



DEPARTMENT OF PUBLIC WORKS
PROVINCE OF KWAZULU-NATAL ~ ISIFUNDAZWE SAKWAZULU-NATALI

ANNUAL REPORT
2014–2015

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OFFICIAL HANDOVER OF 2014-15 ANNUAL REPORT



To: Honourable RR Pillay MPL
MEC for Human Settlements and Public Works

I have the honour of submitting the Annual Report of the **KZN Public Works Department**
for the period 1 April 2014 to 31 March 2015



From: Mr A Govender
Accounting Officer

KZN DEPARTMENT OF PUBLIC WORKS
VOTE 14
2014/15 ANNUAL REPORT

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1. GENERAL INFORMATION

1.1 VISION, MISSION AND VALUES

VISION

“A thriving economy through infrastructure development and property management.”

MISSION

“We will lead in 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 Citizen’ s 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

1.2 ORGANISATIONAL STRUCTURE

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
ORGANISATIONAL STRUCTURE

HEAD OF DEPARTMENT
MR. A GOVENDER



GENERAL MANAGER:
OPERATIONS
MR T A MDADANE



GENERAL MANAGER:
PROPERTY MANAGEMENT
MRS S LINDA



CHIEF
FINANCIAL OFFICER
MR J REDFEARN



GENERAL MANAGER:
CORPORATE SERVICES
MR P W DUMA



1.3 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 No. 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 No. 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 No. 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

1.4 ENTITIES REPORTING TO THE MEC

There are no entities reporting to the MEC in the KZN Public Works Department.

1.5 MEC FOREWORD



The Honourable RR Pillay MPL
MEC for Human Settlements and Public Works

In the year under review, our country marked twenty years of freedom and democracy. It was clear that while we have matured as a democratic nation, learnt many lessons and achieved much, there are new challenges to confront. Our strategic focus remains that of rebuilding and developing our country for the benefit of all South Africans.

The political imperatives of this government articulated in among others the National Development Plan, the Provincial Growth and Development Strategy as well as state of the nation and state of the province addresses constitute the platform for the broader policy, planning and prioritisation processes.

In every facet of our operations, the Department of Public Works is driven by a results based programme planning approach. Government's broad strategic outcomes necessitate high quality planning to accomplish. We are further cognisant of the responsibility to ensure responsible spending, given the strain on the Treasury's resources.

The state is the key instrument in advancing radical socio-economic transformation. The National Development Plan Vision 2030 details massive industrialisation and infrastructure programmes. We must build an inclusive economy. Public Works is central to the realisation of that vision. Contractor development, a skilled workforce, and job creation are among the key outcomes identified in our strategic orientation. This report details those priorities, performance data and outputs.

Infrastructure development and economic growth are inextricably entwined. Former KwaZulu-Natal Premier, now Ambassador Sibusiso Ndebele was fond of quoting that historic line, "It is not our wealth that builds our roads, but it is our roads that built our wealth". So too, with our schools, our clinics, dams, and hospitals.

Accordingly, the National Infrastructure Plan [NIP] and the Government's Strategic Infrastructure Programmes [SIPs] have an extremely vital role to play in the further growth of our country's economy.

Three years ago Public Works was mandated by the KwaZulu Natal Provincial Government to assume the role of "Implementing Agent of Choice" for all government departments. In the year under review we have advanced significantly in this pursuit. Our assessment is that we have reached 70% of our target.

The Department does not only deliver social infrastructure such as schools, clinics and hospitals, but it has also recently been tasked with chairing the Provincial Infrastructure Work Group. This is exciting work that

seeks to achieve coordination of all infrastructure delivery in the province. For the first time we have not only provincial departments, but also key stakeholders such as Eskom, Transnet, Water and Sanitation, Umgeni Water, and the Provincial Planning Commission serving on the Work Group.

I am confident that the Department has made significant progress in the year under review in discharging its overall mandate. I am therefore delighted to present this annual report that captures the performance of the Department detailed through each of its programmes.



Mr RR Pillay MPL

Executive Authority: KwaZulu-Natal Human Settlements and Public Works

MEC: Human Settlements and Public Works

1.6 OVERVIEW BY THE HEAD OF DEPARTMENT

Overview by the Head of Department 2014/15

Having a leading role in infrastructure development and property management for the KwaZulu-Natal provincial administration is the core mission of the Department of Public Works. The broad services it renders may be summarised as follows:

1. Acquisition of buildings and land through purchase, hiring and leasing;
2. Management of the asset register for provincial fixed assets viz. land and buildings.
3. Construction and maintenance of public buildings including renovations.
4. Alienation of public buildings and land, including disposal of fixed assets when necessary.

Within the context of advancing radical economic transformation, the strategic focus of the 2014/15 financial year was the realisation of the 2010-2015 Medium Term Strategic Framework (MTSF). The Department's programmes responded to the national objectives of inter alia, building economic and social infrastructure, enhancing skills development, creating decent jobs and promoting Broad Based Black Economic Empowerment.

In the year under review the Department's more specific goals extended to inter alia:

1. Improving integrated service through the multi-year Infrastructure Delivery Improvement Programme (IDIP).
2. Facilitating the provision of accommodation and property management services to meet the requirements of client departments.
3. Achieving optimal utilization of fixed state assets through effective implementation of the Government Immovable Asset Management Act (GIAMA).
4. Creating job opportunities through public employment programmes like through the Expanded Public Works Programme (EPWP), the KZN Greening Programme and Izandla Ziyagezana.
5. Advancing transformation of procurement practices to benefit entrepreneurs and professionals from historically marginalized sections of our population as well as the creation of an enabling environment to attract women, youth and the disabled to the construction industry through active support for emerging contractors and
6. Ensuring effective and efficient management of the Department's financial resources.

The specific values attached to the Infrastructure Delivery Improvement Programme through which the Department provided services to client departments is detailed in the report.

The Department has been active in the feasibility study to build a Provincial Government Office Precinct in Pietermaritzburg to offset the prohibitive costs of private leases. That project now enters a new configuration where alternative sources of funding are being sought given the Treasury's austerity measures. EPWP has been an outstanding intervention in realising the stated goal of creating six million job opportunities. KZN is well ahead in its contribution to the national targets. As of April 2015, the overall coordination of EPWP will rest with Public Works in the Province.

The achievement of these objectives is due to the dedication and diligence of the management and staff of the Department. These collective efforts are generously acknowledged.



Mr A Govender

Head of Department: Public Works

31 May 2015

2. INFORMATION ON PRE-DETERMINED OBJECTIVES

2.1 OVERALL PERFORMANCE

2.1.1 VOTED FUNDS

Voted funds for 2014/15

Appropriation	Main Appropriation (R'000)	Adjusted Appropriation	Actual Amount Spent (R'000)	Under / (Over) Expenditure (R'000)
Vote 14	R1,369,361	R1,391,763	R1,388,082	R3,681
Responsible MEC	MEC For KZN Public Works	Hon. R Pillay		
Administering Department	KZN Department of Public Works			
Accounting Officer	Head of Department	Mr. A Govender		

2.1.2 AIM OF VOTE

The main aim of the vote is to enable the department to provide building infrastructure and property management services to all departments in the KwaZulu – Natal provincial government.

2.1.3 SUMMARY OF PROGRAMMES

The activities of the KZN Public Works Department are organized in the following programmes:

Programme 1: Administration

Programme 2: Real Estate

Programme 3: Provision of buildings, structures & equipment (Operations)

The purpose of each programme is detailed under 2.2 below.

2.1.4 KEY STRATEGIC OBJECTIVES ACHIEVEMENTS

Programme 1: Administration

- The Department filled 58.3% of posts on the approved Human Resource Provisioning Plan during 2014/15.
- The Internship Programme, whose objective is to fill the skills gap in the critical occupational categories, had a total of 59 interns participating in the internship programme.
- In terms of contributing to the Provincial Transformation Profile; the Department aims to achieve a 50: 50 gender representation at SMS. In 2014/15, 37% of all posts were occupied by women.
- As indicated in subsection 2.1.9 below, the Department of Public Works under-spent its 2014/15 Final Appropriation, with savings of R3, 684 million, which is 99.74 per cent of the total budget spent.
- The department continued to liaise closely with client departments in order to recover claims due and minimize cash flow problems.
- The Department collected revenue totalling R19, 484 million in 2014/15, exceeding the revenue budget by 236.1 per cent.

Programme 2: Real Estate

- Updating of the Fixed Asset register continued to be a key performance area. 5224 facilities and land parcels were updated in the Fixed Asset Register in terms of the National and GIAMA minimum requirements against a target of 2000. The overachievement was due to the preparation of cleaned data to be ported to the new Archibus system.
- 203 properties were registered in the name of the Government of the Province of KwaZulu-Natal.
- The Department timeously completed its User Asset Management Plan (U-AMP) as well as the Custodian Asset Management Plan (C-AMP) which was based on all received U-AMPs. These plans were submitted to the KZN Provincial Treasury for consideration when determining infrastructure budget allocations.
- A total of 176 hired properties were audited for space utilisation against the target of 180 (98%) to ensure that the buildings are optimally utilised.
- A total of 268 state owned facilities were audit for space utilisation against a target of 316 (81%) to ensure that the state buildings are optimally utilised.
- The Department let 21 properties (office accommodation needed by the provincial departments) against the targeted 25 properties (84%)
- The Department finalised 205 leases agreements in respect of State Domestic Facilities built on land governed by the KZN Ingonyama Trust Board (ITB Land) against a target of 200 (102.5%)
- 471 jobs were created under the Izandla Ziyagezana Programme against a target of 430 (109%).
- All Municipalities that submitted invoices were paid in full. A total of R512m was paid against the allocated budget of R458m this resulted to overspending of R28 million. Additional funding from departmental savings utilised to pay outstanding rates, hence over expenditure.
- A total of 9 properties were disposed on the open bid at a total market value of R7, 5m. In addition hereto, Ethekwini Municipality was granted servitude rights over 3 provincial sites, Furthermore 21 vacant properties were let and reallocated to other Provincial clients for improved service delivery.
- The Department acquired 9 new properties to support improved service delivery.

Programme 3: Provision of buildings, structures and equipment (Operations)

- In the 2014/2015 financial year, the Infrastructure spending for Health and Public Works were above 100%, Health achieved 101% expenditure under Health Facility Revitalization Grant (HIG and NCSG Components). Public Works achieved 102% expenditure. Education achieved 86% expenditure, which was due to the letter that was issued by the Client Department in November 2014, stating that all Planning on projects in design shall be suspended until an instruction to the contrary issued is issued. Infrastructure spending for Sports and Recreation; COGTA; Social Development and Transport was exceptionally high. Sports and Recreation achieved 148% expenditure; COGTA achieved 120% expenditure; Social Development achieved 120% expenditure and the Department of Transport achieved 118% expenditure.
- Some of the noteworthy projects executed on behalf of our client Departments in the 2014/15 financial year include:

Completion of the Forensic Mortuary on behalf of the Department of Health Prince Mshiyeni Hospital
Central Laundry 06 Early Childhood Development Centres completed COGTA Disaster Management Centre
- The EPWP programme created 4966 Work Opportunities against a target of 4 500 and 1 499 Full Time Equivalents (FTEs) against a target of 800 FTEs by end of March 2015. In the 2013/14 financial year, the Department implemented the NYS Phase 3 where 100 learners were selected to be trained on the National Certificate: Building and Civil Construction at NQF Level 3. The Programme sustained 84 learners who completed their training on the 2014/15 financial year.

2.1.5 OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT FOR 2014/15

- In line with the five-year strategic plan for 2010/11 – 2014/15, the department had the opportunity to deliver on some of the 10 national strategic priorities by utilizing developed programmes already in the Provincial Programme of Action (e.g. Expanded Public Works Programme; National Youth Service; Izandla Ziyagezana; Masakhe Emerging Contractor Development; Internship; Bursary; Property Incubator Programme and Learnership programmes) and further make these to be an integral part of the Premier's Flagship Programme.
- The Department faced the challenge of poor contractor performance in the delivery of building infrastructure to client departments.

2.1.6 OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT FOR 2014/15

- The Department utilised its accumulated experience in the Building Environment as well as its established business systems and processes to maximise the delivery of high quality projects and property management services.

2.1.7 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

There were no significant revisions to the Department's legislative or other mandates during the planning and implementation periods of the 2014/15 Annual Performance Plan.

2.1.8 DEPARTMENTAL REVENUE, EXPENDITURE, AND OTHER SPECIFIC TOPICS

The table below shows the revenue budget for the Department of Public Works for 2014/15, and the actual revenue collected for the year.

Details of provincial own receipts - Vote 14 - 2014/15

	Actual	Final Appropriation	(Under)/ Over	% collected
R thousand	R'000	R'000	R'000	%
	(1)	(2)	(3) = (2) - (1)	(4) = (1) / (2)
Tax receipts	-	-	-	-
Casino taxes	-	-	-	-
Horse racing taxes	-	-	-	-
Liquor licences	-	-	-	-
Motor vehicle licences	-	-	-	-
Sale of goods and services other than capital assets	5 662	6 461	(799)	87.6
Transfers received	-	-	-	-
Fines, penalties and forfeits	-	-	-	-
Interest, dividends and rent on land	155	164	(9)	94.5
Sale of capital assets	12 103	755	11 348	1 603.0
Transactions in financial assets and liabilities	1 566	872	694	179.6
Total	19 486	8 252	11 234	236.1

The department collected revenue totalling R19. 486 million in 2014/15, exceeding the revenue budget by 236.1 per cent.

The main source of the over-collection was Sale of capital assets, which is also the largest contributor to the departments' total revenue collected, at R12, 102 million. The main contributors to this category are sale of land and buildings and auction of motor vehicles and old office equipment.

Another driver of over-collected was Transactions in financial assets and liabilities, where collections were 179.5 per cent of Final Appropriation, or R694 000 above budget. This was mainly due to an unanticipated collection of out of service debt, which is difficult to forecast.

2.1.9 DEPARTMENTAL EXPENDITURE

The table below illustrates actual expenditure for Vote 14 for 2014/15, per programme and economic classification, respectively. Also given in the tables are the Adjusted Appropriation, any virements made after the tabled Adjustments Estimate, and the Final Appropriation.

Summary of expenditure analysis by programme - Vote 14 - 2014/15

	Actual	Adjusted Appropriation	Virement Post Adj. Est.	Final Appropriation	Under/ (Over)	% spent
R thousand	(1)	(2)	(3)	(4) = (2) + (3)	(5) = (4) - (1)	(1) / (4)
1. Administration	330 664	331 849	(115)	331 734	1070	99.7
2. Real Estate	614 291	615 691	573	616 264	1973	99.7
3. Provision of Buildings, Structures & Equip.	443 127	444 223	(458)	443 765	638	99.9
	-	-	-	-	-	-
Total	1 388 082	1 391 763	-	1 391 763	3 681	99.7

- As is reflected in the above table, the Department of Public Works under-spent it's 2014/15 Final Appropriation by R3.681 million, with spending at 99.7 per cent of budget.
- Programme 1: Administration was underspent at 99.7 per cent or by R1.070 million. This was mainly attributed to the non-filling of vacant posts within the department due to delays in the recruitment processes, as well as the implementation of financial controls by the department.
- Programme 2: Real Estate was under-spent by R1, 973 million, mainly attributed to slow spending against Goods and services in respect of the Fixed Asset Management Tool, as well as GIAMA related projects as a result of extended appeal processes, resulting in the under-expenditure reflected under Goods and services. It must be noted that R9, 934 million was suspended from 2014/15 to 2015/16 budget allocation in this regard. Expenditure against Transfers and subsidies to: Provinces and municipalities exceeded the budget due to higher than anticipated arrear property rates payments for the eThekwin Metro and Ulundi Municipalities.
- Programme 3: Provision of Buildings, Structures and Equipment was under-spent by R639 000 due to financial controls implemented by the department.

2.1.10 TRANSFER PAYMENTS

Transfer payments as reflected in the Annual Financial Statement are in respect of payment of Municipal rates to municipalities, transfer to households in respect of severance packages and Departmental Agencies and Accounts in respect of skills development levy and workman's compensation.

2.1.11 CONDITIONAL GRANTS AND EARMARKED FUNDS

The table below shows the actual expenditure incurred in 2014/15 on national conditional grants by the department, against the 2014/15 Final Appropriation.

Summary of conditional grants - Vote 14 - 2014/15

R thousand	Actual	Final Appropriation	Under/ (Over)	% spent
	R'000	R'000	R'000	%
	(1)	(2)	(3) = (2) - (1)	(1) / (2)
EPWP Integrated Grant for Provinces	3 167	3 168	1	100.0
Total	3 167	3 168	1	100.0

The Department fully spent its 2014/15 budget of the EPWP Integrated Grant for Provinces. This grant mainly caters for the KZN Greening Programme.

2.1.12 MAINTENANCE AND ASSET MANAGEMENT PLAN

The implementation of GIAMA commenced on 1 April 2011 with the funding having been provided. The Department has conducted Condition Assessments to the State owned Administrative buildings. The findings will inform the maintenance backlog and the physical condition of the assessed assets. This will also influence the budgetary allocation for infrastructure development and maintenance. This process also depicts the picture of assets life-cycle and completeness of data in the register.

In the process of implementation of GIAMA, the user Departments compile User Asset Management plans (U-AMPs) in line with their service delivery objectives.

In this financial year the focus of condition assessments was on health facilities. This is done in a phased-in approach due to limited budget.

The implementation of GIAMA, necessitated the review of the KZN Land Admin Act, 2003 which is receiving attention of the KZN Legislature.

2.2 PROGRAMME PERFORMANCE

The activities of the KZN Public Works Department are organized in the following programmes:

Programme 1: Administration

Programme 2: Real Estate (Property Management)

Programme 3: Provision of buildings, structures & equipment (Operations)

2.2.1 PROGRAMME 1: ADMINISTRATION

Purpose: The purpose of this programme is to provide overall management support within the Department.

The core services rendered by the Administration programme in 2014-15 were:

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

PROGRAMME 1: ADMINISTRATION - STRATEGIC LEADERSHIP AND MANAGEMENT

The strategic objectives, annual targets and actual performance for 2014 -15 for the administration programme are detailed below:

Strategic objective	Programme Performance Indicator	Actual Performance Against Target		Reasons for variance
		Annual Target 2014/2015	Actual 2014/15	
Leading the process of Strategic Planning and Monitoring and Evaluation	The number of Strategic Planning Sessions	3 Sessions	7	Strategic Planning sessions were extended to the four Regions
	An Annual Performance Plan tabled by due date	1	1	
	No. of Performance Reports submitted according to the PFMA and Treasury Regulations	4	4	

PROGRAMME 1: ADMINISTRATION - CORPORATE SERVICES

PROGRAMME 1: ADMINISTRATION - CORPORATE SERVICES				
Strategic objective	Programme Performance Indicator	Actual Performance Against Target		Reasons for variance
		Annual Target 2014/2015	Actual 2014/15	
To ensure the reduction of the vacancy rate	% posts filled on the approved Human Resource Provisioning Plan (HRPP)	75%	58.3%	The reasons for under achievement occurred due to the delay in the approval of the HR Provisioning Plan. Delays with vetting and verification processes.
	2% posts on the HRPP filled with staff with disabilities	2%	1.2%	Only two (2) posts were filled with candidates with disabilities in the Southern Region. The 2% would have been achieved but the one recommended candidate with disability was retained by his Department. The Service Level Agreement has not yet been finalised with Service Provider and the attempts to fill positions using the provincial pool has also not been successful
To achieve equity targets	50 % representation of women at SMS	50%	37%	The Department has made some improvement in terms of female representation at SMS level hence sitting at 37%. Women are prioritized when filling SMS posts. One women exited the Department.

PROGRAMME 1: ADMINISTRATION - FINANCE

PROGRAMME 1: ADMINISTRATION - FINANCE				
Strategic objective	Programme Performance Indicator	Actual Performance Against Target		Reasons for variance
		Annual Target 2014/2015	Actual 2014/15	
To be fully compliant with PFMA & Treasury Regulations and practice notes	An unqualified audit report	An unqualified audit report	1 Unqualified Audit Opinion	
	Number of procurement plans developed and reviewed	1	1	
	% of budget variation on monthly ,quarterly and annually expenditure	\\Within 2% budget variation	Within 2% budget variation Achieved 99.7%	

2.2.2 PROGRAMME 2: REAL ESTATE (PROPERTY MANAGEMENT)

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.

The strategic objectives, annual targets and actual performance for 2014 -15 for the Real Estate programme are detailed below:

2.2.2 PROGRAMME 2: REAL ESTATE (PROPERTY MANAGEMENT)

2.2.2 PROGRAMME 2: REAL ESTATE (PROPERTY MANAGEMENT)				
Strategic objective	Programme Performance Indicator	Actual Performance Against Target		Reasons for variance
		Annual Target 2014/2015	Actual 2014/15	
To provide efficient and effective management of Provincial Fixed Asset Register	Number of Immovable Assets recorded in the IAR in accordance with Mandatory requirements of National Treasury	2000	5224	Over achievement due to more updates done for migration to the new asset register system
	U-AMP compiled and submitted to Provincial Treasury in accordance with GIAMA	1	1	
To effectively manage immovable assets in terms of GIAMA	CAMP compiled and submitted to Provincial Treasury in accordance with GIAMA	1	1	
	(Sector Measure)			
	Number of condition assessments conducted on state owned buildings	100	21	Delays in the appointment of service providers
	Number of facilities receiving facilities management Services	20	16	Only 16 facilities required facilities management services as at the end of financial year. Some facilities were re-allocated to other users.

2.2.2 PROGRAMME 2: REAL ESTATE (PROPERTY MANAGEMENT)				
Strategic objective	Programme Performance Indicator	Actual Performance Against Target		Reasons for variance
		Annual Target 2014/2015	Actual 2014/15	
To manage property needs for Departments with respect to property acquisitions, disposal hiring and lettings	Number of properties let (Sector Measure)	25	21	Delays in bidders not submitting required documentation on time to allow finalisation of lease agreements
	Number of lease agreements concluded	200	205	More ITB leases were signed than anticipated
	Number of properties disposed	20	9	NDPW has not provided a Power of Attorney to enable the Department to finalise endorsements to obtain duplicate original title deeds. Delays with purchasers not submitting critical documentation to effect conveyancing
	Number of Properties acquired	22	9	Delays with conveyancing and extensive delays in terms of the Planning and Development Act.
To vest provincial properties in order to take transfer of all identified Provincial immovable Assets	Number of properties registered into the name of the KZN Provincial government	300	203	Non availability of original title deeds There were delays in finalising R293 transfers from Ethekwini , uMlalazi & uMhlathuze municipalities
To facilitate the creation of jobs	No. of work opportunities through Izandla Ziyagezana	430	471	More sites were identified for the programme, this resulted to more beneficiaries being employed.

