100

### 14. **Utilisation of Consultants**

**Table 14.1 – Report on consultant appointments using appropriated funds**

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
DEVELOP EMERGING CONSULTANTS DEVELOPMENT PROGRAMME.	2	0	R25, 750
APPOINTMENT OF CONSULTANT FOR THE DEVELOPMENT OF DOCUMENT	1	12 MONTHS	R1, 000, 000
ONE YEAR MAINTENANCE CONTRACT OF ACCESS CONTROL AND CCTV	1	12 MONTHS	R703 200
DEVELOPMENT OF A MECHANICAL PERIOD CONTRACT	2	24 MONTHS	R230 000
191 - PHASE 2 ALTERATIONS TO EXISTING BLDG & GARAGING	5	36 MONTHS	R 3, 367, 571
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration: Work days</b>	<b>Total contract value in Rand</b>
5	2	84 MONTHS	R5, 326, 521

**Table 14.2 – Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)**

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
DEVELOP EMERGING CONSULTANTS DEVELOPMENT PROGRAMME.			
APPOINTMENT OF CONSULTANT FOR THE DEVELOPMENT OF DOCUMENT			
ONE YEAR MAINTENANCE CONTRACT OF ACCESS CONTROL AND CCTV			
DEVELOPMENT OF A MECHANICAL PERIOD CONTRACT	0%	0%	0
191 - PHASE 2 ALTERATIONS TO EXISTING BLDG & GARAGING			

**Table 14.3 – Report on consultant appointments using Donor funds**

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
	NONE		
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand

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

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
	NONE		

## LIST OF TABLES

Table 1: Voted funds for 2009/10 -----	12
Table 2: Programme 1 Financial Achievements-----	14
Table 3: Strategic Leadership Achievements-----	15
Table 4 Departmental Transformation Profile @ 31 March 2010-----	23
Table 5: Programme 1 Performance (Corporate Services) -----	25
Table 6: Programme 1 Performance (Finance)-----	36
Table 7: Financial Performance for Property Management Programme-----	53
Table 8: Trends in no. client requests for accommodation & response-----	55
Table 9: Programme Performance: Property Management Programme-----	56
Table 10: Financial Performance for Programme 3-----	79
Table 11: Backlog projects: No. of backlog projects and completed backlog projects per year-----	81
Table 12: Current projects (Infrastructure Programme Implementation Plan): No. of completed projects-----	81
Table 13: Programme 3 Performance-----	83
Table 14: Total Annual Expenditure per Client Department-----	114
Table 15: Client Expenditure For 2009 To 2010: Infrastructure-----	114
Table 16: Client Expenditure For 2009 To 2010: Leased Properties-----	115



**LIST OF FIGURES**

Figure 1: Senior Management Team-----10

Figure 2: No. of and filled posts per critical occupation-----21

Figure 3: Annual Trends in transformation profile for Women-----24

Figure 4: Contract Awards per priority for the 2009/10 Financial Year-----35

Figure 5: Annual Client Expenditure on Building Infrastructure Projects-----80

Figure 6: KZN Public Works' EPWP Jobs created annually-----82