



**Department of
Co-operative Governance
and Traditional Affairs**

KwaZulu Natal Provincial Government

A N N U A L R E P O R T 2 0 0 9 / 2 0 1 0



" MAKING OUR SYSTEM OF CO-OPERATIVE GOVERNANCE WORK BETTER FOR OUR PEOPLE "



**FOREWORD BY THE MEC FOR CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS, THE HONOURABLE MS NOMUSA DUBE**





1. INTRODUCTION

- 1.1 Submission of the Annual Report to the Executive Authority
- 1.2 Introduction by the Head of the Institution
- 1.3 Information on the Ministry
- 1.4 Mission Statement
- 1.5 Legislative and other Mandates

2. PROGRAMME PERFORMANCE

- 2.1 Voted funds
- 2.2 Aim of the Vote
- 2.3 Summary of Programmes
- 2.4 Overview of the Service Delivery Environment 2006/07
- 2.5 Overview of the Organisational Environment for 2006/07
- 2.6 Strategic Overview and Key Policy Developments
- 2.7 Departmental Receipts
- 2.8 Departmental Payments
- 2.9 Programme Performance
 - Programme 1: Administration
 - Programme 2: Local Governance
 - Programme 3: Development Planning
 - Programme 4: Traditional Institutional Management
 - Programme 5: Urban and Rural Development
- 2.10 Transfer Payments
- 2.11 Conditional Grants
- 2.12 Capital Investment, Maintenance and Asset Management Plan

**3. REPORT OF THE AUDIT COMMITTEE****4. ANNUAL FINANCIAL STATEMENTS**

- 4.1 Report of the Auditor General
- 4.2 Accounting Officer's Report and Approval
- 4.3 Statement of Accounting Policies and Related Matters
- 4.4 Appropriation Statement
- 4.5 Notes to the Appropriation Statement
- 4.6 Income Statement (Statement of Financial Performance)
- 4.7 Balance Sheet (Statement of Financial Position)
- 4.8 Statement of Changes in Net Assets
- 4.9 Cash Flow Statement
- 4.10 Notes to the Annual Financial Statements
- 4.11 Disclosure Notes to the Annual Financial Statements
- 4.12 Annexure

5. HUMAN RESOURCE MANAGEMENT

- 5.1 Expenditure
- 5.2 Employment and Vacancies
- 5.3 Job Evaluation
- 5.4 Employment Changes
- 5.5 Employment Equity
- 5.6 Performance Rewards
- 5.7 Foreign Workers
- 5.8 Leave utilisation for the period 1 April 2006 to 31 March 2007
- 5.9 HIV/AIDS & Health Promotion Programmes
- 5.10 Labour Relations
- 5.11 Skills Development



5.12 Injury on duty

1. INTRODUCTION**1.1 SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY**

The Honourable Minister of Co-operative governance and traditional affairs

I have the honour of submitting the 2010/2011 Annual Report of the Department of Co-operative governance and traditional affairs in terms of the Public Finance Management Act, 1999.

Mr FR Brooks

Acting Head of Department

Accounting Officer: Vote 11

Department of Co-operative Governance and Traditional Affairs

Date:

1.2 INTRODUCTION BY THE HEAD OF THE INSTITUTION**1.3 INFORMATION ON THE MINISTRY****1. Institutions reporting to the Executive Authority:****Umsekeli**

Umsekeli Municipal Support Services was established by Proclamation 100/1996, with a primary purpose of assisting the Department in its constitutional obligation to support municipalities in their daily execution of their functions. The entity has since undergone a process of closure, and all functions undertaken by the department.

Provincial Planning and Development Commission (PPDC)

The Provincial Planning and Development Commission currently perform its duties and functions in terms of Section 5 of Town Planning Ordinance, No.27 of 1949. The Commission's key role in this province has been recognised in the KwaZulu-Natal Planning and Development Act, 1998 (Act



No.5 of 1998), which makes provision for the functions and duties currently performed by the Commission to be continued. The wide range of duties and functions of the Commission are summarised broadly as follows:

- To advise the Minister on planning and development matters generally, conduct research and assist in the formulation of policies, standards and guidelines on provincial, regional and local planning and development;
- To call for information on, monitor and advise the Minister and any other Minister on the co-ordination of any planning and development initiatives and activities undertaken by any person or institution in the Province;
- To consider, and make recommendations to the Minister on the proposed programmes of any provincial department; and
- Generally to assist provincial departments and responsible authorities in the exercise of their powers in terms of the PDA, and to provide assistance, advice and guidance on the preparation of Integrated Development Plans.

During 1997, the Town and Regional Planning Commission was recognised by the Premier as the Provincial Development and Planning Commission, in terms of Section 11(b) of the Development and Facilitation Act, 1995 (Act No.67 of 1995). The Commission is represented on the National Commission by its Chairman, who has strengthened the links between the provincial and national planning authorities.

It undertakes research within the planning sphere and it has generated a rich reference resource used by development agencies and government. Recognised as the Provincial Commission in terms of the National Development Facilitation Act (Act No 67 of 1995) the Commission now, additionally, has responsibility for Planning & Development in the Province with the imminent implementation of the KZN Planning and Development Act as of 01st July 2009, the role and relevance of the Commission will be reviewed going forward, as all planning will now become the responsibility of the Local Municipalities.