2.2.2 PROGRAMME 2: REAL ESTATE (PROPERTY MANAGEMENT)				
Strategic objective	Programme Performance Indicator	Actual Performance Against Target		Reasons for variance
		Annual Target 2014/2015	Actual 2014/15	
To ensure optimal utilisation of state properties and hired office buildings	Number of state owned facilities audited for space utilisation	316	268	Audit were conducted however clients were not available to sign inspection forms hence could not submit as evidence
	Number of hired facilities audited for space utilisation	180	176	Audit were conducted however clients were not available to sign inspection forms hence could not submit as evidence
To manage the timeous payment of property rates	100% expenditure on approved property rates invoices from municipalities	R485 m (100%)	R512 m	The over expenditure was due to rates increases in some of the municipalities (Additional funding from departmental savings utilised to pay outstanding rates, hence over expenditure.)

2.2.3 PROGRAMME 3: PROVISION OF BUILDINGS, STRUCTURES & EQUIPMENT (OPERATIONS)

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.

PROGRAMME 3: PROVISION OF BUILDINGS, STRUCTURES & EQUIPMENT (OPERATIONS)

The strategic objectives, annual targets and actual performance for 2014 -15 for the Provision of buildings, structures & equipment (Operations) programme are detailed below:

PROGRAMME 3: PROVISION OF BUILDINGS, STRUCTURES & EQUIPMENT (OPERATIONS)				
Strategic objective	Programme Performance Indicator	Actual Performance Against Target		Reasons for variance
		Annual Target 2014/2015	Actual 2014/15	
Infrastructure Planning Performance specific to the KZN-IDMS for Provincial Departments (that are implementing the IDMS) that submit approved IPMPs to DoPW	No. of Infrastructure Plans finalized and approved by due date, that responds to Provincial Departments that submit Approved IPMPs to DoPW	03	03	
Infrastructure Planning Performance specific to the KZN-IDMS for Provincial Departments that are NOT implementing the IDMS	No. of Infrastructure Plans finalized and approved by due date, that responds to Provincial Departments (Non - IDIP) that submit approved IPMPs to DoPW	03	03	
Infrastructure Capital Projects captured from Provincial Departments that are evaluated in accordance to the processes of the IDMS	Number of detailed designs out on Tender (Sector measure)	34	17	Department of Education projects put on hold by Client Department due to budget constraints and projects did not go out on tender by 31 March 2015
Infrastructure Capital Projects construction performance from Provincial Departments that are evaluated in accordance to the processes of the IDMS	CONSTRUCTION (Planned Capital Projects) Number of Projects Completed within the Agreed Time Period. (Sector Measure)	06	06	

PROGRAMME 3: PROVISION OF BUILDINGS, STRUCTURES & EQUIPMENT (OPERATIONS)				
Strategic objective	Programme Performance Indicator	Actual Performance Against Target		Reasons for variance
		Annual Target 2014/2015	Actual 2014/15	
Infrastructure Capital Projects construction performance from Provincial Departments that are evaluated in accordance to the processes of the IDMS	CONSTRUCTION (Planned Capital Projects) Number of Projects completed within the agreed budget. (Sector Measure)	21	27	Target not achieved due to re-appointment of contractors due to non-performance.
Monitor Unplanned Maintenance performance per Provincial Department	MAINTENANCE Number of Unplanned Maintenance Projects completed. (Sector Measure)	474	479	During the 4th Quarter the Department received more unplanned maintenance projects and some of these projects were completed earlier than anticipated.

PROGRAMME 3: PROVISION OF BUILDINGS, STRUCTURES & EQUIPMENT (OPERATIONS)				
Strategic objective	Programme Performance Indicator	Actual Performance Against Target		Reasons for variance
		Annual Target 2014/2015	Actual 2014/15	
Monitor Planned Maintenance performance per Provincial Department	<u>MAINTENANCE</u> Number of Planned Maintenance Projects completed within the agreed contract period. (Sector Measure)	02	02	
Monitor Planned Maintenance performance per Provincial Department	<u>MAINTENANCE</u> Number of Planned Maintenance Projects completed within agreed budget (Sector Measure)	15	15	
Monitor Planned Maintenance performance per Provincial Department	<u>MAINTENANCE</u> Number of Planned Maintenance projects Awarded. (Sector Measure)	15	08	Department of Education projects put on hold by Client Department due to budget constraints
Work opportunities created through Labour Intensive Construction Methods through Expanded Public Works' Programme	<u>COMMUNITY DEVELOPMENT</u> Number of EPWP Work Opportunities created by the Provincial Department Public Works/Roads (Sector Measure)	4500	4966	Over achievements was due to the increased unplanned maintenance projects by Client Departments
Work opportunities created through Labour Intensive Construction Methods through Expanded Public Works' Programme Development of Beneficiary Empowerment Innovative opportunities that achieves sustainable livelihoods	Number of Full Time Equivalents (FTE's) created by the Provincial Department of Public Works / Roads Sector Measure	800	1499	Over achievements was due to the increased unplanned maintenance projects by Client Departments

PROGRAMME 3: PROVISION OF BUILDINGS, STRUCTURES & EQUIPMENT (OPERATIONS)				
Strategic objective	Programme Performance Indicator	Actual Performance Against Target		Reasons for variance
		Annual Target 2014/2015	Actual 2014/15	
Work opportunities created through Labour Intensive Construction Methods through Expanded Public Works' Programme Development of Beneficiary Empowerment Innovative opportunities that achieves sustainable livelihoods	CO-ORDINATION AND COMPLIANCE MONITORING Number of public bodies reporting on EPWP targets within the Province Sector Measure	50	61	Over achievement due to extended technical support to all 61 municipalities in the Province of KwaZulu-Natal
	Number of interventions implemented to support public bodies in the creation of targeted number of work opportunities in the Province Sector Measure	03	03	
Work opportunities created through Labour Intensive Construction Methods through Expanded Public Works	INNOVATION AND EMPOWERMENT Number of Beneficiary empowerment interventions. (Sector Measure)	03	03	
To empower Youth through National Youth Service (NYS) programme and priority skills	Number of NYS Learners trained on Accredited Modules	80	109	Over achievement was due to the additional funding secured and more beneficiaries were trained on the skills programme on Further Education and Training Certificates.

3. ANNUAL FINANCIAL STATEMENTS

3.1 REPORT OF THE AUDIT & RISK COMMITTEE ON VOTE 14- PUBLIC WORKS

1. Objective and responsibility of the Audit and Risk Committee

The Provincial Audit and Risk Committee (PARC) has been established to assist the KZN Provincial Government in fulfilling its oversight responsibilities by, amongst others, reviewing the following:

- (a) the effectiveness of the internal control systems;
- (b) the effectiveness of the internal audit function;
- (c) the risk areas of the institution's operations covered in the scope of internal and external audits;
- (d) the adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- (e) any accounting and auditing concerns identified as a result of internal and external audits;
- (f) the institution's compliance with legal and regulatory provisions; and
- (g) the activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.

The PARC is the shared audit and risk committee for the provincial departments, and is further sub-divided into three Cluster Audit and Risk Committees that provide oversight to provincial departments. The Department of Public Works is served by the Economic Cluster Audit & Risk Committee.

The Committee reports that it has complied with its responsibilities arising from the Public Finance Management Act, No.1 of 1999 (PFMA), Treasury Regulations 3.1, including all other related prescripts; and 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 Committee is therefore, pleased to present its report for the financial year ended 31 March 2015.

2. Audit Committee Members and Attendance

During the financial year under review, a new committee was appointed on 23 February 2015 and consisted of the PARC and the Economic CARC members listed in the table below. The table also outlines the meetings held and attendance thereof by members; to enable the Committee to discharge their responsibilities relating to matters under review during the reporting period.

#	Name of Member	PARC Meetings Attended	Governance and Administration CARC Meetings Attended	Special Meetings
1.	Mr S Simelane (Acting Chairman of PARC and Economic CARC)	2	2	2
2.	Mr R Dehal	2	2	2
3.	Mr V Ramphal	2	2	2
4.	Mr P Christianson	2	N/A	2
5.	Mr D O'Connor	2	N/A	2
6.	Ms T Njozela	2	N/A	2

3. The Effectiveness of Internal Control

The Committee has reviewed the reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and Management Report of the Auditor General of South Africa (AGSA) and has noted with concern, the weaknesses in controls around the following areas:

- Fleet Management
- Asset Management
- Financial Management
- Supply Chain Management
- Value for money on Subsistence and Travel Expenditure

4. Risk Management

The Committee noted that department is progressing towards building a credible risk register both at the business unit level and at the corporate level. It is also noted that the department has an approved risk management policy, internal risk committee as well as the risk manager appointed at the right level (SMS Level 13). The monitoring of the implementation of risk mitigation strategies and reporting such to the Committee, on a quarterly basis, is also taking place.

The Committee further noted that the department does have Business Continuity Plan and a Disaster Recovery Plan.

The Committee appreciates the effort and progress being made on risk management in the department, and believes that by implementing the following on a continuous and consistent basis, the culture of risk management within the department will mature:

- a. Validating and measuring the impact that completed risk mitigation plans make on the risk exposure, together with regular (quarterly) updates of the risk register;
- b. Reporting on emerging risks, if any, on a quarterly basis; and
- c. Identifying critical risks in the light of the department's exposure to meeting its objectives effectively, efficiently and economically;

5. Forensics Investigations

During the period under review, the Committee noted that there were eight (8) forensic investigations, all relating to alleged procurement irregularities, which the department has referred to the Provincial Internal Audit Services for investigation. Two (2) of these investigations were completed, the other five (5) reports are at draft stage and one (1) was still in progress. The department and the Provincial Internal Audit Service are urged to promptly finalize the outstanding investigations, and work together to implement recommendations on the finalised investigation.

The Committee is unable to comment on the completeness of the investigations conducted during the year under review as the department failed to respond to the request to furnish the Provincial Internal Audit Services (PIAS) with a list of any other in-house or outsourced investigations to other service providers by the Department. As a result, the committee is unable to further comment on the completeness of the department's fraud risk profile.

6. Quality of in year management and monthly/quarterly reports

The Committee was satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance reports submitted in terms of the PFMA and the Division of Revenue Act prepared and issued by the Accounting Officer of the Department during the year under view. The department largely

spent its Final Appropriation at 99,7 per cent this resulted in minimal under spending in the Programmes of the Department.

Based on the reports of Internal Auditors and the Auditor General, the Committee has not noted any material weaknesses around the usefulness and reliability of performance information.

7. Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor General and the Accounting Officer;
- Reviewed the Auditor General's Management Report;
- Reviewed the Department's processes for compliance with legal and regulatory provisions and concerns have been noted around goods and services of transaction value above R500 000 were procured without inviting competitive bids, contracts were awarded to bidders who did not submit a declaration of past supply chain practices and failure to prevent irregular expenditure as a result of non-compliance to supply chain management prescripts.

8. Internal Audit

In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit Function provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved through the implementation of a risk based Internal Audit plan. The Committee has, through the CARC monitoring processes, considered internal audit reports issued after assessing the adequacy and effectiveness of controls designed to mitigate the risks associated with operational and strategic activities of the department, as well as the appropriateness of the of corrective actions provided by management to improve the control environment.

The Internal Audit function was effective during the period under review and there were no unjustified restrictions or limitations. The Committee will in the forthcoming year, monitor progress to ensure that the Internal Audit Function continues to add value to the department and achieves its optimal performance. The Committee also monitored the implementation of Internal Audit recommendations to the Department.

9. Auditor-General's Report

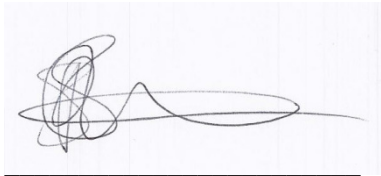
The Committee has monitored the implementation of corrective action plans to address the audit issues raised in the prior year by the Auditor General. The Committee has met with the Auditor General of South Africa to ensure that there were no unresolved issues that emanated from the current regulatory audit.

The Committee will ensure that corrective actions on the detailed findings emanating from the current regulatory audit are monitored on a quarterly basis through the CARC processes.

The Committee concurs and accepts the Auditor General's opinion regarding the Annual Financial Statements, and proposes that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor General.

10. Appreciation

The Committee wishes to express its appreciation to the Management of the Department, the Auditor General of South Africa, and the Provincial Internal Audit Services for the co-operation and information they have provided to enable us to compile this report.

A handwritten signature in black ink on a light blue background. The signature is stylized, starting with a large, circular loop on the left, followed by several smaller loops and a long, horizontal stroke extending to the right.

Mr S Simelane

Acting Chairman: Provincial Audit and Risk Committee

11 August 2015

3.2 REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND PROVINCIAL LEGISLATURE OF KWAZULU-NATAL

3.2.1 General Review of the State of the Financial Affairs

3.2.1.1 Key Priorities

Radical economic transformation

Radical economic transformation is the foremost imperative of the current term of our government. This is articulated across the spectrum of government policy and derives directly from the mandate of the ruling party. In every facet of our operations as Public Works, we seek a necessary alignment with this imperative.

One area in which Public Works has been especially proactive is in putting in place the necessary tools to advance the empowerment imperatives of radical economic transformation. Our clear position is that procurement processes must be geared towards a beneficiary profile in fair proportion to the demographics of our Province.

The Office of the Premier has mooted a Procurement Indaba aimed at reviewing all government procurement processes. The Department intends taking an active role in that initiative and sharing its policy development and interventions. Among these will be the ideas on a targeted procurement system that dovetails with the Infrastructure Master Plan.

Eyesizwe Contractor Development Forum

The Eyesizwe Contractor Development Forum is an empowerment and transformation intervention that the Department is justifiably proud of. The elected forum links directly with the core objectives of the National Development Plan, the programme of the national Department of Public Works and the National Contractor Development Policy (NCDP) which was written in 2102.

KwaZulu-Natal Public Works used the provisions of the NCDP to develop a KwaZulu Natal Contractor Development Policy entirely in-house. This has now become a creative model for the rest of the country. The main aims of this policy are to:

- Enhance job creation and eradicate poverty through infrastructure development;
- Stimulate wealth creation amongst historically marginalized persons;
- Strengthen and develop Small, Medium and Micro Enterprises [SMMEs] that will be able to participate meaningfully in the mainstream economy;
- Extend a database of KwaZulu-Natal contractors over the range of CIDB gradings able to undertake and deliver construction, maintenance and refurbishment works.

On this three-year programme, contractors will receive the benefit of training and mentoring in various disciplines [tendering, costing, financial and project management]. In addition and most importantly, they will also get business opportunities through one of the following mechanisms:

- Direct targeting
- Rotation
- Joint ventures
- Sub-contracting

Implementing Agent of Choice

Public Works has made significant advances in realising the mandate as the Province's "Implementing Agent of Choice". The delivery of key projects to quality, timeline and quality specifications has ensured that client departments have prioritised a relationship with ourselves in spite of the market being highly competitive. At present 70% of all provincial government infrastructure projects is managed by Public Works. Our target is 100%.

Leases

Public Works is the custodian of state properties. The Department also enters into leases for office accommodation and other needs of provincial government departments. A persistent concern is that a cartel of landlords has distorted the rental market. There is an imbalance between supply and demand. Going forward, a careful and sustained effort is required to correct this.

The government office precinct project in Pietermaritzburg was expected to commence in 2016/17. That project has been removed from the Department's baseline on account of Treasury austerity measures. The project will nevertheless be pursued with alternative funding mechanisms. The Premier has appointed an Infrastructure Task Group, chaired by Public Works, to take this project forward.

KwaZulu-Natal Land Administration Act No. 2 of 2014

The Kwazulu-Natal Land Administration Act, Act No. 2 of 2014 (the "Act"), came into effect on 1 December 2014, by publication in the Provincial Gazette, and replaces the previous KZN Land Administration Act, 2003, as well as the Premier's Minute of 2010.

In terms of the Act, the MEC for KZN Public Works, and accordingly the KZN Department of Public Works ("the/this Department"), is responsible for the aforementioned functions, and is the custodian of all provincial state land and immovable assets.

As the "owner" of this piece of legislation, the Department has been fully involved in the legislative process and has been instrumental in ensuring that this Act is promulgated.

As a result of this Act being promulgated:

- provincial land administration and management legislation will be harmonised with the Government Immovable Asset Management Act, Act No. 19 of 2007 ("GIAMA"), which is national legislation;
- the Provincial Government will more efficiently administer the management of Provincial state land, including the process of:
 - acquisition of property;
 - disposal of provincial state land;
 - expropriation of property; and
 - management and maintenance of provincial state land; and
- a current register for all Provincial State Property will be established and maintained.

The Act also make provision for user departments to submit User Asset Management plans to the Department, setting out how it uses or intends to use immovable assets in its possession, which user asset management plans will assist the Department in compiling its own Custodian Asset Management Plan, relating to all immovable assets in its custody.

Professional Service Providers

In the year under review the Department has advanced significantly in the process of finalising the Professional Service Provider's Policy that will:

- Offer services including those relating to the design and supervision of construction work, for limited period without any obligation of permanent employment;
- Benefit from specialised knowledge, transfer of skills and upgrading of knowledge base while executing projects;
- Provide independent advice on the most suitable approaches, methodologies and solutions of projects;
- Ensure that Historically Disadvantaged Individuals [HDIs] and emerging consultants benefit in the infrastructure projects within the Province.

Implementation will commence in the latter half of 2015.

Bursary and Internship Programme

The Department takes an active role in supporting students with sound academic performance and demonstrated potential to advance in careers in built environment disciplines. This serves both a social and empowerment imperative but also ensures that key skills necessary for the reproduction of the built environment professions are not neglected.

Bursaries were awarded for the 2014 academic year to applicants in professional disciplines such as civil, electrical and mechanical engineering. Female applicants from rural areas were prioritised. The Department awarded internal bursaries to 23 candidates. The budget in respect of external bursaries was centralised under the Office of the Premier in 2014/15.

In the year under review, the Department also employed 59 interns in fields such as architecture, quantity surveying, as well as mechanical, civil and electrical engineering.

Programme	Actual Expenditure	Final Appropriation	Under/ (Over)	Expenditure as % of Final Appropriation
	R'000	R'000	R'000	%
	(1)	(2)	(3) = (2) - (1)	(4) = (1) / (2)
1. Administration	330 664	331 734	1 070	99.7
2. Property Management	614 291	616 264	1 973	99.7
3. Provision of Buildings, Structures and Equipment	443 127	443 765	638	99.9
Total	1 388 082	1 391 763	3 681	99.7

The budget allocation to the Department's vote increased by 5.9% from R1, 314 billion in 2013/2014 to R1, 392 billion in 2014/2015. This increase is mainly attributable to additional funding in respect of the Richmond Community Development Programme, National Youth Service Programme as well as the roll-over from 2012/13 to 2014/15 for the fixed asset management tool.

It must be noted that an amount of R9.934 million was suspended from 2014/15 to 2015/16 to cater for the finalisation of the conditional assessments of Community Health Centres as a result of delays from the appeal lodged in respect of this project. These funds have been allocated back to the department in 2015/16

to continue with the project.

At the end of the 2014/2015 financial year, the department had spent R1, 388 billion or 99.7% of its budget. In 2014/15, the department fully spent the EPWP Integrated Grant for Provinces of R3.168 million through the EPWP programme. The programme aims at providing unemployed people with work opportunities and training so that they increase their capacity to earn an income.

The department also spent R40.268 million with regard to the Richmond Community Development Programme where various programmes, such as the KZN Integrated Greening Programme, Maintenance Programme, Sanitation Programme, etc., were implemented toward ensuring job creation in the Richmond Municipality.

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.

Detailed analysis of expenditure on client departments for 2014/15 shows that services are provided to all the client departments throughout the province

CLIENT EXPENDITURE FOR 2014/2015

Infrastructure

OBJECTIVE	ETHEKWINI REGION	MIDLANDS REGION	NORTH COAST REGION	SOUTHERN REGION	TOTAL
	R,000	R,000	R,000	R,000	R,000
Arts and Culture	250	2 180	7 669	441	10 540
Agriculture	541	1 872	99 557	8 153	110 123
Economic Development	-	3	7 038	-	7 041
Education	200 133	107 647	340 002	108 845	756 629
Health Facility Revitalization Grant - HIG & NCSG components	104 375	65 492	61 320	97 475	328 661

OBJECTIVE	ETHEKWINI REGION	MIDLANDS REGION	NORTH COAST REGION	SOUTHERN REGION	TOTAL
	R,000	R,000	R,000	R,000	R,000
Health – Equitable Share	110 610	7 162	24 461	29 234	171 468
Health - Hospital Revite Programme	87 633	7 782	113 343	51 533	260 291
Human Settlements	12 241	-	6 719	-	18 961
Provincial Parliament	200	-	-	3 782	3 982
Premier	982	-	-	5 569	6 550
Transport	3 723	2 392	7 901	9 900	23 915
Sport & Recreation	-	-	-	12 495	12 495
Co-Operative Gov. & Traditional Affairs	1 547	14	1 487	20 494	23 542
Social Development	27 773	41 640	34 041	8 006	111 459
Public Works	11 097	6 874	20 585	50 919	89 475
TOTAL	561 104	243 059	724 124	406 845	1 935 132

Infrastructure spending for Health and Public Works were above 100%, Health achieved 101% expenditure under Health Facility Revitalization Grant (HIG and NCSG Components). Public Works achieved 102% expenditure. Education achieved 86% expenditure, which was due to the letter that was issued by the Client Department in November 2014, stating that all Planning on projects in design shall be suspended until an express instruction to the contrary issued.

Infrastructure spending for Sports and Recreation; COGTA; Social Development and Transport was exceptionally high. Sports and Recreation achieved 148% expenditure; COGTA achieved 120% expenditure; Social Development achieved 120% expenditure and the Department of Transport achieved 118% expenditure.

Infrastructure Trend Expenditure

For 2015/2016 financial year, the Departmental budget allocation has been decreased to R1, 901 billion compared to the previous budget allocation of R2, 2523 billion in 2014/15. The department is therefore anticipating to spend the entire budget allocation of R1, 901 billion for the 2015/16 Financial year on Infrastructure in line with the Department's objective to reclaim its mandate and be the infrastructure Implementing Agent of choice for the KZN Provincial Government departments. The following Table details the budget allocated to Public Works by the Client Departments from 2012/2013 to 2015/2016 and the percentage increase / decrease:

FINANCIAL YEAR	BUDGET ALLOCATION (R'000)	INCREASE / DECREASE %
2012/2013	R2, 370, 784	38.50%
2013/2014	R2, 499, 623	5.43%
2014/2015	R2, 252, 675	-9.00%
2015/2016	R1,783,482	-20.83%

There was a Budget Cut announced by Provincial Treasury in the year 2014/15, which resulted in the 9% reduction in budget for the financial year 2014/15. There are a number of clients who have not confirm the 2015/16 Budget, the -20.83% reduction in budget indicated is based on the expenditure trends from previous year.

Leased Properties

OBJECTIVE	ETHEKWINI REGION R'000	MIDLANDS REGION R'000	NORTH COAST REGION R'000	SOUTHERN REGION R'000	TOTAL R'000
Arts and Culture	4 783	1 193	0	6 810	12 787
Agriculture	4 012	3 793	7 271	4 614	19 692
Comm. Safety	735	907	0	5 459	7 101
Economic Dev.	2 719	1 254	2 299	17 235	23 508
Education	8 074	10 486	5 036	36 026	59 624
Royal Household	0	0	0	0	0
Human Settlement	12 843	606	0	8 154	21 604
Health	12 282	13 861	7 348	39 794	73 287
Premier	945	0	0	6 069	7 014
Transport	0	0	0	2 265	2 265
Sports and Rec.	0	707	466	3 296	4 470
COGTA	2 880	1 679	0	15 090	19 651
Social Development	7 761	5 246	1 650	15 715	30 374
Treasury	0	0	0	11 952	11 952
Works	33	989	0	3 986	5 008
Provincial Parliament	149	0	0	0	149
TOTAL	57 223	40 726	24 073	176 470	298 494

R298 494 800 has been spent on the hiring of properties for Provincial Government use. The expenditure is likely to increase unless there is further investment in the construction of new office accommodation by the State. The Department of Public Works has done proposals to partner with the private sector to develop district precincts in an attempt at ensuring that service delivery is not compromised in certain areas and to ensure that there is value for money in respect of rentals charged. One such proposal which has advanced substantially was a "Development Lease" which this Department entered into with the private sector to build a customised office block for the Department of Education within the Ugu District. This lease will ensure that the State has suitable offices at affordable rates. In addition to the rentals paid for offices, the Department will also save on all municipal costs as this design was awarded a 4 star green rating.

Currently the proposal to construct a Provincial office park in Pietermaritzburg has been placed on hold by Provincial Treasury. However the Department has been in further engagements with the Provincial Treasury to consider alternate funding models to undertake this project.

3. Human Resource Capacity Constraints

In response to our mandate of delivering infrastructure and property development within the built environment, the department is expected to employ experienced professional, technical and specialist services of architects, quantity surveyors, engineers such as civil, electrical and mechanical, and other related fields such as project managers. These professions remain a national challenge and they fall within a category of scarce skills in our country, especially when competing with remuneration packages in the private sector and the challenges of the occupational specific dispensation for professional occupations which prevents the Department to offer higher remuneration packages to production professionals. As at 31 March 2015, the Department has 50.3% of its professional posts filled.

In an effort to address the human resource capacity constraints amongst the scarce professions in the Department, the Department has allocated bursaries as follows;

Discipline	Architecture	Quantity Surveying	Civil Engineering	Electrical Engineering	Mechanical Engineering	Construction Project Management
Number	6	3	1	4	1	2

In line with the approved KwaZulu-Natal Infrastructure Delivery Management System (KZN IDMS), a draft organogram has been developed. The consultation process on this issue between the Department and Organised Labour commenced resulting in the submission of the draft organogram to DPSA in September 2014. The Department is currently finalising the response to the inputs received from DPSA as per letter dated 08 December 2014 before the draft organogram is resubmitted to DPSA for concurrence by the Minister for Public Service and Administration before final approval by the MEC.

4. Utilisation of Donor Funding

The Department did not utilise any donor funds during the 2014/15 financial year.

5. Trading entities and public entities

The Department was not involved with trading and public entities during the 2014/15 financial year.

6. Organisations to who transfer payments have been made

Transfer payments as reflected in the Annual Financial Statement are in respect of payment of Municipal rates to municipalities, transfer to households in respect of severance packages and department Agencies and Accounts in respect of skills levy and workmen's compensation.

7. Public private partnerships (PPP)

The Department has not entered into any public private partnerships during the 2014/15 financial year.

8. Corporate governance arrangements

Senior Management recognises the need to conduct the Department of Public Works affairs with integrity and in accordance with generally accepted corporate practices.

8.1. Risk Management

The Department continued to monitor and manage the impact of identified risks and to ensure timeous

corrective action is taken to mitigate the impact of these risks. The Department reported quarterly to the Audit Committee who is responsible for the oversight of the Internal Audit function which includes evaluating and monitoring the Department's performance with regard to Risk Management. The Departmental Risk Management process includes conducting a Strategic Risk Assessment annually however to strengthen Risk Management throughout the Department Operational Regional Risk Assessments were also conducted. The Departmental Risk Management process includes continued monitoring of mitigating strategies as identified in the Departmental Strategic and Operational Risk registers maintained in the Regions as part of the business process.

The Department's delegations were revised and are compliant with the Public Service Act and Public Service Regulations and clearly indicates delegations to different levels and regional offices.

8.2 Fraud Prevention

A zero-tolerance Fraud Prevention Policy is in place in the Department that contains response mechanisms to report, investigate and resolve incidents of fraud and corruption which impact on the Department. The Department considers fraud prevention as an integral part of an overall Departmental Risk Management Strategy. The Compliance & Risk Management Directorate focuses specifically on fraud prevention through the conducting of fraud awareness workshops, detection and investigation and resolution of all reported cases.

Fraud Awareness workshops were conducted at Regional offices to sensitise officials as to what pertains to Fraud & Corruption and the channels for reporting.

The Departmental Ethics Officer also attended numerous "I do right even when nobody is watching" functions throughout the Province where the general public was informed about Fraud & Corruption and the channels for reporting.

8.3 Effectiveness of Internal Audit and Audit Committee

Internal Audit implements a risk-based internal audit plan annually. It performs a support role to management by ensuring periodic audits and reports are produced based on evaluation of the Department's system of internal controls and risk management processes. Internal Audit also assesses the Department's ability to comply with legislative requirements as well as performance of its function in accordance with the mandate and commitment made in the strategic plan.

The Audit committee has been appointed in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999) ("PFMA") as amended and members discharge their functions in accordance with the PFMA, Treasury regulations and Audit Committee Charter. Members have at each Audit Committee meeting engaged management on, among others, matters relating to performance and financial management weakness identified by internal and external auditors during the financial year.

8.4 Other governance structures, including management processes to minimise conflict of interest.

The following committees exist: Top Management, Executive Committee (EXCO), Departmental Bid Adjudication Committee (BAC), Departmental Risk Committee and Regional Management Committee (MANCO). These are functioning effectively and are achieving their objectives. The Department also has an Ethics Officer who is a member of Senior Management. Ethics Awareness workshops have also been conducted at Regional offices to sensitise officials on doing what is right.

All SMS members completed their financial disclosures which were successfully submitted via e-disclosure to PSC on time.

8.5 Implementation of the Code of Conduct

As in previous financial years, the Department continued to hold workshops to implement the Public Service Code of Conduct as developed by DPSA. This is aimed at upholding high standards and ensuring ethical behaviour by employees. This is supplemented by the Public Service Coordinating Bargaining Council (PSCBC) resolutions such as Disciplinary Procedure (Resolution 1 of 2003) and Grievance Procedures (Resolution 14 of 2002) in the public service to deal with disciplinary matters as well as formal complaints from employees. In order to prevent, minimise or resolve complaints and grievances with a view of enhancing service delivery at all levels of the Department has established and implemented the Labour Relations Consultative Forum. The Department has also developed the following prescripts: Guide on Informal Discipline, Abscondment Procedure & Grievance Handling Timeframes, to assist Managers/ Supervisors with step by step processes in implementing the aforementioned prescripts. Furthermore, the department has established a Women-in-Leadership Forum to champion the cause of women empowerment in all aspects of the department's business. It also serves to promote the achievement and sustaining of the 50% target of women at SMS and generating a pool of suitable candidates to compete for these positions.

8.6. Accountability and Transparency

In terms of section 195(1) (f) and (g) of the Constitution, Act 108 of 1996, public administration must be accountable, and transparency must be fostered by providing the public with timely, accessible and accurate information.

In the year under review, the Department has been committed to upholding these constitutional principles in the following ways:

- I. by strict compliance with the Public Finance Management Act, 1999, and the Preferential Procurement Policy Framework Act, 2000, and related prescripts, the Department has endeavored to ensure that its financial management processes result in responsible spending, and that its procurement system is fair, equitable, transparent, competitive, and cost-effective; where challenges in the system have been identified, controls have been implemented and policies created, such as SCM policy, Contractor Development policy and strategy and Using Public Procurement to Generate Employment Opportunities policy. The aforementioned measures are testament to the Department's commitment to accountability for the funds which fall within its responsibility;
- II. by virtue of its involvement in the Management Performance Assessment Tool (MPAT) process, the Department has again demonstrated its commitment to accountability. The Management Performance Assessment Tool (MPAT) is a structured, evidence-based approach to the assessment of management practices, with a view that improved management practices will lead to improving government performance and service delivery. As an active participant in this process, the Department has committed itself to reviewing its management practices and looking at ways in which these can be improved to enhance service delivery.
- III. by creating a culture of accountability, openness and transparency, in that the Department:
 - a. provides non-responsive bidders with reasons for their failed bids arising out of procurement processes;
 - b. undertakes notice and comment procedures when dealing with any state provincial land;

- c. generally provides reasons for any administrative action taken. In this way, the Department has demonstrated its commitment to compliance with the Promotion of Administrative Justice Act, 2000, which was enacted specifically to create the aforementioned culture and to ensure efficient administration and good governance.
- iv. by ensuring that requests for information are dealt with (where applicable) in terms of the Promotion of Access to Information Act, 2000, and that that parties seeking information from the Department have been duly furnished with that information; in the year under review, where records existed, access to these were granted and no requests were refused, thus demonstrating the Department's commitment to transparency. The Department also furnished compliance reports to the SA Human Rights Commission and the Department of Justice and Constitutional Development.

9. Discontinued activities / activities to be discontinued

There are no discontinued activities.

10. New Proposed activities

The Department will be the Expanded Public Works Programme Provincial Coordinator. In the 2014/15 financial year Public Works coordinated jointly with the Department of Transport towards ensuring a proper handover process.

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. Inventories

All inventory opening and closing balances, together with movements for the year are reflected in the annexure on Inventory.

13. Events after the reporting date

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

14. Information on predetermined objectives

The departmental performance information has been reported on a 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.

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

15. SCOPA Resolutions

SCOPA RESOLUTION	SUBJECT	PROGRESS
Resolution 38/2014	Overtime payments in excess of legislated limits	There are no irregular expenditure cases relating to overtime. The Department uses the Provincial Overtime Policy.
Resolution 39/2014	Details of disciplinary cases: Action taken against transferred official	<p>In the event that we are provided with this information, the Department of Public Works will render the necessary support to the Department of Social Development to facilitate disciplinary action in line with prescripts governing the public service.</p> <p>In terms of the Public Service Amendment Act Section 24, when an official charged with misconduct is transferred to another Department. The transferring Department (Social Development) must request the Department of Public works' Accounting Officer to pursue the misconduct charge.</p>

SCOPA RESOLUTION	SUBJECT	PROGRESS									
Resolution 45/2014	Transversal resolution – Irregular expenditure, non-compliance with Supply Chain Management processes and Non-Payment of Performance Bonuses to Senior Managers	<p>Irregular Expenditure - incurred due to extension of month to month contracts. - 2013-14</p> <table> <tr> <th>Incident</th><th>Amount</th><th>Status / Action taken</th></tr> <tr> <td>Payments to Security Service Provider - EThekweni Region. Only extensions provided for these contracts. Management has extended contracts which were found to be irregular.</td><td>2, 971, 863.53</td><td>The month to month contracts have been cancelled. New service providers appointed as of 01 August 2014.</td></tr> <tr> <td>Payments to Security Service provider - EThekweni Region. Only extensions provided for these contracts. Management has extended contracts which were found to be irregular.</td><td>5, 184, 164.04</td><td>The month to month contracts have been cancelled. New service providers appointed as of 01 August 2014.</td></tr> </table> <p>The above month to month contracts have been cancelled. A New procurement process was undertaken and new service providers appointed.</p>	Incident	Amount	Status / Action taken	Payments to Security Service Provider - EThekweni Region. Only extensions provided for these contracts. Management has extended contracts which were found to be irregular.	2, 971, 863.53	The month to month contracts have been cancelled. New service providers appointed as of 01 August 2014.	Payments to Security Service provider - EThekweni Region. Only extensions provided for these contracts. Management has extended contracts which were found to be irregular.	5, 184, 164.04	The month to month contracts have been cancelled. New service providers appointed as of 01 August 2014.
Incident	Amount	Status / Action taken									
Payments to Security Service Provider - EThekweni Region. Only extensions provided for these contracts. Management has extended contracts which were found to be irregular.	2, 971, 863.53	The month to month contracts have been cancelled. New service providers appointed as of 01 August 2014.									
Payments to Security Service provider - EThekweni Region. Only extensions provided for these contracts. Management has extended contracts which were found to be irregular.	5, 184, 164.04	The month to month contracts have been cancelled. New service providers appointed as of 01 August 2014.									

Resolution 46/2014	Transversal resolution – 2013/2014 Fruitless and Wasteful expenditure	Fruitless and Wasteful Expenditure - 2013-14			
		No.	Incident	Amount	Status
		1	Payment of Penalty Interest-First Auto	1 205.17	<ul style="list-style-type: none"> • First Auto had sent the invoices to the wrong transport official within the Dept. By the time officials realised that they hadn't received the invoice interest had been charged. First auto refused to reverse charges. There is no conclusive evidence that the officials were negligent or responsible for the delay in payment of the February and March invoices. The BAS system failure also contributed in the delays. • Investigation completed. • No disciplinary action recommended. • Application for Condonation approved by HOD. • Remedial Action - Implementing a database for capturing invoices received from First Auto. Appointed two officials within Finance section to be responsible for receiving invoices and updating the database of the status. • Remedial action - Arrangements made with First Auto and now new service provider.
		2	Payment of Penalty Interest- First Auto		

SCOPA RESOLUTION	SUBJECT	PROGRESS			
					<p>approved by HOD.</p> <ul style="list-style-type: none"> • Remedial Action - Implementing a database for capturing invoices received from First Auto. Appointed two officials within Finance section to be responsible for receiving invoices and updating the database of the status. • Remedial action - Arrangements made with First Auto and now new service provider.
		3	<p>The local transport officer UGu District Office was scheduled to attend a computer course in Pietermaritzburg. Course had been cancelled by SITA. The service provider – YES PLEASE - charged R 720.00 for the second night for late cancelation.</p>	720.00	<ul style="list-style-type: none"> • Investigation completed. • 1 official recommended for verbal warning. • Report forwarded to Regional manager on 27 Jan 2015, on disciplinary action recommended. • Application for Condonation approved by HOD. • No recovery - first incident of oversight by this official and recovery would severely impact the official's financial position. • Remedial Action - Human Resource Management Practitioner should confirm events/ meetings, etc, prior to informing officials of the event.

SCOPA RESOLUTION	SUBJECT	PROGRESS			
		4	No Show charges - Protea Hotel Midrand	3 619.70	<ul style="list-style-type: none"> • Investigation completed. • No disciplinary action recommended. The investigation revealed that there is no element of negligence or a lack of planning as the circumstances leading to the cancellation of the trip was beyond the control of the officials concerned. • Application for Condonation approved by HOD. • No recovery • Remedial action –officials to ensure they confirm attendance to events at least 24 hours prior.
		5	The licence disc in respect of KZN 55943 was lost. Head Office was requested to arrange for a new licence disc at a cost of R 663.00.	663.00	<ul style="list-style-type: none"> • Investigation completed. • No disciplinary action recommended. It is impossible to determine who is responsible for the removal of the disc or whether the disc became detached due to the holder losing adhesiveness because of the effects of the sun. • Application for Condonation approved to HOD. • The Regional Loss Control Committee after investigation and deliberations recommended to the Chief Financial Officer to write-off the loss amount as no one official or group of officials can be held responsible for the loss. • Remedial Action - New disc holders procured

SCOPA RESOLUTION	SUBJECT	PROGRESS			
		6	Interest on late payment made to a tertiary institution on behalf of a bursary holder.	2 161.98	<ul style="list-style-type: none"> • Investigation completed. • 3 officials recommended for corrective measures. Report forwarded to Regional manager on 27 Jan 2015, for disciplinary action recommended. • Application for Condonation approved by HOD. • Recoveries – dependant on the outcome of corrective measures recommended. • Remedial Action - Human Resource Development compile a checklist to be attached to payments. This checklist must be signed by all parties, i.e. Compiler, Checker, Reviewer and Approved.
		7	Interest paid to Local Government on water & electricity charges.	4 126.20	Under Investigation
		8	Interest paid to Local Government on water & electricity charges.	6 923.48	Under Investigation
Resolution	Transversal	A follow-up audit was conducted by KZN Provincial Treasury Internal Audit on the			

SCOPA RESOLUTION	SUBJECT	PROGRESS									
47/2014	resolution – Findings of the Auditor-General on Information Technology	Auditor General's Controls report during November/December 2014. This matter has been cleared as the IT Security Awareness e-Learning System has been implemented.									
Resolution 48/2014	Transversal resolution – Material misstatements and omissions in submitted Annual Financial Statements	<p>Financial Statements are prepared on a quarterly basis and are reviewed by the Chief Financial Officer for correctness. This process assist in ensuring information collated for the disclosure notes is up dated on a regular basis to assist in accurate reporting at year end.</p> <p>Historically a number of the material misstatements have related to the Fixed Asset Register both in respect of completeness as well as difference of interpretation of the sector guide on immovable assets.</p> <p>The Department continues to engage with National Public Works, National Treasury and the Auditor General in terms of the current requirements for Immoveable Assets disclosure.</p>									
Resolution 49/2014	Transversal resolution – Human Resources matters – Filling of key vacancies	<p>In terms of the directive from the National Minister of Finance, posts are only activated once their inclusion in the Human Resource Provisioning Plan has been approved. The directive mostly impacts on technical and built disciplines which are difficult to attract but are key to service delivery.</p> <p>Out of a total of 30 SMS positions, 2 posts are vacant, resulting in a 6.7% vacancy rate. A breakdown of the vacant SMS posts as at 31 December 2014 is provided in the table below;</p> <table> <tr> <th>POST</th><th>OFFICE</th><th>COMMENTS / STATUS</th></tr> <tr> <td>Senior Manager: Asset Management</td><td>Property Management – Head Office</td><td>Awaiting vetting and verification results and finalisation of the competency based assessments before the recommended candidate can be appointed.</td></tr> <tr> <td>Chief of Staff</td><td>Ministry – Head Office</td><td>Approval to advertise and fill obtained.</td></tr> </table>	POST	OFFICE	COMMENTS / STATUS	Senior Manager: Asset Management	Property Management – Head Office	Awaiting vetting and verification results and finalisation of the competency based assessments before the recommended candidate can be appointed.	Chief of Staff	Ministry – Head Office	Approval to advertise and fill obtained.
POST	OFFICE	COMMENTS / STATUS									
Senior Manager: Asset Management	Property Management – Head Office	Awaiting vetting and verification results and finalisation of the competency based assessments before the recommended candidate can be appointed.									
Chief of Staff	Ministry – Head Office	Approval to advertise and fill obtained.									
Resolution 50/2014	Transversal resolution – Reports on forensic and other investigations	<p>During 2013/2014 financial year there were 8 investigations in progress by Provincial Treasury on behalf of the Department. Internal Audit is aware of all other investigations being conducted.</p> <p>SIU finalised 5 investigations relating to supply chain management, as per Presidential Proclamation R43/2010.</p>									

SCOPA RESOLUTION	SUBJECT	PROGRESS
Resolution 51/2014	Transversal resolution – Repeat audit findings	Action plan have been put in place and actioned to address and clear all previous repeat audit findings.
Resolution 52/2014	Transversal resolution – Audit finding regressions	<p>The 2013/14 Auditor General Audit was successfully completed resulting in the Department further improving on outcomes and again obtaining an unqualified Audit.</p> <p>Further to this no material findings on the reported performance information for the selected programmes was raised.</p>
Resolution 53/2014	Transversal resolution – Performance agreements for Accounting Officer and Senior Management	<p>(i) All SMS members, signed performance agreements</p> <p>(ii) Yes, paragraph 8 of the performance agreement pro forma provides for the management of performance outcomes, namely non-performance and under-performance and all SMS members who have submitted their performance agreements have complied.</p> <p>(iii) All SMS members who have submitted their performance agreements have in addition submitted their Directorate's Annual Operational Plans and these plans contain performance indicators that relate to the prevention of unauthorized, irregular, fruitless and wasteful expenditure.</p>
Resolution 54/2014	Transversal resolution - Expenditure on consultants	Expenditure on consultants was submitted
Resolution 55/2014	Transversal resolution - Government Employees performing private remunerative work	<p>2013/14 - No cases were identified.</p> <p>The Department now ensures that all SBD4 declarations are fully completed by use of a SCM checklist which includes conducting of PERSAL checks.</p> <p>In addition, a circular was issued on 15 August 2013 for all declarations submitted by recommended bidders to be validated by conducting a "person employed by the state check" on the PERSAL system.</p> <p>Should they be found to be employed by the state then they will be required to submit proof of authority to conduct business.</p>
Resolution 56/2014	Transversal resolution – Unfunded Events approved by the Major Events Sub-Committee of the Executive Council	The department did not undertake events which resulted in over-expenditure

SCOPA RESOLUTION	SUBJECT	PROGRESS						
Resolution 57/2014	Transversal resolution – Up-front payments	Resolution noted						
Resolution 59/2014	Transversal resolution – Implementation of audit recommendations accepted by Management	Implementation of audit recommendations accepted by Management was submitted						
Resolution 60/2014	Transversal resolution – Provision for accruals in department budgets	<p>Accruals were disclosed as follows on the 2013/14 AFS:</p> <table> <tr> <td></td><td>30 days</td><td>30+ days</td></tr> <tr> <td>Accruals</td><td>9 840 mil</td><td>1 855 mil</td></tr> </table> <p>The department did not incur interest in 2014/15 relating to the settlement of these accruals.</p>		30 days	30+ days	Accruals	9 840 mil	1 855 mil
	30 days	30+ days						
Accruals	9 840 mil	1 855 mil						

16. Exemptions and deviations received from the National Treasury

No exemptions were granted from National Treasury.

17. Approval

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



Mr A Govender
Head: Department of Public Works

3.3 REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON VOTE NO. 14: THE DEPARTMENT OF PUBLIC WORKS REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Department of Public Works set out on pages 49 to 144, which comprise the appropriation statement, the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the International Standards on Auditing. 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.

4. 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 department'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 department'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.

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

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Public Works as at 31 March 2015, and its financial performance and cash flows for the year then ended, in accordance with the MCS and the requirements of the PFMA and DoRA.

Additional matter

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

Unaudited supplementary schedules

8. The supplementary information set out on pages 145 to 184 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

9. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for programme 2: property management (real estate) on pages 19 to 21 as well as programme 3: provision of buildings, structures and equipment (operations) on pages 22 to 26, presented in the department's annual performance report for the year ended 31 March 2015.

11. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

12. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPi).

13. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

14. I did not raise any material findings on the usefulness and reliability of the reported performance information for the property management (real estate) and provision of buildings, structures and equipment programme (operations).

Additional matters

15. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected programme, I draw attention to the following matters:

Achievement of planned targets

16. Refer to the annual performance report on pages 15 to 26 for information on the achievement of the planned targets for the year.

Adjustment of material misstatements

17. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for provision of buildings, structures and equipment (operations). As management subsequently corrected the misstatements, I did not raise any material findings on the

reliability of the reported performance information.

Unaudited supplementary schedule

18. The supplementary information set out on pages 145 to 184 does not form part of the annual performance report and is presented as additional information. I have not audited this schedule and, accordingly, I do not report thereon.

Compliance with legislation

19. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows.

Procurement and contract management

20. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, contrary to treasury regulation 16A6.1.

21. Contracts were awarded to bidders who did not submit a declaration of past supply chain practices such as fraud, abuse of supply chain management system and non-performance, contrary to treasury regulation 16A9.2.

Expenditure management

22. Effective steps were not taken to prevent irregular expenditure, in contravention of section 38(1) (c) (ii) of the PFMA and treasury regulation 9.1.1.

Internal control

23. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

Leadership

24. The leadership did not exercise adequate oversight responsibility over compliance with laws and regulations relating to procurement and contract management as well as expenditure management.

Financial management

25. The compliance checklists were not adequately reviewed by management resulting in non-compliance with supply chain management laws and regulations.

OTHER REPORTS

Investigations

26. At the request of the department, provincial treasury and the Special Investigation Unit performed 11 investigations, which covered the period 2011 to 2014. The investigations were initiated based on allegations of possible irregularities with tender processes within the department, leasing of state houses, and alleged fraud and corruption on the management of property management on lease rentals. Six investigations are

still in progress and five investigations, which were concluded on 31 March 2014 resulted in criminal proceedings being instituted against the employees involved.

Auditor - General

Pietermaritzburg
29 July 2015



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

KWAZULU-NATAL DEPARTMENT OF PUBLIC WORKS

VOTE 14

APPROPRIATION STATEMENTS

for the year ended 31 March 2015

Appropriation per programme										
2014/15								2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
1. Programme 1										
Current payment	304,530	-	(2,355)	302,175	301,177	998	99,7%	289,021	289,021	
Transfers and subsidies	4,387	-	1,543	5,930	5,858	72	98,8%	4,450	4,450	
Payment for capital assets	22,932	-	697	23,629	23,629	-	100%	30,170	30,170	
Payment for financial assets	-	-	-	-	-	-	-	-	-	
	331,849	-	(115)	331,734	330,664	1,070	99,7%	323,641	323,641	
2. Programme 2										
Current payment	130,372	-	766	131,138	101,615	29,523	77,5%	102,225	73,056	
Transfers and subsidies	484,990	-	46	485,036	512,586	(27,550)	105,7%	467,064	467,064	
Payment for capital assets	329	-	(239)	90	90	-	100%	296	296	
Payment for financial assets	-	-	-	-	-	-	-	-	-	
	615,691	-	573	616,264	614,291	1,973	99,7%	569,585	540,416	
3. Programme 3										
Current payment	340,997	-	(3,065)	337,932	337,653	279	99,9%	331,356	317,047	
Transfers and subsidies	3,236	-	3,065	6,301	6,250	51	99,2%	4,861	4,861	

KWAZULU-NATAL DEPARTMENT OF PUBLIC WORKS
VOTE 14
APPROPRIATION STATEMENTS
for the year ended 31 March 2015

Appropriation per programme										
2014/15										2013/14
	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	R'000
Payment for capital assets	99,990	-	(458)	99,532	99,201	331	99,7%	84,288	84,288	
Payment for financial assets	-	-	-	-	23	(23)	-	-	-	
	444,223	-	(458)	443,765	443 127	638	99,9%	420,505	406,196	
Subtotal	1,391,763			1,391,763	1,388,082	3,681	99.7%	1,313,731	1,270,253	
Statutory Appropriation										
Current payment										
Transfers and subsidies										
Payment for capital assets										
Payment for financial assets										
TOTAL	1,391,763			1,391,763	1,388,082	3,681	99.7%	1,313,731	1,270,253	

KWAZULU-NATAL DEPARTMENT OF PUBLIC WORKS
VOTE 14
APPROPRIATION STATEMENTS
for the year ended 31 March 2015

	2014/15		2013/14	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	19,486		18,258	
Aid assistance	-		-	
Actual amounts per statement of financial performance (total revenue)	1,411,249		1,331,989	
ADD				
Aid assistance				
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance (total expenditure)		1,388,082		1,270,253

KWAZULU-NATAL DEPARTMENT OF PUBLIC WORKS
VOTE 14
APPROPRIATION STATEMENTS
for the year ended 31 March 2015

Appropriation per economic classification									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	2013/14	
	R'000	R'000	R'000	R'000	R'000	R'000	%	Final Appropriation	Actual expenditure
Current payments	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Compensation of employees	517,253	-	(10,000)	507,253	505,875	1,378	99.7%	489,093	489,093
Goods and services	258,645	-	5,346	263,991	234,569	29,422	88.9%	233,497	190,019
Interest and rent on land	1	-	-	1	1	-	100%	12	12
Transfers and subsidies									
Provinces and municipalities	485,142	-	138	485,280	512,835	(27,555)	105.7%	467,070	467,068
Departmental agencies and accounts	588	-	-	588	460	128	78.2%	540	423
Higher education institutions	-	-	-	-	-	-		-	-
Foreign governments and international organisations	-	-	-	-	-	-		-	-
Public corporations and private enterprises	-	-	-	-	-	-		-	-
Non-profit institutions	827	-	47	874	874	-	100.0%	344	409
Households	6,056	-	4,469	10,525	10,525	-	100.0%	8,421	8,475
Gifts and donations	-	-	-	-	-	-		409	409

KWAZULU-NATAL DEPARTMENT OF PUBLIC WORKS
VOTE 14

APPROPRIATION STATEMENTS
for the year ended 31 March 2015

Appropriation per economic classification									
	2014/15					2013/14			
	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
Payments for capital assets									
Buildings and other fixed structures	98,548	-	-	98,548	98,248	300	99.7%	74,773	74,773
Machinery and equipment	20,703	-	(461)	20,242	20,211	31	99.8%	34,747	34,747
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	4,000	-	461	4,461	4,461	-	100%	5,234	5,234
Payments for financial assets	-	-	-	-	23	(23)	-	-	-
Total	1,391,763	-	-	1,391,763	1,388,082	3,681	99.7%	1,313,731	1,270,253

KWAZULU-NATAL DEPARTMENT OF PUBLIC WORKS
VOTE 14
APPROPRIATION STATEMENTS
for the year ended 31 March 2015

Statutory Appropriation									
2014/15							2013/14		
Direct changes against the National/Provincial Revenue Fund	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
List all direct charges against the National/Provincial Revenue Fund									
President and Deputy President salaries									
Member of executive committee / parliamentary officers									
Judges and magistrates salaries									
Sector education and training authorities (SETA)									
National Skills Fund									
Total									

KWAZULU-NATAL DEPARTMENT OF PUBLIC WORKS

VOTE 14

APPROPRIATION STATEMENTS

for the year ended 31 March 2015

Detail per Programme 1 Administration									
Detail per sub-programme	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Minister's Support									
Current payment	11,262	-	1,098	12,360	12,501	(141)	101.1%	11,288	11,288
Transfers and subsidies	827	-	51	878	878	-	100.0%	349	414
Payment for capital assets	166	-	-	166	26	140	15.7%	167	167
Payment for financial assets	-	-	-	-	-	-	-	-	-
1.2 Management									
Current payment	293,268	-	(3,453)	289,815	288,676	1,139	99.6%	277,733	277,733
Transfers and subsidies	3,560	-	1,492	5,052	4,980	72	98.6%	4 101	4 036
Payment for capital assets	22,766	-	697	23,463	23,603	(140)	100.6%	30,003	30,003
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	331,849	-	(115)	331,734	330,664	1,070	99.7%	323,641	323,641

KWAZULU-NATAL DEPARTMENT OF PUBLIC WORKS

VOTE 14

APPROPRIATION STATEMENTS

for the year ended 31 March 2015

2014/15							2013/14		
Programme 1 Per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final Approp riation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	239,719	-	(3,695)	236,024	235,025	999	99.6%	226,839	226,839
Goods and services	64,811	-	1,340	66,151	66,152	(1)	100.0%	62,174	62,174
Interest and rent on land	-	-	-	-	-	-	-	8	8
Transfers and subsidies to:									
Provinces and municipalities	187	-	138	325	325	-	100.0%	269	269
Departmental agencies and accounts	528	-	-	528	456	72	86.4%	481	416
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	827	-	47	874	874	-	100.0%	344	409
Households	2,845	-	1,358	4,203	4,203	-	100.0%	3,356	3,356
Gifts and donations	-	-	-	-	-	-	-	-	-

KWAZULU-NATAL DEPARTMENT OF PUBLIC WORKS
VOTE 14

APPROPRIATION STATEMENTS
for the year ended 31 March 2015

Programme 1 Per Economic classification	2014/15						2013/14		
	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
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-		-	-
Machinery and equipment	18,932	-	236	19,168	19,168	-	100.0%	24,936	24,936
Heritage assets	-	-	-	-	-	-		-	-
Specialised military assets	-	-	-	-	-	-		-	-
Biological assets	-	-	-	-	-	-		-	-
Land and subsoil assets	-	-	-	-	-	-		-	-
Intangible assets	4,000	-	461	4,461	4,461	-	100.0%	5,234	5,234
Payments for financial assets	-	-	-	-	-	-		-	-
Total	331,849	-	(115)	331,734	330,664	1,070	99.7%	323,641	323,641

KWAZULU-NATAL DEPARTMENT OF PUBLIC WORKS

VOTE 14

APPROPRIATION STATEMENTS

for the year ended 31 March 2015

Detail per Programme 2 Property Management									
2014/15							2013/14		
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
2.1 Personnel & Admin Related									
Current payment	124,378	-	766	125,144	96,449	28,695	77.1%	97,374	68,205
Transfers and subsidies	484,990	-	46	485,036	512,586	(27,550)	105.7%	467,064	467,064
Payment for capital assets	329	-	(239)	90	90	-	100.0%	296	296
Payment for financial assets	-	-	-	-	-	-		-	-
2.2 Hiring									
Current payment	5,678	-	-	5,678	5,009	669	88.2%	4,842	4,842
Transfers and subsidies	-	-	-	-	-	-		-	-
Payment for capital assets	-	-	-	-	-	-		-	-
Payment for financial assets	-	-	-	-	-	-		-	-
2.3 Acquisition of Land, Control & Disposal									
Current payment	316	-	-	316	157	159	49.7%	9	9
Transfers and subsidies	-	-	-	-	-	-		-	-

KWAZULU-NATAL DEPARTMENT OF PUBLIC WORKS
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APPROPRIATION STATEMENTS
for the year ended 31 March 2015

Detail per Programme 2 Property Management									
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual expenditure	Variance	2013/14		
							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
Payment for capital assets	-	-	-	-	-	-		-	-
Payment for financial assets	-	-	-	-	-	-		-	-
Total	615,691	-	573	616,264	614,291	1,973	99.7%	569,585	540,416

KWAZULU-NATAL DEPARTMENT OF PUBLIC WORKS

VOTE 14

APPROPRIATION STATEMENTS

for the year ended 31 March 2015

Detail per Programme 2 Property Management									
Programme 2 Per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	2013/14	
								Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	42,817	-	766	43,583	43,583	-	100.0%	43,316	43,316
Goods and services	87,555	-	-	87,555	58,032	29,523	66.3%	58,909	29,740
Interest and rent on land	-	-	-	-	-	-		-	6
Transfers and subsidies to:									
Provinces and municipalities	484,955	-	-	484,955	512,510	(27,555)	105.7%	466,799	466,799
Departmental agencies and accounts	5	-	-	5	-	5		-	-
Higher education institutions	-	-	-	-	-	-		-	-
Foreign governments and international organisations	-	-	-	-	-	-		-	-
Public corporations and private enterprises	-	-	-	-	-	-		-	-
Non-profit institutions	-	-	-	-	-	-		-	-
Households	30	-	46	76	76	-	100.0%	260	265
Gifts and donations	-	-	-	-	-	-		-	-

KWAZULU-NATAL DEPARTMENT OF PUBLIC WORKS

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APPROPRIATION STATEMENTS

for the year ended 31 March 2015

Detail per Programme 2 Property Management									
Programme 2 Per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	2013/14	
	R'000	R'000	R'000	R'000	R'000	R'000	%	Final Appropriation	Actual Expenditure
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	329	-	(239)	90	90	-	100.0%	296	296
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	615,691	-	573	616,264	614,291	1,973	99.7%	569,585	540,416

KWAZULU-NATAL DEPARTMENT OF PUBLIC WORKS

VOTE 14

APPROPRIATION STATEMENTS

for the year ended 31 March 2015

Detail per Programme 3 Provision of Buildings Structures and Equipment									
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	2013/14	
								Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Personnel & Admin Related									
Current payment	330,203	-	(3,065)	327,138	327,061	77	100.0%	322,003	307,677
Transfers and subsidies	3,236	-	3,065	6 301	6,250	51	99.2%	4,861	4,861
Payment for capital assets	1,273	-	(341)	932	933	(1)	100.1%	9,492	9,509
Payment for financial assets	-	-	-	-	23	(23)	-	-	-
3.2 Buildings & Structures									
Current payment	10,794	-	-	10,794	10,592	202	98.1%	9,353	9,370
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	98,717	-	(117)	98,600	98,268	332	99.7%	74,796	74,779
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	444,223	-	(458)	443,765	443,127	638	99.9%	420,505	406,196

Detail per Programme 3 Provision of Buildings Structures and Equipment									
Programme 3 Per Economic classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	2013/14	
								Final Appropriation R'000	Actual Expenditure R'000
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	98,548	-	-	98,548	98,248	300	99.7%	74,773	74,773
Machinery and equipment	1,442	-	(458)	984	953	31	96.8%	9,515	9,515
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	23	(23)	-	-	-
Total	444,223	-	(458)	443,765	443,127	638	99.9%	420,505	406,196

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
VOTE 14

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2015

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 payments for financial assets

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

2. 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 0,32
Administration	331,734	330,664	1070	
Within budget				
Property Management	616,264	614,291	1973	0.32%
Provision of buildings, Structures and equipment	443,765	443,127	638	0,14%

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
VOTE 14

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2015

4.2 Current payments Per economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Compensation of employees	507,253	505,873	1,378	0.27%
Goods and services	263,991	234,570	29,422	11.14%
Interest and rent on land	1	1	-	0.00%
Unauthorised expenditure approved	-	-	-	
Transfers and subsidies				
Provinces and municipalities	485,280	512,835	(27,555)	-5.68%
Departmental agencies and accounts	588	460	128	21.77%
Higher education institutions	-	-	-	
Public corporations and private enterprises	-	-	-	
Foreign governments and international organisations	-	-	-	
Non-profit institutions	874	874	0	0.00%
Households	10,525	10,525	0	0,00%
Gifts and donations			-	-
Payments for capital assets				
Buildings and other fixed structures	98,548	98,248	300	0.30%
Machinery and equipment	20,242	20,209	31	0.16%
Heritage assets	-	-	-	
Specialised military assets	-	-	-	
Biological assets	-	-	-	
Land and subsoil assets	-	-	-	
Intangible assets	4,461	4,461	-	0.00%
Payments for financial assets	0	23	(23)	

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
VOTE 14

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2015

4.2 Current payments Per economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Compensation of employees	507,253	505,873	1,378	0.27%
Goods and services	263,991	234,570	29,422	11.14%
Interest and rent on land	1	1	-	0.00%
Unauthorised expenditure approved	-	-	-	
Transfers and subsidies				
Provinces and municipalities	485,280	512,835	(27,555)	-5.68%
Departmental agencies and accounts	588	460	128	21.77%
Higher education institutions	-	-	-	
Public corporations and private enterprises	-	-	-	
Foreign governments and international organisations	-	-	-	
Non-profit institutions	874	874	0	0.00%
Households	10,525	10,525	0	0,00%
Gifts and donations			-	-
Payments for capital assets				
Buildings and other fixed structures	98,548	98,248	300	0.30%
Machinery and equipment	20,242	20,209	31	0.16%
Heritage assets	-	-	-	
Specialised military assets	-	-	-	
Biological assets	-	-	-	
Land and subsoil assets	-	-	-	
Intangible assets	4,461	4,461	-	0.00%
Payments for financial assets	0	23	(23)	

4.3 Per conditional grant	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
Public Works				
EPWP Incent Grnt Munics	-	-	-	
EPWP Inter Grnt Prov	3,168	3,167	1	0.03%
Soc Sec EPWP Incen Grnt For Prov	-	-	-	

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2015

REVENUE	Note	2014/15 R'000	2013/14 R'000
Annual appropriation	1	1,391,763	1,313,731
Statutory appropriation		-	-
Departmental revenue	2	19,486	18,258
NRF Receipts		-	-
Aid assistance		-	-
TOTAL REVENUE		1,411,249	1,331,989
EXPENDITURE			
Current expenditure			
Compensation of employees	3	505,875	489,093
Goods and services	4	234,570	190,019
Interest and rent on land	5	1	12
Aid assistance		-	-
Unauthorised expenditure approved without funding		-	-
Total current expenditure		740,446	679,124
Transfers and subsidies			
Transfers and subsidies	7	524,694	476,375
Aid assistance		-	-
Unauthorised expenditure approved without funding		-	-
Total transfers and subsidies		524,694	476,375

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
VOTE 14

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2015

Expenditure for capital assets			
Tangible assets	<u>8</u>	118,458	109,520
Intangible assets	<u>8</u>	4,461	5,234
Unauthorised expenditure approved without funding		-	-
Total expenditure for capital assets		122,919	114,754
 Payments for financial assets	 <u>6</u>	 23	 -
 TOTAL EXPENDITURE		 1,388,082	 1,270,253
 SURPLUS/(DEFICIT) FOR THE YEAR		 23,167	 61,736
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		3,681	43,478
Annual appropriation		3,681	43,478
Conditional grants		-	-
Unconditional grants		-	-
Departmental revenue and NRF Receipts	<u>13</u>	19,486	18,258
Aid assistance		-	-
SURPLUS/(DEFICIT) FOR THE YEAR		23,167	61,736

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2015

	<i>Note</i>	2014/15 R'000	2013/14 R'000
ASSETS			
Current assets		311,421	97,628
Unauthorised expenditure		-	-
Cash and cash equivalents	<u>9</u>	41	41
Other financial assets		-	-
Prepayments and advances	<u>10</u>	-	18
Receivables	<u>11</u>	311,380	97,569
Loans		-	-
Aid assistance prepayments		-	-
Aid assistance receivable		-	-
Non-current assets		63,475	593,558
Investments		63,475	593,558
Receivables		-	-
Loans		-	-
Other financial assets		-	-
TOTAL ASSETS		374, 896	691,186
LIABILITIES			
Current liabilities		371,166	689,164
Voted funds to be surrendered to the Revenue Fund	<u>12</u>	3,681	43,478
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>13</u>	1,456	2,751
Bank overdraft	<u>14</u>	302,270	614,152
Payables	<u>15</u>	63,759	28,783
Aid assistance repayable		-	-
Aid assistance unutilised		-	-

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2015

Non-current liabilities		
Payables	-	-
TOTAL LIABILITIES	371,166	689,164
NET ASSETS	3,730	2,022

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2015

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Capitalisation Reserves			
Opening balance		-	-
Transfers:			
Movement in Equity		-	-
Movement in Operational Funds		-	-
Other movements		-	-
Closing balance		-	-
Recoverable revenue			
Opening balance		2,022	1,409
Transfers:		1,708	613
Irrecoverable amounts written off	<u>23.2</u>	-	-
Debts revised		920	12
Debts recovered (included in departmental receipts)		(1,699)	(271)
Debts raised		2487	872
Closing balance		3,730	2,022
Retained funds			
Opening balance		-	-
Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)		-	-
Utilised during the year		-	-
Other		-	-
Closing balance		-	-
Revaluation Reserve			
Opening balance		-	-
Revaluation adjustment (Housing departments)		-	-
Transfers		-	-
Other		-	-
Closing balance		-	-
TOTAL		3,730	2,022

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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CASH FLOW STATEMENT
for the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1,399,146	1,321,114
Annual appropriated funds received	<u>1.1</u>	1,391,763	1,313,731
Statutory appropriated funds received		-	-
Departmental revenue received	<u>2</u>	7,351	7,329
Interest received	<u>2.2</u>	32	54
NRF Receipts		-	-
Aid assistance received		-	-
Net (increase)/decrease in working capital		351,266	(208,047)
Surrendered to Revenue Fund		(64,259)	(235,425)
Surrendered to RDP Fund/Donor		-	-
Current payments		(740,445)	(679,112)
Interest paid	<u>5</u>	(1)	(12)
Payments for financial assets		(23)	-
Transfers and subsidies paid		(524,694)	(476,375)
Net cash flow available from operating activities	<u>16</u>	420,990	(277,857)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>8</u>	(122,919)	(114,754)
Proceeds from sale of capital assets	<u>2.3</u>	12,103	10,875
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
Net cash flows from investing activities		(110,816)	(103,879)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		-	-
Increase/(decrease) in net assets		1,708	613
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		1,708	613
Net increase/(decrease) in cash and cash equivalents		311,882	(381,123)
Cash and cash equivalents at beginning of period		(614,111)	(232,988)
Cash and cash equivalents at end of period	<u>17</u>	(302,229)	(614,111)

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
VOTE 14

ACCOUNTING POLICIES
for the year ended 31 March 2015

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

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 (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the exchange rates prevailing at the date of payment / receipt.
6	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	Revenue
7.1	<p>Appropriated funds Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>

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7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
8.2	<p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
8.3	<p>Accrued expenditure payable</p> <p>Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department.</p> <p>Accrued expenditure payable is measured at cost.</p>
8.4	Leases
8.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>

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8.4.2	<p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	Aid Assistance
9.1	<p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
9.2	<p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position. 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.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p><Indicate when prepayments are expensed and under what circumstances.></p>
12	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>

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14	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p>Payables</p> <p>Loans and receivables are recognised in the statement of financial position at cost.</p>
16	Capital Assets
16.1	<p>Immovable capital assets</p> <p>Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.</p> <p>Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.</p>
16.2	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined accurately, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>

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16.3	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
17	Provisions and Contingents
17.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably</p>
17.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department</p>
17.4	<p>Commitments</p> <p>Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash</p>

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18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
20	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>

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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:

	2014/15			2013/14
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
Administration	331,734	331,734	-	323,641
Property Management	616,264	616,264	-	569,585
Provision of Programme	443,765	443,765	-	420,505
Total	1,391,763	1,391,763	-	1,313,731

1.2 Conditional grants

	Note	2014/15 R'000	2013/14 R'000
Total grants received	<u>34</u>	3,168	3,000
Provincial grants included in Total Grants received		-	-

2. Departmental revenue

	Note	2014/15 R'000	2013/14 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	<u>2.1</u>	5,662	5,794
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land	<u>2.2</u>	155	159
Sales of capital assets	<u>2.3</u>	12,103	10,875
Transactions in financial assets and liabilities	<u>2.4</u>	1,566	1,430
Transfer received		-	-
Total revenue collected		19,486	18,258
Less: Own revenue included in appropriation		-	-
Departmental revenue collected		19,486	18,258

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2.1 Sales of goods and services other than capital assets

	Note	2014/15	2013/14
	<u>2</u>	R'000	R'000
Sales of goods and services produced by the department		5,651	5,788
Sales by market establishment		4,285	3,936
Administrative fees		-	-
Other sales		1,366	1,852
Sales of scrap, waste and other used current goods		11	6
Total		5,662	5,794

2.2 Interest, dividends and rent on land

	Note	2014/15	2013/14
	<u>2</u>	R'000	R'000
R'000		R'000	
Interest		32	54
Dividends		-	-
Rent on land		123	105
Total		155	159

2.3 Sale of capital assets

	Note	2014/15	2013/14
	<u>2</u>	R'000	R'000
Tangible assets		12,103	10,875
Buildings and other fixed structures	<u>31.2</u>	4,125	1,787
Machinery and equipment	<u>29.2</u>	4,642	778
Specialised military assets		-	-
Land and subsoil assets	<u>31.2</u>	3,336	8,310
Biological assets		-	-
Intangible assets		-	-
Software		-	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Total		12,103	10,875

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2.4 Transactions in financial assets and liabilities

	Note	2014/15	2013/14
	2	R'000	R'000
Loans and advances		-	-
Receivables		-	-
Forex gain		514	606
Stale cheques written back		-	64
Other Receipts including Recoverable Revenue		1,052	760
Gains on GFECRA			
Total		1,566	1,430

3. Compensation of employees

3.1 Salaries and Wages

	Note	2014/15	2013/14
		R'000	R'000
Basic salary		354,246	341,326
Performance award		6,875	6,538
Service Based		1,739	1,357
Compensative/circumstantial		2,898	2,414
Periodic payments		331	335
Other non-pensionable allowances		68,273	66,422
Total		434,362	418,392

3.2 Social contributions

	Note	2014/15	2013/14
		R'000	R'000
Employer contributions			
Pension		43,511	41,702
Medical		27,876	28,878
UIF		2	2
Bargaining council		124	119
Official unions and associations		-	-
Insurance		-	-
Total		71,513	70,701
Total compensation of employees		505,875	489,093
Average number of employees		1,960	2,066

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4. Goods and services

	Note	2014/15	2013/14
		R'000	R'000
Administrative fees		658	251
Advertising		6,786	5,820
Minor assets	4.1	928	1,745
Bursaries (employees)		409	338
Catering		967	466
Communication		10,275	10,495
Computer services	4.2	23,040	33,718
Consultants: Business and advisory services		302	287
Infrastructure and planning services		107	377
Laboratory services		-	-
Scientific and technology services		-	-
Legal services		894	232
Contractors		1,419	584
Agency and support/ outsourced services		27,092	23,965
Entertainment		348	205
Audit cost – external	4.4	5,388	7396
Fleet services		11,773	11,035
Inventory		-	-
Consumables	4.5	6,151	7,209
Housing		-	-
Operating leases		3,349	3,167
Property payments	4.6	67,724	69,539
Rental and hiring		6,104	4,860
Transport provided as part of the departmental activities		278	252
Travel and subsistence	4.7	14,395	13,525
Venues and facilities		-	291
Training and development		29,795	6,059
Other operating expenditure	4.8	2,651	1,940
Total		234,570	190,019

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4.1 Minor assets

	Note	2014/15	2013/14
	4	R'000	R'000
Tangible assets		1,745	928
Buildings and other fixed structures		-	-
Biological assets		-	-
Heritage assets		-	-
Machinery and equipment		1,745	928
Transport assets		-	-
Specialised military assets		-	-
Intangible assets		-	-
Software		-	-
Mastheads and publishing titles		-	-
Recipes, formulae, prototypes, designs		-	-
Services and operating rights		-	-
Total		1,745	928

4.2 Computer services

	Note	2014/15	2013/14
	4	R'000	R'000
SITA computer services		13,930	13,455
External computer service providers		19,788	9,585
Total		33,718	23,040

4.3 Audit cost – External

	Note	2014/15	2013/14
	4	R'000	R'000
Regularity audits		7,396	5,388
Performance audits		-	-
Investigations		-	-
Environmental audits		-	-
Computer audits		-	-
Total		7,396	5,388

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4.4 Consumables

	Note	2014/15	2013/14
	4	R'000	R'000
Consumable supplies		3,045	4,068
Uniform and clothing		1,756	2,627
Household supplies		656	859
Building material and supplies		-	-
Communication accessories		34	-
IT consumables		202	178
Other consumables		397	404
Stationery, printing and office supplies		3,106	3,141
Total		6,151	7,209

4.5 Property payments

	Note	2014/15	2013/14
	4	R'000	R'000
Municipal services		26,410	20,774
Property management fees		-	-
Property maintenance and repairs		10,412	8,997
Other		32,717	37,953
Total		69,539	67,724

4.6 Travel and subsistence

	Note	2014/15	2013/14
	4	R'000	R'000
Local		13,507	14,388
Foreign		18	7
Total		13,525	14,395

4.7 Other operating expenditure

	Note	2014/15	2013/14
	4	R'000	R'000
Professional bodies, membership and subscription fees		9	-
Resettlement costs		450	1,047
Other		1,481	1,604
Total		1,940	2,651

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5. Interest and Rent on land

	<i>Note</i>	2014/15	2013/14
		R'000	R'000
Interest paid		1	12
Rent on land		-	-
Total		1	12

6. Payments for financial assets

	<i>Note</i>	2014/15	2013/14
		R'000	R'000
Material losses through criminal conduct			
Theft		-	-
Other material losses		-	-
Purchase of equity		-	-
Extension of loans for policy purposes		-	-
Other material losses written off		-	-
Debts written off		-	-
Forex losses	6.1	23	-
Debt take overs		-	-
Losses on GFECRA		-	-
Total		23	-

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6.1 Debts written off

	Note	2014/15	2013/14
	6	R'000	R'000
Nature of debts written off			
Irregular expenditure written off		-	-
Total		<u>-</u>	<u>-</u>
Recoverable revenue written off		-	-
Total		<u>-</u>	<u>-</u>
Other debt written off			
Debts written off due to prescription		23	
Total		<u>-</u>	<u>-</u>
Total debt written off		<u><u>23</u></u>	<u><u>-</u></u>

7. Transfers and subsidies

	Note	2014/15	2013/14
		R'000	R'000
Provinces and municipalities	<i>Annex 1A</i>	512,834	467,068
Departmental agencies and accounts	<i>Annex 1B</i>	460	423
Higher education institutions		-	-
Foreign governments and international organisations		-	-
Public corporations and private enterprises		-	-
Non-profit institutions		874	409
Households	<i>Annex 1C</i>	10,525	8,475
Total		<u><u>524,693</u></u>	<u><u>476,375</u></u>

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8. Expenditure for capital assets

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Tangible assets		118,458	109,520
Buildings and other fixed structures	31.1	98,249	74,773
Heritage assets		-	-
Machinery and equipment	29.1	20,209	34,747
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Intangible assets		4,461	5,234
Software	30	4,461	5,234
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Total		122,919	114,754

8.1 Analysis of funds utilised to acquire capital assets – 2014/15

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	118,459	-	118,459
Buildings and other fixed structures	98,249	-	98,249
Heritage assets	-	-	-
Machinery and equipment	20,210	-	20,210
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible assets	4,460	-	4,460
Software	4,460	-	4,460
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	122,919	-	122,919

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8.2 Analysis of funds utilised to acquire capital assets – 2013/14

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	109,520	-	109,520
Buildings and other fixed structures	74,773	-	74,773
Heritage assets	-	-	-
Machinery and equipment	34,747	-	34,747
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible assets	5,234	-	5,234
Software	5,234	-	5,234
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	114,754	-	114,754

8.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2014/15
		R'000
Tangible assets		-
Buildings and other fixed structures		-
Heritage assets		-
Machinery and equipment		-
Specialised military assets		-
Land and subsoil assets		-
Biological assets		-
Intangible assets		-
Total		-

9. Cash and cash equivalents

	Note	2014/15	2013/14
		R'000	R'000
Consolidated Paymaster General Account		-	-
Cash receipts		-	-
Disbursements		-	-

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Cash on hand	41	41
Investments (Domestic)	-	-
Investments (International)	-	-
Total	41	41

10. Prepayments and advances

	Note	2014/15 R'000	2013/14 R'000
Staff advances		-	-
Travel and subsistence		-	18
Prepayments		-	-
Advances paid		-	-
SOCPEN advances		-	-
Total		18	18

11. Receivables

		2014/15 R'000	R'000	2013/14 R'000	R'000	R'000
	Note	Less than one year	One to three years	Older than three years	Total	Total
Claims recoverable	11.1 Annex3	308,807	28,686	20,858	358,352	676,732
Trade receivables		-	-	-	-	-
Recoverable expenditure		-	-	-	-	-
Staff debt	11.2	2,555	1,756	555	4,865	2,757
Fruitless and wasteful expenditure		-	-	-	-	-
Other debtors	11.3	18	-	11,620	11,638	11,638
Total		311,380	30,442	33,033	374,855	691,127

11.1 Claims recoverable

	Note	2014/15 R'000	2013/14 R'000
National departments	11	161	183
Provincial departments		346,442	665,938
Foreign governments		-	-
Public entities		11,749	10,571
Private enterprises		-	40
Universities and technikons		-	-

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Households and non-profit institutions	-	-
Local governments	-	-
Total	358,352	676,732

11.2 Staff debt

	Note	2014/15	2013/14
	11	R'000	R'000
Breach of Contract		3,180	1,426
Employee		208	136
Ex-employee		781	518
Other		696	677
Total		4,865	2,757

11.3 Other debtors

	Note	2014/15	2013/14
	11	R'000	R'000
Disallowance Payments Fraud Cheques: CA		11,620	11,620
Sal: Tax Debt: CA		18	18
Disallowance Miscellaneous: CA		-	-
Total		11,638	11,638

11.4 Impairment of receivables

	Note	2014/15	2013/14
	11	R'000	R'000
Estimate of impairment of receivables		11,620	11,620
Total		11,620	11,620

12. Voted funds to be surrendered to the Revenue Fund

	Note	2014/15	2013/14
		R'000	R'000
Opening balance		43,478	219,077
Prior period error (2013/14)		-	-
As restated		43,478	219,077
Transfer from statement of financial performance (as restated)		3,681	43,478
Add: Unauthorised expenditure for current year		-	-
Voted funds not requested/not received		-	-
Transferred to retained revenue to defray excess expenditure (PARLIAMENT/LEGISLATURES ONLY)		-	-
Paid during the year		(43,478)	(219,077)
Closing balance		3,681	43,478

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13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2014/15	2013/14
		R'000	R'000
Opening balance		2,751	841
Prior period error (2014/2015)		-	-
As restated		2,751	841
Transfer from Statement of Financial Performance (as restated)		19,486	18,258
Own revenue included in appropriation		-	-
Transfer from aid assistance		-	-
Transfer to voted funds to defray expenditure (Parliament/ Legislatures ONLY)		-	-
Paid during the year		(20,781)	(16,348)
Closing balance		1,456	2,751

14. Bank Overdraft

	Note	2014/15	2013/14
		R'000	R'000
Consolidated Paymaster General Account		302,270	614,152
Fund requisition account		-	-
Overdraft with commercial banks (Local)		-	-
Overdraft with commercial banks (Foreign)		-	-
Total		302,270	614,152

15. Payables – current

	Note	2014/15	2013/14
		R'000	R'000
Amounts owing to other entities		-	-
Advances received		-	-
Clearing accounts	15.1	61,994	25,278
Other payables	15.2	29	878
Total	15.3	1,736	2,627
		63,759	28,783

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15.1 Advances received

	Note	2014/15	2013/14
	15	R'000	R'000
National departments		-	-
Provincial departments		61,994	25,278
Public entities		-	-
Other institutions		-	-
Total		61,994	25,278

15.2 Clearing accounts

	Note	2014/15	2013/14
	15	R'000	R'000
Sal: ACB Recalls		4	489
Pension Recoverable		6	-
Sal: Pension fund		-	7
Sal: Bargaining council		-	1
Sal: Reversal		9	38
Sal: Income tax		10	343
Total		29	878

15.3 Other payables

	Note	2014/15	2013/14
	15	R'000	R'000
Tender Deposits		1,736	2,627
Sal: Garnishee Order		-	-
Total		1,736	2,627

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16. Net cash flow available from operating activities

	Note	2014/15 R'000	2013/14 R'000
Net surplus/(deficit) as per Statement of Financial Performance		23,167	61,736
Add back non cash/cash movements not deemed operating activities		397,823	(339,593)
(Increase)/decrease in receivables – current		316,272	(225,127)
(Increase)/decrease in prepayments and advances		18	(18)
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		34,976	17,098
Proceeds from sale of capital assets		(12,103)	(10,875)
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		122,919	114,754
Surrenders to Revenue Fund		(64,259)	(235,425)
Surrenders to RDP Fund/Donor		-	-
Voted funds not requested/not received		-	-
Own revenue included in appropriation		-	-
Other non-cash items		-	-
Net cash flow generated by operating activities		420,990	(277,857)

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

	Note	2014/15 R'000	2013/14 R'000
Consolidated Paymaster General account		(302,270)	(614,152)
Fund requisition account		-	-
Cash receipts		-	-
Disbursements		-	-
Cash on hand		41	41
Cash with commercial banks (Local)		-	-
Cash with commercial banks (Foreign)		-	-
Total		(302,229)	(614,111)

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18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

		<i>Note</i>	2014/15 R'000	2013/14 R'000
Liable to	Nature			
Motor vehicle guarantees	Employees		-	-
Housing loan guarantees	Employees	Annex 2A	91	196
Other guarantees			-	-
Claims against the department		Annex 2B	7,431	8,488
Intergovernmental payables (unconfirmed balances)		Annex 4	334	214
Environmental rehabilitation liability			-	-
Other			-	-
Total			7,856	8,898

18.2 Contingent assets

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Nature of contingent asset			
Claims for damages on vehicles		380	491
Damages to building		-	-
Loss of cell phones		-	9
Loss of laptops		-	-
Recoveries for cancellation of contract		6,132	6,132
Recoveries of bursary debt		46	45
Recoveries of Compensation i.t.o Court Order		10,897	10
Total		17,455	6,687

19. Commitments

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Current expenditure			
Approved and contracted		16,108	29,906
Approved but not yet contracted		207	4,851
		16,315	34,757
Capital expenditure			
Approved and contracted		79,869	94,934
Approved but not yet contracted		355	-
		80,224	94,934
Total Commitments		96,539	129,691

Commitments longer than a year amounts to R72 896

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20. Accruals

			2014/15	2013/14
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	6,068	1,122	7,190	10,103
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	36	36	49
Capital assets	3,695	51	3,746	1,543
Other	-	-	-	-
Total	9,763	1,209	10,972	11,695

	Note	2014/15	2013/14
		R'000	R'000
Listed by programme level			
Programme 1		4,200	6,374
Programme 2		410	672
Programme 3		6,362	4,649
Total		10,972	11,695

	Note	2013/14	2012/13
		R'000	R'000
Confirmed balances with other departments	Annex 4	579	689
Confirmed balances with other government entities		-	-
Total		579	689

21. Employee benefits

	Note	2014/15	2013/14
		R'000	R'000
Leave entitlement		24,769	23,310
Service bonus (Thirteenth cheque)		13,726	13,206
Performance awards		72	41
Capped leave commitments		50,860	54,921
Other		1,615	3,291
Total		91,042	94,769

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22. Lease commitments

22.1 Operating leases expenditure

	Specialised military equipment	Land	Machinery and equipment	Buildings and other fixed structures	Total
2014/15					
Not later than 1 year		-	302	2,615	2,917
Later than 1 year and not later than 5 years		-	1,715	-	1,715
Later than five years		-	-	-	-
Total lease commitments		-	2,017	2,615	4,632

2013/14

	Specialised military equipment	Land	Machinery and equipment	Buildings and other fixed structures	Total
Not later than 1 year		-	3,788	2,780	6,568
Later than 1 year and not later than 5 years		-	324	2,865	3,189
Later than five years		-	-	59	59
Total lease commitments		-	4,112	5,704	9,816

22.2 Finance leases expenditure

	Special- ised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2014/15					
Not later than 1 year	-	-	-	147	147
Later than 1 year and not later than 5 years	-	-	-	132	132
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	279	279

	Special- ised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2013/14					
Not later than 1 year	-	-	-	284	284
Later than 1 year and not later than 5 years	-	-	-	245	245
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	529	529

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23. Accrued departmental revenue

	<i>Note</i>	2014/15	2013/14
		R'000	R'000
Tax revenue		3	4
Sales of goods and services other than capital assets		368	309
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land		-	13
Sales of capital assets		-	-
Transactions in financial assets and liabilities		-	59
Transfers received (incl. conditional grants to be repaid by provincial departments)		-	-
Other		-	-
Total		371	385

23.1 Analysis of accrued departmental revenue

	<i>Note</i>	2014/15	2013/14
		R'000	R'000
Opening balance		385	67
Less: amounts received		32	56
Add: amounts recognised		371	374
Less: amounts written-off/reversed as irrecoverable		353	-
Closing balance		371	385

23.2 Accrued department revenue written off

	<i>Note</i>	2014/15	2013/14
		R'000	R'000
Nature of losses			
Bursary debt		-	-
Ex-employee		-	-
Total		-	-

23.3 Impairment of accrued departmental revenue

	<i>Note</i>	2014/15	2013/14
		R'000	R'000
Estimate of impairment of accrued departmental revenue			11
Total		-	11

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24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

	Note	2014/15 R'000	2013/14 R'000
Opening balance		35,089	5,470
Prior year error		-	
As restated		35,089	5,470
Add: Irregular expenditure – relating to prior year		-	14,154
Add: Irregular expenditure – relating to current year		12, 679	20,442
Less: Prior year amounts condoned		(22,838)	(4,977)
Less: Current year amounts condoned		-	-
Less: Amounts recoverable (not condoned)		-	-
Less: Amounts not recoverable (not condoned)		-	-
Irregular expenditure awaiting condonation		24,930	35,089

Analysis of awaiting condonation per age classification

Current year	12,679	20,442
Prior years	12,251	14,647
Total	24,930	35,089

24.2 Incident

	Disciplinary steps taken/ criminal proceedings	2014/15 R'000
Non-compliance with the appointment processes of a contract employee from April 2014 to March 2015		568
Payments made on extended contracts which were found to be irregular after the investigation.		5,060
Awards not evaluated in accordance with the preferential point system		3,382
Three quotations not obtained.		102
Appointment of service provider to provide cleaning and day to day maintenance.		540
Bidders disregarded for submitting bids below the estimated value		797
Suppliers in service of state institution		1,437
Declaration not provided by suppliers.		140
Period contract work- award value av \ above R500 000		653
Total		12, 679

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24.3 Details of irregular expenditures condoned

Incident (condoned by condoning authority)	2014/15 R'000
Procurement over R10 000 with no 3 quotes invited	178
Non-compliance with the appointment process of a contract	196
Extension of security contracts	22,310
Payment approved by incorrect delegation	154
Total	22,838

24.4 Details of irregular expenditure under investigation Incident (condoned by condoning authority)

	R'000
Branding material –only two quotations were sort for the following project and no authorisation was provided for the deviation from the regulations	11,912
Non- compliance with the appointment process of a contract employees from December 2013 to March 2014	568
Payment made on extended contracts which were found to be irregular after the investigation	5,060
Awards not evaluated in accordance with the preferential point system	3,382
Three quotations not obtained	102
Appointment of a service provider to provide cleaning and day to day maintenance	540
Bidders disregarded for submitting bids below the estimated value	797
Suppliers in service of state institution	1,437
Declaration not provided by suppliers	140
Period contract work- award value av / above R500 000	653
Total	24,930

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25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2014/15	2013/14
		R'000	R'000
Opening balance		13	30
Prior period error		-	-
As restated		<u>13</u>	<u>30</u>
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		24	17
Less: Amounts resolved		-	(34)
Less: Amounts transferred to receivables for recovery		<u>-</u>	<u>-</u>
Fruitless and wasteful expenditure awaiting resolution		<u><u>37</u></u>	<u><u>13</u></u>

25.2 Analysis of awaiting resolution per economic classification

	2014/15	2013/14
	R'000	R'000
Current	24	13
Capital	-	-
Transfers and subsidies		
Total	<u><u>24</u></u>	<u><u>13</u></u>

25.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/ criminal proceedings	2014/15 R'000
The licence disc in respect of KZN 55861 was lost	Condonation was submitted to the HOD	-
No show charges for accommodation	Under Investigation	1
Erratum adverts	Under Investigation	22
Interest	Under Investigation	1
Total		<u><u>24</u></u>

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26. Related party transactions

The department shares the same MEC – Mr RR Pillay with the KZN Department of Human Settlements.

27. Key management personnel

	No. of Individuals	2014/15 R'000	2013/14 R'000
Political office bearers (provide detail below)			
Officials:	1	1,822	1,721
Level 15 to 16	5	6,872	5,324
Level 14 (incl. CFO if at a lower level)	3		1,359
Family members of key management personnel		-	-
Total		8,694	8,404

28. Provisions

	Note	2014/15 R'000	2013/14 R'000
Breach of Contract		36	440
Total		36	440

28.1 Reconciliation of movement in provisions – 2014/15

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	440	-	-	440
Increase in provision	36	-	-	36
Settlement of provision	(407)	-	-	(407)
Unused amounts reversed	-	-	-	-
Amounts used	-	-	-	-
Reimbursement expected from the third party	-	-	-	-
Change in provision due to change in estimation inputs	(33)	-	-	(33)
Closing balance	36	-	-	36

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29. Reconciliation of movement in provisions – 2013/14

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-
Increase in provision	440	-	-	440
Settlement of provision	-	-	-	-
Unused amounts reversed	-	-	-	-
Amounts used	-	-	-	-
Reimbursement expected from the third party	-	-	-	-
Change in provision due to change is estimation inputs	-	-	-	-
Closing balance	440	-	-	440

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance	Curr Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	142,319	-	19,392	9,230	152,481
Transport assets	59,763	-	8,531	5,266	63,028
Computer equipment	62,936	-	6,830	3,858	65,908
Furniture and office equipment	9,873	-	398	50	10,221
Other machinery and equipment	9,747	-	3,633	56	13,324
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	142,319	-	19,392	9,230	152,481

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

29.1 Additions

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2015**

	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
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	20,208	-	(776)	(40)	19,392
Transport assets	8,531	-	-	-	8,531
Computer equipment	7,637	-	(776)	(31)	6,830
Furniture and office equipment	407	-	-	(9)	398
Other machinery and equipment	3,633	-	-	-	3,633
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	20,208	-	(776)	(40)	19,392

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29.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
YEAR ENDED 31 MARCH 2015

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash Received Actual R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	6,966	2,264	9,230	4,642
Transport assets	5,266	-	5,266	
Computer equipment	1,621	2,237	3,858	-
Furniture and office equipment	31	19	50	4,642-
Other machinery and equipment	48	8	56	
SPECIALISED MILITARY ASSETS	-	-	-	-
Specialised military assets	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-
Biological assets	-	-	-	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	6,966	2,264	9,230	4,642

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29.3 Movement for 2013/14

	Opening balance	Curr Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	120,823	-	31,217	9,721	142,319
Transport assets	54,008	-	6,426	671	59,763
Computer equipment	55,297	-	16,423	8,784	62,936
Furniture and office equipment	8,216	-	1,782	125	9,873
Other machinery and equipment	3,302	-	6,586	141	9,747
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	120,823	-	31,217	9,721	142,319

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29.4 Minor assets

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT
31 MARCH 2015**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	8,909	-	8,909
Additions	-	-	-	1,746	-	1,746
Disposals	-	-	-	176	-	176
TOTAL MINOR ASSETS	-	-	-	10,479	-	10,479

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	15,929	-	15,929
Number of minor assets at cost	-	-	-	5,254	-	5,254
TOTAL NUMBER OF MINOR ASSETS	-	-	-	21,183	-	21,183

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**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT
31 MARCH 2014**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	8,563	-	8,563
Curr Year Adjustments to Prior Year balances	-	-	-	-	-	-
Additions	-	-	-	928	-	928
Disposals	-	-	-	582	-	582
TOTAL MINOR ASSETS	-	-	-	8,909	-	8,909

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	-	-	-	-	-
TOTAL NUMBER OF MINOR ASSETS	-	-	-	-	-	-

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29.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2015

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	1,193	-	311	-	1,504
TOTAL MOVABLE ASSETS WRITTEN OFF	-	1,193	-	311	-	1,504

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2014

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	151	-	151
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	151	-	151

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30. Intangible Capital Assets

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2015**

	Opening balance	Current Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	11,563	-	4,461	1,193	14,831
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	28	-	-	-	28
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	11,591	-	4,461	1,193	14,859

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30.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2015

	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
SOFTWARE	4,461	-	-	-	4,461
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	4,461	-	-	-	4,461

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30.2 Disposals

**DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2015**

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash Received Actual R'000
SOFTWARE	-	1,193	1,193	-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	-	1,193	1,193	-

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30.3 Movement for 2013/2014

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2014

	Opening balance	Current Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	6,329	-	5,234	-	11,563
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	28	-	-	-	28
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	6,357	-	5,234	-	11,591

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31. Immovable Tangible Capital Assets

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	14,221,178	480,243	250,391	14,451,030
Dwellings	530,364	19,036	6,890	542,510
Non-residential buildings	13,553,068	450,966	243,500	13,760,534
Other fixed structures	137,746	10,241	1	147,986
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
LAND AND SUBSOIL ASSETS	232,979	12,383	3,540	241,822
Land	232,979	12,383	3,540	241,822
Mineral and similar non-regenerative resources	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	14,454,157	492,626	253,931	14,692,852

Included in immovable assets totalling R 14 693 000 (2013:R 14 496 611 000) is an amount of R875 273 869 (2013: R 418 136 285) which relates to properties where majority of the Land parcels upon which facilities exist are registered in the name of owners (RSA; etc.) other than the Provincial Government of KwaZulu Natal.

Immovable Tangible Capital Assets under investigation

	Number	Value
Included in the above total of the immovable Tangible capital assets per the asset register are assets that are under investigation		
Buildings and other fixed structures	14	876
Heritage assets		
Land and subsoil assets		
<i>Assets under investigation pertain to Human Settlements properties which have more than 1 owner.</i>		

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31.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
YEAR ENDED 31 MARCH 2015

	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
BUILDING AND OTHER FIXED STRUCTURES	81,982	475,449	(77,188)	-	480,243
Dwellings	259	18,777	-	-	19,036
Non-residential buildings	81,723	446,431	(77,188)	-	450,966
Other fixed structures	-	10,241	-	-	10,241
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	-	12,383	-	-	12,383
Land	-	12,383	-	-	12,383
Mineral and similar non-regenerative resources	-	-	-	-	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	81,982	487,832	(77,188)	-	492,626

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31.2 Disposals

**DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2015**

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	5,820	244,571	250,391	4,125
Dwellings	5,820	1,070	6,890	4,125
Non-residential buildings	-	243,500	243,500	-
Other fixed structures	-	1	1	-
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
LAND AND SUBSOIL ASSETS	3,540	-	3,540	3,355
Land	3,540	-	3,540	3,355
Mineral and similar non-regenerative resources	-	-	-	-
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	9,360	244,571	253,931	7,460

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31.3 Movement for 2013/14

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
YEAR ENDED 31 MARCH 2014

	Opening balance	Curr Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	12,208,315	(242,171)	2,258,297	3,263	14,221,178
Dwellings	207,989	71 146	253,109	1,880	530,364
Non-residential buildings	12,000,326	(365,687)	1,919,812	1,383	13,553,068
Other fixed structures	-	52,370	85,376	-	137,746
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	405,149	258,741	91,563	4,992	232,979
Land	405,149	258,741	91,563	4,992	232,979
Mineral and similar non-regenerative resources	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	12,613,464	(500,912)	2,349,860	8,255	14,454157

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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31.4 Prior period error			2013/14 R'000
Nature of prior period error			-
Relating to 2012/13			(458,458)
Prior period error related to the correction of the fair values			
Relating to 2013/14			(42,454)
Prior period error relates to correction of ownership			
Total			(500,912)

31.4 Immovable assets valued at R1

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2015

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Total R'000
R1 Immovable assets	8,624	-	23	8,656
TOTAL	8,624	-	23	8,656

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2014

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Total R'000
R1 Immovable assets	8,125	-	43	8,168
TOTAL	8,125	-	43	8,168

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31.5 Immovable assets written off

IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2015

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	R'000	Total R'000
Assets written off	-	-	-	-	-
TOTAL IMMOVABLE ASSETS WRITTEN OFF	-	-	-	-	-

IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2014

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	R'000	Total R'000
Assets written off	-	-	-	-	-
TOTAL IMMOVABLE ASSETS WRITTEN OFF	-	-	-	-	-

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31.6 S42 Immovable assets

Assets subjected to transfer in terms of S42 of the PFMA – 2014/15

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	191	-
Dwellings	180	-
Non-residential buildings	11	-
Other fixed structures	-	-
HERITAGE ASSETS	-	-
Heritage assets	-	-
LAND AND SUBSOIL ASSETS	44	-
Land	44	-
Mineral and similar non-regenerative resources	-	-
TOTAL	235	-

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Assets subjected to transfer in terms of S42 of the PFMA – 2013/14

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-
Dwellings	-	-
Non-residential buildings	-	-
Other fixed structures	-	-
HERITAGE ASSETS	-	-
Heritage assets	-	-
LAND AND SUBSOIL ASSETS	-	-
Land	-	-
Mineral and similar non-regenerative resources	-	-
TOTAL	-	-

IMMOVABLE ASSETS ADDITIONAL INFORMATION

Unsurveyed land

There are parcels of land around the country that have not been surveyed

	Number	Number
	2014/15	2013/14
Land parcels	1,545	2,064
Facilities	-	-
Schools	566	550
Clinics	37	72
Hospitals	10	25
Office buildings	82	100
Dwellings	351	696
Storage facilities	1	-
Other	362	362
Facilities on unsurveyed land		
Schools	942	48
Clinics	86	2
Hospitals	6	-
Office buildings	80	1
Dwellings	115	11
Storage facilities	-	-
Other	83	6

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Facilities on right to use land		
Schools	3,865	4,169
Clinics	323	346
Hospitals	22	26
Office buildings	123	125
Dwellings	226	367
Storage facilities	1	-
Other	146	163

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32. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT		2012/13	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount 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
Devolution of property Rates Grant Fund	-	-	-	-	-	-	-	-	-
EPWP Incentive Grant	3,168	-	-	-	3,168	3,168	3,167	3,000	3,774
	3,168	-	-	-	3,168	3,168	3,167	3,000	3,774

Departments are reminded of the requirement to certify that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of the province.

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ANNEXURE 1A

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT		2013/14		
	Amount	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality		Amount spent by municipality	% of available funds spent by municipality
	R'000	R'000	R'000	R'000	R'000	%	R'000		R'000	%
Ethekwini Metro	269,459		(57,446)	212,013	235,716	100%	235,716	235,716	100%	239,185
Ugu Municipalities	9,117	-	3,248	12,365	13,318	100%	13,318	13,318	100%	11,605
Umgugundlovu Municipalities	77,939	-	754	78,693	73,950	100%	73,950	73,950	100%	63,812
Uthukela Municipalities	21,985	-	15,282	37,267	36,875	100%	36,875	36,875	100%	30,858
Umkhanyathi Municipalities	22,900	-	2,689	25,589	25,675	100%	25,675	25,675	100%	20,920
Amajuba Municipalities	8,629	-	1,694	10,323	10,897	100%	10,897	108,97	100%	8,672
Zululand Municipalities	23,999		10,804	34,803	47,688	100%	47,688	47,688	100%	25,210
Umkhanyakude Municipalities	9,545	-	12,738	22,283	21,731	100%	21,731	21,731	100%	14,786
Uthungulu Municipalities	12,300	-	10,500	22,800	25,090	100%	25,090	25,090	100%	20,099
lembe Municipalities	14,582	-	628	15,210	6,040	100%	6,040	6,040	100%	14,830

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Ilembe Municipalities	14,582	-	628	15,210	6,040	100%	6,040	6,040	100%	14,830
Sisonke Municipalities	14,450	-	(877)	13,573	15,507	100%	15,507	15,507	100%	16,798
Non Pay: No Regional Identifier	50	-	(14)	36	22	100%	22	22	100%	-
Lejwelaputswa Municipalities	-	-	-	-	-	-	-	-	-	-
Emalahleni Municipality	-	-	-	-	-	-	-	-	-	-
Ekurhuleni Municipalities	-	-	-	-	-	-	-	-	-	-
Sedibeng Municipalities	-	-	-	-	-	-	-	-	-	-
Matjhabeng Municipality	-	-	-	-	-	-	-	-	-	-
Nkangala Municipalities	-	-	-	-	-	-	-	-	-	-
Ermfuleni municipality	-	-	-	-	-	-	-	-	--	-
PD Licences	-	-	-	-	325	-	325	325	-	-
PD Claims against the state	-	-	-	-	-	-	-	-	-	-
	484,955	-	-	484,955	512,834	-	467,068	467,068	-	467,068

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ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2013/14 Appropriation Act
	Adjusted Appropriation	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Compensation Commissioner	124	-	-	124	6		7
Skills Development	454	-	-	454	454		416
	578	-	-	578	460		423

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ANNEXURE 1C

STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE			2013/14 Appropriation Act
	Adjusted Appropriation Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred		
							R'000	
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	R'000	
Transfers								
H/H BURSARIES (NON EMPLOYEES)	-	-	-	-	-	-	1,781	
H/H: CLAIMS AGAINST STATE (CASH)	-	-	-	-	330		-	
		-	-		330		1,781	
Subsidies								
H/H/EMPL S/EMPL S BEN: INJURY ON DUTY	524	-	-	524	184	35%	20	
H/H/EMPL S/EMPL S BEN: LEAVE GRATUITY	5,532	-	-	5,532	10,011	181%	2,659	
H/H/EMPL S/EMPL S BEN: POST RETIREMENT BENEF	-	-	-	-	-		13	
	6,056	-	-	6,056	10,195		2,692	
Total	6,056	-	-	4,473	10,525		4,473	

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ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2015 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2014	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2015	Guaranteed interest for year ended 31 March 2015	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
	Motor vehicles	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	Housing ABSA	985	196	-	105		91	-	-
	Subtotal	985	196	-	105		91	-	-
	Other	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	TOTAL	985	196	-	105	-	91	-	-

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ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2015

Nature of Liability	Opening Balance 1 April 2014	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2015
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Claim for motor vehicle	338	242	109	-	471
Contractual claim	4,533	-	300	-	4,233
Claim for consultant	1,228	-	1,228	-	-
Claim for injury suffered by a minor	840	-	-	-	840
Claim for finder's fee	37	-	37	-	-
Claim for rental	1,269	-	-	-	1,269
Claim for Professional Services Rendered	223	598	223	-	598
Claim for breached contract	20	-	-	-	20
Subtotal	8,488	840	1,897	-	7,431

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Nature of Liability	Opening Balance 1 April 2014	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2015
	R'000	R'000	R'000	R'000	R'000
Environmental Liability					
Subtotal					
Other					
Subtotal					
TOTAL	-	840	1,897	-	7,431

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ANNEXURE 3
CLAIMES RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
KZN Dept of Agriculture, Environmental Affairs & Rural Development	-	-	14,285	17,504	14,285	17,504
KZN Dept of Arts & Culture	2703	26	52	26	2,755	52
KZN Dept of Community Safety and Liasion	551	-	382	382	933	382
KZN Dept of Co-operative Governance & Traditional Affairs	5424	-	4,915	7,977	10,339	7,977
KZN Dept of Economic Development & Tourism	1588	-	1,488	5,338	3,076	5,338
KZN Dept of Education	140,906	489,230	-	-	140,906	489,230
KZN Dept of Health	102,108	68,876	2,306	25,196	104,414	94,072
KZN Dept of Human Settlements	15,101	1,024	1,337	231	16,438	1,255
KZN Office of the Premier	-	-	4,863	2,720	4,863	2,720
KZN Legislature	239	-	1,262	6,883	1,501	6,883
KZN Provincial Treasury	1,019	-	-	1,505	1,019	1,505
KZN Dept of Social Development	-	24,593	35,488	5,026	35,488	29,619
KZN Dept of Sport and Recreation	1,979	-	491	2,548	2,470	2,548
The Royal Household	-	-	146	146	146	146
KZN Dept of Transport	-	-	7,807	6,707	7,807	6,707
Transport & Public Works - Western Cape	-	-	3	3	3	3
National Department of Health and Soc Dev	-	-	-	-	-	-
National Public Works	-	-	117	95	117	95
SAPS	-	-	(9)	(9)	(9)	(9)

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Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	R'000	R'000	R'000	R'000	R'000	R'000
National Department of Labour	-	-	13	16	13	16
Government Communication and Information Systems	-	-	35	35	35	35
Education Western Cape	-	-	11	11	11	11
Water Affairs	-	-	-	19	-	19
Correctional Services	-	-	7	-	7	-
Home Affairs	-	-	5	-	5	-
Justice	-	-	9	-	9	-
Health and social development	-	-	6	-	6	-
	271,618	583,749	75,019	82,359	346,637	666,108
Other Government Entities						
SASSA	-	-	11,663	10,557	11,663	10,557
Ezemvelo KZN Wildlife	-	14	14	-	14	14
FAZ	-	-	37	37	37	37
SITA	-	-	-	3	-	3
		14	11 714	10 597	11 714	10 611
TOTAL	271,618	583,763	86,733	92,956	358,351	676,719

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ANNEXURE 4
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of Art and Culture	-	6	-	-	-	6
Department of Health	2	1	0	14	2	15
Department of Justice	445	369	31	194	476	563
Department of Education	9	-	-	-	9	-
Department of Transport	-	93	165	-	-	93
Dept of Social Development	5	101	281	-	286	101
Department of Economic Development	-	-	-	6	-	6
Department of Health-Limpompo	-	12	-	-	-	12
Government Printing	59	84	-	-	59	84
Department of Social Development-National	-	-	-	-	-	-
PALAMA	39	7	-	-	39	7
SAPS	-	6	-	-	-	6
Office of the Premier	-	-	53	-	53	-
Department of Labour	-	10	-	-	-	10
Rural development	19	-	-	-	19	-

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Subtotal	579	689	530	214	1,109	903
Non-current						
Subtotal	-	-	-	-	-	-
Total	579	689	530	214	1,109	903

OTHER GOVERNMENT ENTITY
Current

Subtotal	-	-	-	-	-	-
Non-current						
Subtotal						
Total	579	689	530	214	1,109	903

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ANNEXURE 5
MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2015

HERITAGE ASSETS

Heritage assets

-	-	-	-
-	-	-	-

MACHINERY AND EQUIPMENT

Transport assets
Computer equipment
Furniture and office equipment
Other machinery and equipment

-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

SPECIALISED MILITARY ASSETS

Specialised military assets

-	-	-	-
-	-	-	-

BIOLOGICAL ASSETS

Biological assets

-	-	-	-
-	-	-	-

BUILDINGS AND OTHER FIXED STRUCTURES

Dwellings
Non-residential buildings
Other fixed structures

189,180	77,188	(4,794)	261,574
-	-	-	-
189,180	77,188	(4,794)	261,574
-	-	-	-

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				-	-	-	-
LAND AND SUBSOIL ASSETS							
Land				-	-	-	-
Mineral and similar non-regenerative resources				-	-	-	-
SOFTWARE				-	-	-	-
Software				-	-	-	-
MASTHEADS AND PUBLISHING TITLES				-	-	-	-
Mastheads and publishing titles				-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS				-	-	-	-
Patents, licences, copyright, brand names and trademarks				-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS				-	-	-	-
Recipes, formulae, prototypes, designs, models				-	-	-	-
SERVICES AND OPERATING RIGHTS				-	-	-	-
Services and operating rights				-	-	-	-
TOTAL				189,180	77,188	(4,794)	261,574

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ANNEXURE 6
INTER-ENTITY ADVANCES RECEIVED (note 15)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Current						
Subtotal	-	-	-	-	-	-
Non-Current						
Subtotal	-	-	-	-	-	-
PROVINCIAL DEPARTMENTS						
Current						
KZN Dept of Human Settlements	6,584	-	-	-	-	6,584
KZN Office of the Premier	32,410	-	-	-	-	32,410
KZN economic development	23,000	-	-	-	-	23,000
Subtotal	61,994	-	-	-	-	61,994
Non-Current						
Subtotal	-	-	-	-	-	-
PUBLIC ENTITIES						
Subtotal	-	-	-	-	-	-

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

[illegible]

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 7
IMMOVABLE ASSETS ADDITIONAL DISCLOSURE

1. Un-surveyed land

There are parcels of land around the country that have not been surveyed to date. The surveying process is on-going and the estimated completion of the surveying process for the province is noted below:

Province	Estimated completion date
KZN	2015/2016

2. Deemed vested

Below are properties deemed to vest in the province in terms of the Constitution however, the vesting process has not been completed are thus not included in the asset register of the department, as title has not been endorsed as yet. A separate register is maintained. As a result of the provincial function, the properties are managed by the provincial government and include the following:

Land parcels 1545
Facilities per function:

Facilities	2015	2014
Schools	566	550
Hospitals	10	25
Clinics	37	72
Office Buildings	82	100
Housing	351	696
Other	362	677
Storage	1	-
Total	1,409	2,120

3. Facilities on land not surveyed

There are certain facilities utilized by the provincial government in achieving its service delivery objectives. These were constructed on land that has not yet been surveyed. These facilities are managed and maintained by the provincial government and include the following:

Facilities	2015	2014- Total
Schools	942	48
Hospitals	6	-
Clinics	86	2
Office Buildings	80	1
Housing	115	11
other	83	5
Total	1,312	67

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The agreement for use of the facilities and the surrounding land is based on community needs and not reduced to writing. There is no indication that the needs any of the communities involved will change within the next financial year or the foreseeable future. Therefore the intention of the provincial government is to continue the use and maintenance of the said facilities in the delivery of services.

4. Facilities on land where a right to use exist

The following facilities were constructed on land where a right to use exist. The average right is for an undefined period, where after the facilities will transfer to the community on whose land the facilities were constructed. Facilities include the following:

	2015	2014
Schools	3872	4169
Hospitals	22	26
Clinics	324	366
Office Buildings	123	125
Housing	226	367
Storage	1	-
Other	146	163
Total	4,714	5,216

5. Agreement of custodianship reached

Where agreement of custodianship has been reached the properties are transferred in accordance with the requirements of Section 42 of the Public Finance Management Act. The reconciliation is reflective of the movement regarding these properties during the financial year:

Item 28 (1) Certificates				
Item 28 (1) awaited at beginning of year	New request during the year	Issued during the year	Item 28 (1) awaited at end of year	
1006	31	67	970	
Item 28 (1) Certificates				
Item 28 (1) to be requested at beginning of year	Transfers in during year	Transfers out during the year	Item 28 (1) requested during year	Item 28 (1) requests remaining at year end
100	-	-	31	131

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6. Contingent assets

The following properties are indicated as property belonging to the State, but not accounted for by any of the mandated custodians. The ownership of the properties needs further research and is thus reflected as contingent assets until clarification is achieved. The properties have been grouped according to function:

Properties	2015
Schools	219
Hospitals	5
Clinics	63
Office Buildings	40
Housing	196
Community Centre	-
Land and Related	-
Farms	-
Other	178
Total	701

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HUMAN RESOURCES MANAGEMENT
for the year ended 31 March 2015

4. HUMAN RESOURCE MANAGEMENT

The statistics and information published in the Human Resources Management part of the annual report are required in terms of Chapter 1, Part III J.3 of the Public Service Regulations, 2002 and have been prescribed by the Minister for the Public Service and Administration for all departments within the Public Service.

The tables were obtained from Department of Public Service and Administration (DPSA). Any input or clarification required should be directed to:-

Henk Serfontein

Department of Public Service and Administration

HenkS@dpsa.gov.za

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).

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.

1) Service delivery

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

Table 1.1 – Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
1. Recruitment and selection of prospective employees.	General public, other state employees, Departmental employees.	Same	As per approved HRM SOPS	The recruitment process is currently taking approximately eight months to finalize, considering the advertising process and the implementation of vetting and qualification verification.
2. Management of employment changes within the Department (staff mobility)	Departmental employees and other Government employees.	Same	As per approved HRM SOPS	<ul style="list-style-type: none"> - Service terminations finalized within the officials last month of service. - Finalization of transfers within one month of request.

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3. Human Resource Development	Departmental employees; Prospective employees; Accredited Training service providers	Same	As per approved HRM SOPS	Development and implementation of WSP.
4. Development and implementation of Employee Health and Wellness (EHW)	<ul style="list-style-type: none"> - Departmental employees. - Immediate family members 	Contractors and consultants employed by the Department.	As per approved HRM SOPS	Approved and implemented Policies for EHW
5. Mainstreaming equity (gender, disability) throughout the Department's policies, programmes and practices.	<ul style="list-style-type: none"> - Departmental employees - Office of the Premier - Department of Labour - Prospective employees - Department of Public Service & Administration 	Contractors and consultants employed by the Department.	Compliance with National targets in terms of 50:50 gender representation and 2% disability and Race as per Economically Active Population in KZN	<p>All 5 Offices with the Department have their equity plans which serve as input to Departmental Employment Equity Plan.</p> <p>Employment Equity Committee meetings convene to monitor compliance. Public Works Offices are also accessible to people with disabilities throughout the province.</p> <p>Audit conducted within the Departmental staff to identify needs and provide assistive devices. 37% women at SMS senior management level against the National target of 50%.</p>

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Table 1.2 – Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
1. Consultative forums; Road shows/workshops internal circulars; newsletters/ Departmental Website.	Departmental employees	Same	- Elimination of communication barriers - Awareness of Department Policies and Procedures amongst staff

Table 1.3 - Service Access Strategy

Access Strategy	Actual achievements		
* Establishment of Help desk for EHW Services	Trained EHW 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.		
Strategy for Reasonable Access also developed.	Upon approval of the strategy, it will be implemented in the Department.		

Table 1.4 – Service information tool

Types of information tool	Actual achievements
Departmental website, newsletters, advertisements, circulars and standing radio slots	Posting of tender documents, vacancy advertisement, SOP's Policies, Translation of policies into IsiZulu

Table 1.5 – Complaints mechanism

Complaints Mechanism	Actual achievements
<ul style="list-style-type: none"> Fault logging office per region Whistle blowing toll free lines Suggestion boxes Approved Grievance Procedure 	Facilities exist for complaints to be received and resolved. Service commitment charter is in place and implemented.

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2). Expenditure – (01/04/2014 – 31/03/2015)

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, 2014/15

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)	Employment
Prog 1: Administration	330,662	235,024	1,445	691	71.1	268.6	875
Prog 2: Real Estate	614,291	43,583	192	15,366	7.1	351.5	124
Prog 3: Prov of buildings	443,126	227,266	28,158	28,158	51.3	255.4	890
Total	1,388,079	505,873	29,795	44,215	36.4	267.8	1889

TABLE 2.2 – Personnel costs by Salary Band, 2014/15

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)	6,289	1.2	95,288	505,873	66
Skilled (Levels 3-5)	154,253	30.5	169,137	505,873	912
Highly skilled production (Levels 6-8)	157,240	31.1	291,725	505,873	539
Highly skilled supervision (Levels 9-12)	123,918	24.5	484,055	505,873	256
Senior management (Levels 13-16)	34,564	6.7	1,234,428	505,873	28
Contract (1-2)	166	0	33,200	505,873	5
Contract (3-5)	3,810	0.9	211,666	505,873	18
Contract (6-8)	4,313	0.7	196,045	505,873	22
Contract (9-12)	19,284	4	494,461	505,873	39
Contract (13-16)	1,705	0.3	852,500	505,873	2
Periodical Remuneration	331	0.1	165,500	505,873	2
Total	505,873	100	267,799	505,873	1889

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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, 2014/15

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
1 Administration	163,031	32.2	4	0.001	8,951	1.8	14,535	2.9
2 Real Estate	30,946	6.1	0	0	1,158	0.2	2,043	0.4
3 Provide building Structure & Equipment	160,269	31.7	32	0.006	8,055	1.6	11,298	2.2
Total	354,246	69.6	36	0.007	18,164	3.6	27,876	5.5

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HUMAN RESOURCES MANAGEMENT

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TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2014/15

(NB. Vertical total includes R309 iro periodical remuneration and total differs from total personnel expenditure on account of selected items considered, viz salaries, overtime, housing and medical only)

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance		Total Cost Per Salary Band
Cost	Amount (R'000)	Salaries as a % of personnel	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)	3,841	0.8	0	0	466	0.1	741	0.2	5,048
Skilled (Levels 3-5)	92,102	18.2	19	0.004	9,926	1.9	14,424	2.9	116,471
Highly skilled production (Levels 6-8)	101,986	20.2	17	0.003	5,521	1.1	8579	1.7	116,103
Highly skilled supervision (Levels 9-12)	92,985	18.4	0	0	1,889	0.4	3462	0.7	98,336
Senior management (Levels 13-16)	32,291	6.4	0	0	145	0.03	515	0.1	32,951
Contract (1-2)	165	0.03	0	0	0	0	0	0	165
Contract (3-5)	4,809	0.9	0	0	0	0	0	0	4809
Contract (6-8)	4,210	0.8	0	0	5	0.001	12	0.002	4227
Contract (9-12)	20,152	4	0	0	212	0.04	143	0.03	20,507
Contract (13-16)	1,705	0.3	0	0	0	0	0	0	1,705
Periodical Remuneration	0	0	0	0	0	0	0	0	368
Total	354,246	70	36	0,007	18,164	3,6	27,876	5,5	400,690

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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, at 31 March 2015

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
1 Administration	913	862	5.6	13
2 Real Estate	125	118	5.6	6
3 Provide building Structure & Equipment	833	788	5.4	102
Total	1871	1768	5.5	121

TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2015

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	25	25	0	41
Skilled(Levels 3-5)	927	865	6.7	47
Highly skilled production(Levels 6-8)	558	526	5.7	13
Highly skilled supervision (Levels 9-12)	263	256	3	0
Senior management (Levels 13-16)	32	28	9.7	0
Contract (Levels 1-2)	5	5	0	0
Contract (Levels 3-5)	10	10	0	8
Contract (Levels 6-8)	10	10	0	12
Contract (Levels 9-12)	39	39	0	0
Contract (Levels 13-16)	2	2	0	0
Periodic Remuneration		2		0
Total	1871	1768	5.5	121

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TABLE 3.3 – Employment and vacancies by critical occupation, at 31 March 2015

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Engineer	33	13	60.6	0
Architect	34	14	58.8	0
Quantity Survey	21	15	28.6	0
Construction Project Manager	63	33	47.6	0
Total	151	75	49.7	0

3.4 FILLING OF SMS POSTS

TABLE 3.4.1 SMS POST INFORMATION AS AT 31 MARCH 2015

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head of Department	1	1	100%	0	0
Salary level 16	0	0	0	0	0
Salary Level 15	4	4	100%	0	0
Salary Level 14	1	0	0	1	100%
Salary Level 13	26	23	88%	3	11.5%
Total	32	28	87.5	4	12.5

TABLE 3.4.2 SMS INFORMATION AS AT 30 SEPTEMBER 2014

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head of Department	1	1	100%	0	0
Salary level 16	0	0	0	0	0
Salary Level 15	4	4	100%	0	0
Salary Level 14	0	0	0	0	0
Salary Level 13	24	22	91.7%	2	8.3%
Total	29	27	93.1	2	6.9%

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TABLE 3.4.3 ADVERTISING AND FILLING OF SMS POSTS FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head of Department	1	1	100%	0	0
Salary level 16	0	0	0	0	0
Salary Level 15	4	4	100%	0	0
Salary Level 14	1	0	0	1	100%
Salary Level 13	26	23	88.5%	3	11.5%
Total	32	28	87.5	4	12.5

TABLE 3.4.4 Reasons for not having complied with the filling of funded vacant SMS – Advertised within 6 months and filled within 12 months after becoming vacant in the period 1 April 2014 to 31 March 2015.

Reasons for vacancies not advertised within six months

Not applicable

Reasons for vacancies not filled within six months

Delays experienced in finalizing competency assessments, and results for vetting of personal information and verification of qualifications.

TABLE 3.4.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months after becoming vacant in the period 1 April 2014 to 31 March 2015.

Reasons for vacancies not advertised within six months

None

Reasons for vacancies not filled within six months

Delays experienced in finalizing competency assessments, and results for vetting of personal information and verification of qualifications.

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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) summarizes 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 2014 to 31 March 2015

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.

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)	25	0	0	0	0	0	0
Contract (1-2)	5	0	0	0	0	0	0
Contract (3-5)	10	0	0	0	0	0	0
Contract (6-8)	10	0	0	0	0	0	0
Contract (9-12)	39	0	0	0	0	0	0
Contract (Levels 13-16)	2	0	0	0	0	0	0
Skilled (Levels 3-5)	927	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	558	34	6.1	0	0	0	0
Highly skilled supervision (Levels 9-12)	263	4	1.5	2	0.8	0	0
Senior Management Service (level 13 -16)	32	1	3.1	0	0	0	0
Total	1871	39	2.1	2	0.1	0	0

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TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2014 to 31 March 2015

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

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

TABLE 4.3 – Employees whose salary level exceeds the graded determined by job evaluation, 1 April 2014 to 31 March 2015 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Xxx				
Xxx				
Xxx				
Xxx				
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2010/11				
Percentage of total employment				

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 2014 to 31 March 2015 (in terms of PSR 1.V.C.3)

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

Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2014/15	0
--	---

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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 2014 to 31 March 2015

Salary Band	Number of employees per band as on 1 April 2014	Appointments	Service Terminations	Turnover rate
Lower skilled (Levels 1-2)	64	4	2	2.9
Skilled (Levels 3-5)	979	26	93	9.2
Highly skilled production(Levels 6-8)	541	46	48	8.2
Highly skilled supervision(Levels 9-12)	255	18	17	6.2
Senior Management Service (Level 13 – 16)	28	2	2	6.7
Contract (1-2)Permanent	2	4	1	16.7
Contract (3-5) Permanent	45	0	27	60
Contract (6-8) Permanent	26	3	7	24.1
Contract (9-12) Permanent	47	0	8	17
Contract (13-16)	4	0	2	50
Periodical Remuneration	2	0	0	0
Total	1993	103	207	9.9

T/over rate: $\text{No of employees} + \text{Appointments} = X = \text{No of terminations} / x$

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TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2014 to 31 March 2015

Occupation:	Number of employees per occupation as on 1 April 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Engineer	23	1	11	45.8
Architect	15	0	1	6.7
Quantity Surveyor	18	1	4	21.1
Construction Project Manager	47	0	14	29.8
Total	103	2	30	28.6

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 Terminations	% of Total Employment	Total	Total Employment
Death	16	7.7	0.8	207	1889
Resignation	59	28.5	3.1	207	1889
Expiry of Contract	37	17.9	1.9	207	1889
Discharged due to ill-health	1	0.5	0.1	207	1889
Dismissal – misconduct	1	0.5	0.1	207	1889
Retirement	93	44.9	4.9	207	1889
Total	207	100	10.9	207	1889
Total number of employees who left as a % of the total employment			10.9	207	18

Table 5.4 – Granting of Employee Initiated Severance Packages

Category					
Lower skilled (Levels 1-2)	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0
Highly skilled product (Levels 6-8)	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0
Total	0	0	0	0	0

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Table 5.5 – Promotions by critical occupation

Occupation	Employees as at 1 April 2014	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Engineer	23	1	4.4	5	21.7
Architect	15	0	0	4	26.7
Quantity Surveyor	18	0	0	1	5.6
Construction Project Manager	47	0	0	0	0
Total	103	1	1	10	9.7

Table 5.6 – Promotions by salary band

Salary Band	Employees 1 April 2014	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)	64	0	0	14	21.2
Skilled(Levels 3-5)	979	1	0.1	752	76.8
Highly skilled product (Levels 6-8)	541	13	2.4	405	74.9
Highly skilled supervision (Levels 9-12)	255	12	4.7	150	58.8
Snr management (Levels 13-16)	28	0	0	20	74.1
Contract (Levels 1-2)	2	0	0	0	0
Contract (Levels 3-5)	45	0	0	2	4.4
Contract (Levels 6-8)	26	0	0	0	0
Contract (Levels 9-12)	47	1	2.1	4	8.5
Contract (Levels 13-16)	4	0	0	0	0
Periodic Remuneration	2	0	0	0	0
Total	1993	26	1.3	1347	67.6

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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 at 31 March 2015

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	12	0	6	2	12	0	2	1	35
Professionals	57	0	10	14	47	0	4	4	136
Technicians and assoc	91	2	16	8	146	2	21	19	305
Clerks	128	1	12	1	309	8	24	23	506
Service and sales workers	106	0	1	2	18	0	0	0	127
Craft and related trades workers	161	6	14	15	53	0	0	0	249
Plant and machine operators and assemblers	57	1	1	0	1	0	0	0	60
Elementary occupations	328	0	5	0	137	0	1	0	471
Other Perm	0	0	0	0	0	0	0	0	0
Total	940	10	65	42	723	10	52	47	1889
Employees with disabilities	08	0	0	03	04	0	1	1	17

6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2015

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	2	1	1	0	0	0	6
Senior Management	8	0	4	1	6	0	2	1	22
Professionally qualified and experienced specialists and mid-management	88	1	15	19	77	0	9	7	216

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Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	246	7	26	20	275	8	32	33	647
Semi-skilled and discretionary decision making	581	2	18	1	334	2	8	6	952
Unskilled and defined decision making	15	0	0	0	30	0	1	0	46
Total	940	10	65	42	723	10	52	47	1889

6.3 – Recruitment for the period 1 April 2014 to 31 March 2015

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	0	0	0	0	2	0	0	0	2
Professionally qualified and experienced specialists and mid-management	5	0	0	1	10	0	1	0	17
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	26	0	2	0	37	1	2	2	70
Semi-skilled and discretionary decision making	9	0	0	0	2	0	0	0	11
Contract (Senior Management) Permanent	0	0	0	0	0	0	0	0	0
Contract (Professionally Qualified) Permanent	0	0	0	0	0	0	0	0	0

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Contract (Skilled Technical)	0	0	0	0	3	0	0	0	3
Contract Semi-Skilled)	0	0	0	0	0	0	0	0	0
Permanent									
Total	40	0	2	1	54	1	3	2	103

Employees with disabilities	1				1				2
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6.4 – Promotions for the period 1 April 2014 to 31 March 2015

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	1	0	0	0	0	2
Senior Management	8	0	3	2	3	0	0	2	18
Professionally qualified and experienced specialists and mid-management	77	1	11	12	49	0	8	4	162
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	149	3	16	10	187	6	23	23	417
Semi-skilled and discretionary decision making	461	1	15	0	263	1	6	6	753
Unskilled and defined decision making	8	0	0	0	6	0	0	0	14
Contract (Professionally qualified) Permanent	2	0	0	0	2	0	1	0	5
Contract (Semi-skilled) Permanent	1	0	0	0	1	0	0	0	2
Total	707	5	45	25	511	7	38	35	1373

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6.5 – Terminations for the period 1 April 2014 to 31 March 2015

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	1	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	7	0	0	1	7	0	0	2	17
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	22	0	2	2	22	0	1	1	50
Semi-skilled and discretionary decision making	71	0	1	0	21	0	0	0	93
Unskilled and defined decision making	0	0	0	0	2	0	0	0	2
Contract (Senior Management) Perm	0	0	0	0	0	0	0	0	0
Contract (Prof qualified) Permanent	5	0	2	0	1	0	0	0	8
Contract (Skilled technician) Permanent	2	0	0	0	5	0	0	0	7
Contract (Semi-skilled) Permanent	12	0	1	0	14	0	0	0	27
Contract (Unskilled permanent	1	0	0	0	0	0	0	0	1
Total	121	0	6	4	72	0	1	3	207
Employees with disabilities	2	0	0	0	1	0	0	0	3

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6.6 – Disciplinary action for the period 1 April 2014 to 31 March 2015

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Final written warning	1	0	1	0	3	0	0	0	5
Written Warning	0	0	0	0	0	0	0	0	0
Correctional Counseling	0	0	0	0	0	0	0	0	0
Verbal Warning	0	0	0	0	0	0	0	0	0
Suspended Without pay	0	0	0	0	0	0	0	0	0
Fine)	0	0	0	0	0	0	0	0	0
Demotion	0	0	0	0	0	0	0	0	0
Dismissal	1	0	0	0	1	0	1	0	3
Not guilty	1	0	0	0	0	0	0	0	1
Case withdrawn	0	0	1	0	2	0	0	1	4
Total	3	0	2	0	6	0	1	1	13

6.7 – Skills development for the period 1 April 2014 to 31 March 2015

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	73	0	15	7	64	0	7	8	174
Professionals	59	0	10	26	43	0	0	6	144
Technicians and associate professionals	67	4	3	5	25	0	0	0	104
Clerks	272	0	27	1	499	14	32	25	870
Service & sales works	12	0	0	0	1	0	0	0	13
Skilled agricult & fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	19	0	0	0	0	0	0	0	19
Elementary occupations	4	0	0	0	4	0	0	0	8
Total	506	4	55	39	636	14	39	39	1332

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6.8 Signing of Performance Agreements by SMS Members

Table 6.8.1 Signing of Performance Agreements by SMS members as at 31 March 2015

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of performance agreements signed	Signed performance agreements as a % of total number of SMS members
Head of Department	1	1	1	3.7%
Salary level 16	0	0	0	0
Salary Level 15	4	4	4	14.8%
Salary Level 14	1	0	0	0
Salary Level 13	26	23	23	82.1%
Total	32	28	28	100%

Table 6.8.2 Reasons for not having concluded Performance Agreements for all SMS members on 31 March 2015

Reasons
Not applicable

Table 6.8.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2015

Reasons
Not applicable

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).

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TABLE 7.1 – Performance Rewards by race, gender, and disability, 01/04/2014 – 31/03/2015

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost R,000 (Actual)	Average cost per employee (R,000)
African Female	179	723	24.8	2,235	12.49
African Male	257	940	27.3	2,762	10.75
Asian Female	21	52	40.4	441	21
Asian Male	29	65	44.6	493	17
Coloured Female	4	10	40	46	11.48
Coloured Male	2	10	20	26	13
White Female	17	47	36.2	336	19.8
White Male	8	42	19.1	388	48.5
Employees with a disability	3	17	17.7	29	9.7
Total	520	1889	27.5	6,756	12.99

TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2014 to 31 March 2015

Salary Bands	Beneficiary Profile				Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee R,000	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	11	66	16.7	65	5,909	0.01
Skilled (Levels 3-5)	267	912	29.3	1,895	7,097	0.4
Highly skilled production (Levels 6-8)	162	539	30.1	2,170	13,395	0.4
Highly skilled supervision (Levels 9-12)	62	256	24.2	1,699	27,403	0.3
Contract (Level 1-2)	0	5	0	0	0	0
Contract (Level 3-5)	0	18	0	0	0	0
Contract (Level 6-8)	0	22	0	0	0	0
Contract (Level 9-12)	0	39	0	0	0	0
Periodical Remuneration	0	2	0	0	0	0
Total	502	1859	27	5,829	11,612	0.002

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TABLE 7.3 – Performance Rewards by critical occupations, 1 April 2014 to 31 March 2015

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Engineer	3	13	23.1	145	48.33
Architect	2	14	14.3	123	61.50
Quant Surveyor	3	15	20	131	43.67
Construction Project Manager	0	33	0	0	0
Total	8	75	10.7	399	49.88

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

Salary Band	Beneficiary Profile			Total Cost (R'000)	% of SMS Wage Bill	Total cost as a % of the total personnel expenditure	Personnel cost SMS (R'000)
	Number of beneficiaries	Number of employees	% of total within band				
Band A	16	23	69.6	737	2.2	0.2	33,902
Band C	2	4	50	190	3.5	0.04	5,426
Band D	0	1	0	0	0	0	0
Total	18	28	64.3	927	5.7	0.2	39,328

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 2014 to 31 March 2015, by salary band

Salary Band	1 April 2014	31 March 2015	Change		Number	% change	Total Employment @Beginning of Period	Total Employment at End of period	Total Change in Employment
	Number	% of total	Number	% of total					
Lower skilled (Levels 1-2)	0	0	0	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0	0	0	0

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Salary Band	1 April 2014	31 March 2015	Change						
	Number	% of total	Number	% of total	Number	% change	Total Employment @Beginning of Period	Total Employment at End of period	Total Change in Employment
Highly skilled production (Levels 6-8)	0	0	0	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	3	1.1	5	1.9	2	66.7	6	7	1
Senior management (Levels 13-16)	0	0	0	0	0	0	0	0	0
Contract (Levels 6-8)	1	5.6	1	5.6	0	0	6	6	0
Contract (Levels 9-12)	5.1	1	2.6	1	50	7	6	1	2
Total	6	0.3	7	0.3	3	58.4	19	19	0

TABLE 8.2 – Foreign Worker, 1 April 2014 to 31 March 2015, by major occupation

Major Occupation	1 April 2014		31 March 2015		Change				
	Number	% of total	Number	% of total	Number	% change	Total	Total	Total
Professionals and managers	5	1.9	6	2.3	1	20	6	7	1
Technicians and associated professionals	1	0.2	1	0.2	0	0	6	7	1
Total	6	0.3	7	0.3	1	16.7	6	7	1

9). Leave utilization for the period 1 January 2014 to 31 March 2015

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.

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TABLE 9.1 – Sick leave, 1 January 2014 to 31 December 2014

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)	Total number of employees using sick leave	Total number of days with medical certification
Lower skilled (Levels 1-2)	190	80.5	27	1.8	7	82	1462	153
Skilled (Levels 3-5)	5823	88.3	665	4.62	9	3162	1462	5144
Highly Skilled production (levels 6-8)	4165	85.4	455	31.8	9	4338	1462	3558
Highly Skilled Production (levels 9-12)	1626	84.4	208	14.2	8	2950	1462	1378
Senior management (levels 13-16)	169	83.4	24	1.6	7	594	1462	141
Contract (Levels 1-2)	6	100	1	0.1	6	1	1462	141
Contract (Levels 3-5)	156	91	29	2	5	85	1462	142
Contract (Levels 6-8)	45	81.2	29	2	5	85	1462	142
Contract (Levels 9-12)	88	81.8	23	1.6	4	157	1462	72
Contract (Levels 13-16)	4	100	1	0.1	4	13	1462	4
Total	12272	86.6	1462	72%	8	11426	1462	10635

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TABLE 9.2 – Disability leave (temporary and permanent), 1 January 2014 to 31 December 2014

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 Days taken	Total employee using disability leave
Lower skilled (Levels 1-2)	141	100	6	5.3	24	58	141	113
Skilled (Levels 3-5)	1655	100	54	47.8	31	887	1655	113
Highly skilled production (Levels 6-8)	1225	100	41	36.3	30	185	1225	113
Highly skilled supervision (Levels 9-12)	183	100	11	9.7	17	335	183	113
Senior management (Levels 13-16)	35	100	1	0.9	35	108	35	113
Contract (Levels 9-12)	0	0	0	0	0	0	0	0
Contract (Level 13-16)	0	0	0	0	0	0	0	0
Total	3239	100	113	5.6%	29	2673	3239	113

Table 9.3 summarises the utilization 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.

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TABLE 9.3 – Annual Leave, 1 January 2014 to 31 December 2014

Salary Bands	Total days taken	Average per employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	1216	26	46
Skilled Levels 3-5)	25233.42	25	1006
Highly skilled production (Levels 6-8)	13988	24	578
Highly skilled supervision(Levels 9-12)	5721.76	21	267
Senior management (Levels 13-16)	885	23	39
Contract (Levels 1-2)	22	11	2
Contract (Levels 3-5)	455	11	40
Contract (Levels 6-8)	198	11	18
Contract (Levels 9-12)	608	15	41
Contract (Levels 13-16)	23	12	2
Total	48350.18	24	2039

TABLE 9.4 – Capped leave, 1 January 2014 to 31 December 2014

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31/12/2014	Number of employees who took Capped leave	Total number of capped leaved available as at 31/12/2014	Number of employees as at 31/12/2014
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	96	16	84	6	50183	597
Highly skilled production (Levels 6-8)	112	10	102	11	2748	264
Highly skilled supervision (Levels 9-12)	11	6	88	2	5451	62
Total	219	12	90	19	58382	923

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TABLE 9.5 – Leave payouts for the period 1 April 2014 to 31 March 2015

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

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2014/15 due to non-utilization of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2014/15	8,652	145	59,669
Current leave payout on termination of service for 2014/15	541	39	13,872
Total	9,193	184	49,962

10). HIV/AIDS & Health Promotion Programmes

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

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Staff between salaries 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 is 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.

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

TABLE 10.2-Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide			
Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	√		The EHW component falls under Human Resource Management (HRM). Mrs BNJ Makhaye: Senior Manager
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.	√		8 dedicated staff members within the EHW component at both regions and Head Office Financial restrictions, no dedicated budget allocated for EHW.
3. Has the department introduced an Employee Health and Wellness or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	√		Employee Wellness Management (iro all chronic illnesses) HIV/AIDS and TB Management Health & Productivity Management iro bereavement, personal problems, stress, rehabilitation, financial wellness, etc. SHERQ, e.g. 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.		√	EHWP, HIV and AIDS Workplace Policy, Recruitment Policy.
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.	√		Reporting on the broad aspects of Employee Health and Wellness, including HIV/ AIDS is done through the Labour Relations/ Employment Equity Consultative (LAREE) Forum.

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TABLE 10.2-Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide			
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.	√		<p>Use of reference numbers for each employee instead of the name.</p> <p>Use of these numbers on all documentation and even on itineraries for use of vehicles to take employees to Doctors.</p> <p>Awareness training for all staff members to break the stigma and consequent discrimination.</p>
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	√		<p>Employees have eagerly come forward to enrol on the EHWP for medical assistance with positive results also encourage level 1-5 employees to become members of GEMS to access free Aid for AIDS- HIV/AIDS management programme. Sapphire Membership.</p> <p>EHW component coordinates Departmental HCT campaigns on quarterly basis in partnership with GEMS.</p>

11). Labour Relations

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

TABLE 11.1 – Collective agreements, 1 April 2014 to 31 March 2015

Subject Matter	Date
Dispute Resolution Proceeding	20
Roles of Conduct of Proceeding before PSCBC	0
Long Service Reward	0
Establishment of Provincial Chambers of PSCBC	0
Agency Shop Agreement	0
Appointment f a period of arbitrators and conciliators	0

If there were no agreements, then use the following table

Total collective agreements	n/a
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

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TABLE 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2014 to 31 March 2015

Outcomes of disciplinary hearings	Number	% of total
Final written warning	5	38%
No outcome	0	0
Suspended without pay	0	0
Written warning	0	0
Verbal warning	0	0
Correctional counseling	0	0
Fine	0	0
Demotion	0	0
Dismissal	3	23%
Not guilty	1	w8%
Case withdrawn	4	31%
Total	13	100

If there were no disciplinary hearings, then use the following table

Disciplinary hearings – 2014/15	N/a
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TABLE 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Negligence	0	0
Intimidating Threats	0	0
Unsatisfactory work performance	0	0
Coming to work under influence of alcohol	0	0
Use of abusive language	0	0
Abuse of State equipment viz. Telephone	1	8%
Failure to adhere to official hours	1	8%
Failure to comply with leave procedure	0	0
Failure to comply with given instructions	1	8%
Assault	1	8%
Failure to attend a counseling session	0	0
Unauthorized absence	3	23%
Theft	0	0
Social grant	1	8%
Other	5	37%
Total	13	100%

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TABLE 11.4 – Grievances lodged for the period 1 April 2014 to 31 March 2015

	Number	% of Total
Number of grievances resolved	42	70%
Number of grievances not resolved	18	30%
Total	60	100%

TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2014 to 31 March 2015

	Number	% of Total
Number of disputes upheld	2	12.5%
Number of disputes dismissed	6	37.5%
Disputes pending	8	50%
Total	16	100%

TABLE 11.6 – Strike actions for the period 1 April 2014 to 31 March 2015

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/ 2014 to 31/03/2015

Number of people suspended	0
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	140
Cost (R'000) of suspensions	R39 928.00

12). Skills development:

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

12.1 – Training needs identified 1 April 2014 to 31 March 2015

Occupational Categories	Gender	Number of employees as at 1 April 2014	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	7	0	32	8	40
	Male	21	0	38	11	49
Professionals	Female	50	0	15	6	21
	Male	84	0	23	12	35

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Technicians & assoc prof.	Female	187	0	14	5	19
	Male	114	0	197	90	287
Clerks	Female	384	0	203	89	292
	Male	173	0	107	45	152
Service & sales workers	Female	21	0	1	0	1
	Male	122	0	4	4	8
Skilled Agric & Fish workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and Related Trade Workers	Female	55	0	0	0	0
	Male	183	0	0	0	0
Plant & mach oper & assem	Female	1	0	1	0	1
	Male	65	0	27	7	34
Elementary occupations	Female	152	0	3	2	5
	Male	374	0	8	4	12
Sub Total	Female	857	0	269	110	379
	Male	1136	0	404	173	577
Total		1993	0	673	283	956

12.2 – Training provided 1 April 2014 to 31 March 2015

Occupational Categories	Gender	Number of employees as at 1 April 2014	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	7	0	22	52	74
	Male	21	0	15	72	87
Professionals	Female	50	0	0	6	6
	Male	84	0	1	13	14
Technicians and associate professionals	Female	187	0	14	83	97
	Male	114	0	51	253	304
Clerks	Female	384	0	172	382	554
	Male	173	0	81	207	288
Service and sales workers	Female	21	0	0	0	0
	Male	122	0	0	0	0
Community and personal service workers	Female	0	0	0	1	1
	Male	0	0	1	16	17

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Craft and related trades workers	Female	55	0	0	0	0
	Male	183	0	0	0	0
Plant and machine operators and assemblers	Female	1	0	0	0	0
	Male	65	0	2	17	19
Elementary occupations	Female	152	0	0	7	7
	Male	374	0	0	6	6
Sub Total	Female	857	0	208	531	739
	Male	1136	0	151	584	735
Total		1993	0	359	1115	1474

13). Injury on duty

The following tables provide basic information on injury on duty.

TABLE 13.1 – Injury on duty, 1 April 2014 to 31 March 2015

Nature of injury on duty	Number	% of total
Required basic medical attention only	17	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	17	100

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14). Utilization of Consultants 1 April 2014 to 31 March 2015

Table 14.1 – Report on consultant appointments using appropriated funds

No	Project Title	No of Consultants	Duration (Months)	Value
1	AGRICULTURAL OFFICES - LOSKOP	1	12	R 404 837,00
2	AGRICULTURE - SUB-REGIONAL OFFICE - JOZINI	1	4	R 349 812,00
3	AGRICULTURE - SUB-REGIONAL OFFICE - JOZINI	2	4	R 237 352,00
4	AGRICULTURE OFFICE - KWA-MGWANASE	1	12	R 436 315,00
5	APPELSBOSCH HOSPITAL	1	12	R 129 000,00
6	AUSTERVILLE FLATS - HUMAN SETTLEMENTS - BLUFF	1	36	R 14 124 600,00
7	BETHESDA HOSPITAL	1	8	R 166 457,00
8	CATHERINE BOOTH HOSPITAL	1	8	R 183 446,00
9	CHARLES JOHNSON MEMORIAL HOSPITAL	1	4	R 167 450,00
10	CHURCH OF SCOTLAND HOSPITAL	1	4	R 175 491,00
11	CLINIC - ERF 5885 LADYSMITH	1	3	R 120 000,00
12	CLINIC - LADYSMITH PHC	1	3	R 120 000,00
13	DEDA PRIMARY SCHOOL	1	9	R 210 002,00
14	DPT OF SOCIAL DEVELOPMENT - OFFICES - (GOVERNMENT	1	24	R 11 660 000,00
15	EAST GRIQUALAND USHER MEMORIAL HOSPITAL	1	12	R 327 000,00
16	EDENDALE HOSPITAL	1	12	R 708 825,00
17	EDUMBE COMMUNITY HEALTH CENTRE	1	6	R 92 720,00
18	ELANDSKRAL CLINIC	1	3	R 120 000,00
19	EMFANELA PRIMARY SCHOOL	3	12	R 1 326 200,00
20	EMFUNDWENI CLINIC - DANNHAUSER	1	6	R 136 000,00
21	EMMAUS HOSPITAL- THE FARM MISSION STATION NO.8011	1	36	R 734 000,00
22	ERF 636 - PUBLIC WORKS VRYHEID	2	9	R 556 102,00
24	ESHOWE BUS & TAXI RANK	1	15	R 577 893,00
25	ESTCOURT HOSPITAL	1	4	R 183 786,00
26	GALE STREET MORTUARY - UMBILO	1	6	R 205 000,00
27	GATEWAY CLINIC - TUGELA FERRY	1	3	R 120 000,00
28	GREYTOWN TB HOSPITAL	1	4	R 76 722,00
29	GROENVLEI CLINIC	1	3	R 120 000,00

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30	GUGULESIZWE SECONDARY SCHOOL	1	12	R 219 812,00
31	HLABISA HOSPITAL	1	8	R 388 991,00
32	HOSPITAL - ERF 540 GREYTOWN	1	4	R 211 352,00
33	HOUSE NO.4 HARTERBEES STREET, EMPANGENI	2	12	R 26 368 421,00
34	IMBALENHLE CLINIC HEALTH CENTRE	1	12	R 44 768,00
35	INALA PRIMARY SCHOOL	1	12	R 29 052,00
36	INANDA NEWTOWN HIGH SCHOOL	1	12	R 131 834,00
37	INANDA SPECIAL SCHOOL FOR LSEN	1	36	R 26 897 230,00
38	INGOGO CLINIC	1	3	R 120 000,00
39	INKULULEKO STOCK RENTAL DEVELOPMENT	1	24	R 4 125 467,00
40	ISANDLWANA CLINIC - NQUTU	1	3	R 120 000,00
41	ISITHEBE CLINIC	1	6	R 82 240,00
42	KING BHEKUZULU HIGH SCHOOL	3	12	R 236 208,00
43	KWAKHANGELAMANKENGANE PALACE	3	18	R 287 672,00
44	LIBRARY SERVICES - PINETOWN	1	9	R 75 374,00
45	MABHUQWENI CLINIC	1	3	R 120 000,00
46	MADADENI HOSPITAL	1	12	R 1 811 059,00
47	MAHLABENI LP SCHOOL	1	24	R 8 054 844,00
48	MANYANE CLINIC	1	6	R 120 000,00
49	MAZABEKO CLINIC - MSINGA	1	3	R 120 000,00
50	MCCORD HOSPITAL	3	8	R 649 802,00
51	MELMOTH DISTRICT HOSPITAL	5	8	R 472 400,00
52	MEYAMA HIGH SCHOOL	2	10	R 2 999 193,00
53	MHLUNGWANE CLINIC	1	3	R 120 000,00
54	MOSVOLD HOSPITAL	1	8	R 30 000,00
55	MPOPHOMENI CLINIC	3	12	R 2 028 454,00
56	MSELENI HOSPITAL	1	8	R 210 827,00
57	MTHUNGWENI CLINIC	1	3	R 120 000,00
58	NDLOZANA CLINIC	1	6	R 92 720,00
59	NDUMO HIGH SCHOOL	1	20	R 1 028 864,00
60	NDWEDWE HEALTH CARE CENTRE	1	6	R 83 600,00
62	NGWELEZANE HOSPITAL	1	10	R 1 600 000,00
63	NTAMBANANA CLINIC	3	4	R 432 441,00
64	NTEMBISWENI CLINIC - U MVOTI	1	3	R 120 000,00
65	NTENESHANE CLINIC - REM OF PORTION 27 OF ERF 4677	1	3	R 120 000,00
66	NTULABAKAYISE HIGH SCHOOL	1	14	R 391 081,00
67	OFFICES - AGRICULTURE AND ENVIRONMENTAL AFFAIRS H	1	4	R 81 300,00

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68	OFFICES - DEPARTMENT OF EDUCATION - PTN 51 ERF 6	4	24	R 4 331 760,00
69	OFFICES - EDUCATION - SCOTT STREET COMPLEX - PMBUR	1	12	R 120 778,00
70	OFFICES - ERF 1026 - ADMINISTRATION COMPLEX - ULUNDI	1	24	R 350 000,00
71	OFFICES - PROVINCIAL LEGISLATURE - OLD COUNCIL CHAMBER	3	3	R 570 871,00
72	OFFICES - SOC DEV & WELFARE - CHATSWORTH - BHAKTIV	1		R 764 005,00
73	OLIVIERSHOEK CLINIC	1	4	R 120 000,00
74	PARKSIDE - PREMIERS RESIDENCE	2	2	R 154 305,00
75	POMEROY CLINIC	1	3	R 120 000,00
76	PORT SHEPSTONE PROVINCIAL HOSPITAL	4	10	R 3 158 123,00
77	PRINCE MNYAYIZA HIGH SCHOOL	4	8	R 1 015 545,00
78	PRINCE MSHIYENI MEMORIAL HOSPITAL	1	4	R 76 300,00
79	QADI CLINIC	1	4	R 83 600,00
80	QUEENSBURGH BOYS HIGH SCHOOL	2	8	R 625 577,00
81	SIGWEJE CLINIC	1	3	R 120 000,00
82	SIYANDA CLINIC - NQUTHU	1	3	R 120 000,00
83	SOCIAL DEVELOPMENT OSIZWENI - ERF 4181 OFFICES-	1	6	R 555 887,00
84	ST ANDREWS HOSPITAL	1	12	R 169 000,00
85	ST CHAD'S CLINIC	51	3	R 120 000,00
86	SUNDUMBILI POLY CLINIC	1	3	R 83 600,00
87	THANDANANI CLINIC - DANNHAUSER	1	3	R 120 000,00
88	THATHEZAKHE CLINIC:KHIPHINKUNZI TRIBAL AUTHORITY	1	3	R 120 000,00
89	TSHELIMNYAMA PRIMARY SCHOOL	1	4	R 48 200,00
90	UMZILA PRIMARY SCHOOL	3	3	R 618 735,00
91	VACANT LAND - ERF 156 NKANYEZI	1	3	R 120 000,00
92	VACANT LAND - REM OF ERF 312 - WESTVILLE TOWNSHIP	7	48	R 9 113 368,00
93	VERDRIET CLINIC	1	3	R 120 000,00
94	VEZOKUHLE RESIDENTIAL CLINIC - PORTION 6 OF ERF 17	1	3	R 120 000,00
95	VUMANI CLINIC - VRYHEID	1	3	R 92 720,00
96	XULU CLINIC	1	3	R 120 000,00

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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	BBBEE Contributor
AGRICULTURAL OFFICES - LOSKOP	0%	0%	0%	3
AGRICULTURE - SUB-REGIONAL OFFICE - JOZINI	100%	100%	100%	4
AGRICULTURE - SUB-REGIONAL OFFICE - JOZINI	0%	0%	0%	4
AGRICULTURE - SUB-REGIONAL OFFICE - JOZINI	100%	100%	100%	4
AGRICULTURE OFFICE - KWA-MGWANASE	100%	100%	100%	4
APPELSBOSCH HOSPITAL	0%	0%	0%	4
AUSTERVILLE FLATS - HUMAN SETTLEMENTS - BLUFF	0%	0%	0%	1
BETHESDA HOSPITAL	0%	0%	0%	1
CATHERINE BOOTH HOSPITAL	0%	0%	0%	1
CHARLES JOHNSON MEMORIAL HOSPITAL	0%	0%	0%	1
CHURCH OF SCOTLAND HOSPITAL	0%	0%	0%	1
CLINIC - ERF 5885 LADYSMITH	100%	100%	100%	2
CLINIC - LADYSMITH PHC	100%	100%	100%	2
DEDA PRIMARY SCHOOL	0%	0%	0%	2
DPT OF SOCIAL DEVELOPMENT - OFFICES - (GOVERNMENT	100%	100%	100%	2
EAST GRIQUALAND USHER MEMORIAL HOSPITAL	0%	0%	0%	1
EDENDALE HOSPITAL	50%	50%	50%	3
EDUMBE COMMUNITY HEALTH CENTRE	100%	100%	100%	2
ELANDSKRAL CLINIC	100%	100%	100%	1

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EMFANELA PRIMARY SCHOOL	50.3%	50.3%	50.3%	2
EMFUNDWENI CLINIC - DANNHAUSER	0%	0%	0%	1
EMMAUS HOSPITAL- THE FARM MISSION STATION NO.8011	50%	50%	50%	1
ERF 636 - PUBLIC WORKS VRYHEID	0%	0%	0%	1
ESHOWE BUS & TAXI RANK	0%	0%	0%	1
ESTCOURT HOSPITAL	0%	0%	0%	1
GALE STREET MORTUARY - UMBILO	51%	51%	51%	1
GATEWAY CLINIC - TUGELA FERRY	100%	100%	100%	1
GREYTOWN TB HOSPITAL	0%	0%	0%	1
GROENVLEI CLINIC	0%	0%	0%	1
GUGULESIZWE SECONDARY SCHOOL	3,8%	3,8%	3.8%	3
HLABISA HOSPITAL	0%	0%	0%	5
HOSPITAL - ERF 540 GREYTOWN	0%	0%	0%	1
HOUSE NO.4 HARTERBEES STREET, EMPANGENI	0%	0%	0%	2
HOUSE NO.4 HARTERBEES STREET, EMPANGENI	100%	100%	100%	2
IMBALENHLE CLINIC HEALTH CENTRE	0%	0%	0%	1
INALA PRIMARY SCHOOL	100%	100%	100%	2
INANDA NEWTOWN HIGH SCHOOL	0%	0%	0%	1
INANDA SPECIAL SCHOOL FOR LSEN	100%	100%	100%	1
INGOGO CLINIC	0%	0%	0%	1
INKULULEKO STOCK RENTAL DEVELOPMENT	100%	100%	100%	5
ISANDLWANA CLINIC - NQUTU	100%	100%	100%	1
ISITHEBE CLINIC	100%	100%	100%	1
KING BHEKUZULU HIGH SCHOOL	58.3%	58.3%	58.3%	4
KWAKHANGELAMANKENGANE PALACE	0%	0%	0%	2
LIBRARY SERVICES - PINETOWN	100%	100%	100%	2
MABHUQWENI CLINIC	0%	0%	0%	2
MADADENI HOSPITAL	0%	0%	0%	2
MAHLABENI LP SCHOOL	100%	100%	100%	1
MANYANE CLINIC	0%	0%	0%	1
MAZABEKO CLINIC - MSINGA	100%	100%	100%	2

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MCCORD HOSPITAL	100%	100%	100%	2
MELMOTH DISTRICT HOSPITAL	56%	56%	56%	1
MEYAMA HIGH SCHOOL	100%	100%	100%	1
MHLUNGWANE CLINIC	100%	100%	100%	1
MOSVOLD HOSPITAL	0%	0%	0%	5
MPOPHOMENI CLINIC	0%	0%	0%	1
MSELENI HOSPITAL	0%	0%	100%	1
MTHUNGWENI CLINIC	0%	0%	0%	1
NDLOZANA CLINIC	100%	100%	100%	2
NDUMO HIGH SCHOOL	0%	0%	0%	2
NDWEDWE HEALTH CARE CENTRE	100%	100%	100%	4
NGWELEZANE HOSPITAL	0%	0%	0%	4
NTAMBANANA CLINIC	25%	25%	25%	5
NTEMBISWENI CLINIC - U MVOTI	0%	0%	0%	3
NTENESHANE CLINIC - REM OF PORTION 27 OF ERF 4677	100%	100%	100%	3
NTULABAKAYISE HIGH SCHOOL	0%	0%	0%	3
OFFICES - AGRICULTURE AND ENVIRONMENTAL AFFAIRS H	0%	0%	0%	3
OFFICES - DEPARTMENT OF EDUCATION - PTN 51 ERF 6	50%	50%	50%	1
OFFICES - EDUCATION - SCOTT STREET COMPLEX - PMBUR	3,8%	3,8%	100%	1
OFFICES - ERF 1026 - ADMINISTRATION COMPLEX - ULUN	100%	100%	100%	3
OFFICES - PROVINCIAL LEGISLATURE - OLD COUNCIL CHAMBER	67%	67%	67%	4
OFFICES - SOC DEV & WELFARE - CHATSWORTH - BHAKTIV	100%	100%	100%	2
OLIVIERSHOEK CLINIC	100%	100%	100%	2
PARKSIDE - PREMIERS RESIDENCE	0%	0%	0%	6
POMEROY CLINIC	100%	100%	100%	2
PORT SHEPSTONE PROVINCIAL HOSPITAL	3,8%	3,8%	3,8%	6
PRINCE MNYAYIZA HIGH SCHOOL	50%	50%	50%	1
PRINCE MSHIYENI MEMORIAL HOSPITAL	0%	0%	0,0%	6
QADI CLINIC	100%	100%	100,0%	2

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QUEENSBURGH BOYS HIGH SCHOOL	49%	49%	49,0%	5
SIGWEJE CLINIC	100%	100%	100%	5
SIYANDA CLINIC - NQUTHU	100%	100%	100%	5
SOCIAL DEVELOPMENT OSIZWENI - ERF 4181 OFFICES-	0%	0%	0%	5
ST ANDREWS HOSPITAL	0%	0%	0%	5
ST CHAD'S CLINIC	100%	100%	0%	5
SUNDUMBILI POLY CLINIC	100%	100%	100%	5
THANDANANI CLINIC - DANNHAUSER	0%	0%	0%	6
THATHEZAKHE CLINIC:KHIPHINKUNZI TRIBAL AUTHORITY	100%	100%	100%	2
TSHELMINYAMA PRIMARY SCHOOL	100%	100%	100%	2
UMZILA PRIMARY SCHOOL	3,8%	3,8%	3.8%	2
VACANT LAND - ERF 156 NKANYEZI	100%	100%	100%	2
VACANT LAND - REM OF ERF 312 - WESTVILLE TOWNSHIP	50%	50%	50%	2
VERDRIET CLINIC	0%	0%	0%	1
VEZOKUHLE RESIDENTIAL CLINIC - PORTION 6 OF ERF 17	100%	100%	100%	1
VUMANI CLINIC - VRYHEID	100%	100%	100%	2
XULU CLINIC	0%	0%	0%	3

Table 14.3 – Report on consultant appointments using Donor funds

Project Title	Total Number of consultants that worked on the project	Duration: In Months	Donor and 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 Consultant from HDI groups that work on the project

NONE

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5. OTHER INFORMATION

5.1 Acronyms

•	ABET	-	Adult Basic Education & Training
•	CETA	-	Construction Education and Training Authority
•	COGTA	-	Department of Cooperative Governance and Traditional Affairs
•	DARD	-	Department of Agriculture and Rural Development
•	DoE	-	Department of Education
•	DOPW	-	Department of Public Works
•	EPWP	-	Expanded Public Works Programme
•	FRPC	-	Fixed Rate Period Contract
•	GIAMA	-	Government Immovable Asset Management Act
•	HOD	-	Head of Department
•	IDIP	-	Infrastructure Delivery Improvement Plan
•	IPIP	-	Infrastructure Programme Implementation Plan
•	IPMP	-	Infrastructure Programme Management Plan
•	MEC	-	Member of Executive Council
•	MTSF	-	Medium Term Strategic Framework
•	PFMA	-	Public Finance Management Act
•	SLA	-	Service level Agreement

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HUMAN RESOURCES MANAGEMENT
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5.2 List of contact details

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HUMAN RESOURCES MANAGEMENT
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OFFICE OF THE CHIEF FINANCIAL OFFICER

Chief Financial Officer

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Private Bag X9041

PIETERMARITZBURG

3200

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General Manager: Corporate Services

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