Provincial House of Traditional Leaders

The Provincial House of Traditional Leaders was established on the 15 August 2006, in terms of Section 33(6) of the KwaZulu-Natal Traditional Leadership and Governance Act, 2005 (Act No. 5 of 2005). The House comprises of representatives from 11 Local Houses, a representative of Isilo and three Amakhosi from Umzimkhulu. The House has 10 executive committee members and 3 representatives to the National House of Traditional Leaders.

I. Bills submitted to the Legislature during the financial year

There were no Acts nor bills submitted to the Legislature during the financial year under review.



II. Ministerial visits abroad

Place	Date	Purpose
Buenos Aires, Argentina	13 to 17 November 2009	Participate in the exhibition to Showcase and promote KZN as a preferred investment and tourism location.
Angola,	25 January to 01 February 2010	Twinning with the Province of Benguela, in the tourism, agriculture and trade and investment, visit to municipalities and other sectors.

1.4 MISSION STATEMENT

"TO STRENGTHEN COOPERATION AMONGST ALL SPHERES OF GOVERNMENT, SUPPORT AND BUILD CAPACITY OF LOCAL GOVERNANCE INSTITUTIONS, FACILITATE AND COORDINATE STAKEHOLDER ENGAGEMENT, IN PURSUANCE OF PEOPLE-CENTERED, ACCELERATED SERVICE DELIVERY"

THE STRATEGIC GOALS SET ARE:

- Strengthened cooperative governance;
- Sustained performance of institutions of local governance (municipalities and traditional institutions);
- Efficient and effective oversight;
- Improved organizational capacity and proficiency; and

VISION

"PEOPLE CENTRED SUSTAINABLE LOCAL GOVERNANCE WHICH FOCUSES ON EFFECTIVE SERVICE DELIVERY RESPONSIVE TO THE NEEDS OF THE COMMUNITIES"



1.5 LEGISLATIVE MANDATE

The mandate of the department is defined in wide ranging pieces of legislation applicable to National, Provincial and Local Government. The key legislative, functional and policy mandates of the department are found primarily in chapter 3, 6, 7 and 12 of the Constitution of the Republic of South Africa Act, 1996 (Act 108 of 1996) as well as:

- The Public Finance Management Act (Act no. 1 of 1999)
- Treasury Regulations
- The KwaZulu-Natal Supply Chain Management Policy Framework
- The Development Facilitation Act
- The Pounds Act
- Public Service Regulations
- White Paper on Local Government
- KwaZulu-Natal Traditional Leadership and Governance Act (Act no. 3 of 2005) as amended (KwaZulu-Natal Traditional Leadership and Governance Amendment Act (Act No. 9 of 2007)
- Traditional Leadership and Governance Framework Act (Act No. 41 of 2003)
- Municipal Property Rates Act, 2004 (Act No. 6 of 2004)
- Communal Land Rights Act
- Water Services Act
- Division of Revenue Act
- Intergovernmental Relations Act
- Local Government Laws Amendment Act
- Cemeteries and Crematoria Act

At a local level the mandate of the department is informed by:

- The Municipal Systems Act (Act no. 32 of 2000)
- The Municipal Structures Act (Act no. 117 of 1998)
- Municipal Finance Management Act (Act no. 53 of 2003)
- Communal Land Rights Act (Act no. 11 of 2004)



2. PROGRAMME PERFORMANCE

2.1 VOTED FUNDS

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
Vote 11:	1,131,536,000	1,093,918,000	1,023,420,000	70,498,000
Responsible Minister	Minister for Co-operative Governance and Traditional Affairs			
Administering Department	Department of Co-operative Governance and Traditional Affairs			
Accounting Officer	Head Of Department: Co-operative Governance and Traditional Affairs			

2.2 AIM OF THE VOTE

The Department of Co-operative governance and traditional affairs will foster good governance, cooperative governance and sustainable development in KwaZulu-Natal through traditional and local government structures. This is underpinned by a professional approach, based on the Batho Pele principles.

2.3 SUMMARY OF PROGRAMMES

The Department had 6 programmes for the year 2008/09. The programmes are as follows:

PROGRAMME	SUB-PROGRAMME
1. Administration	1.1 Office of the MEC 1.2 Office of the HOD 1.3 Corporate Services
2. Local Governance	2.1 Municipal Administration 2.2 Municipal Finance 2.3 Public Participation 2.4 Municipal Infrastructure 2.5 Disaster Management



3. Development Planning	3.1 Spatial Planning 3.2 Development Administration 3.3 Municipal Strategic Planning 3.4 Provincial Planning and Development Commission (PPDC) 3.5 Special Projects
4. Traditional Institutional Management	4.1 Traditional Institutional Administration 4.2 Traditional Resource Administration 4.3 Traditional Land Administration
5. Urban and Rural Development	5.1 Community Development Worker 5.2 Rural Connectivity 5.3 Rural Development 5.4 Synergistic Partnerships 5.5 Urban Development
6. Capacity and Systems	6.1 Capacity Building 6.2 Monitoring & Evaluation 6.3 External Communication 6.4 Municipal & Traditional Institutional Transformation 6.5 Development Information System



2.4 OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT 2008/09

The main challenge faced by the Department during the period was technical and professional, as well as management capacity constraints to perform the functions inherent to its programmes, including the high staff turn-over as a result of the restructuring process and the subsequent moratorium placed by the Provincial Administration. As a result, more than fifty percent (50%) of the targets were not achieved. The lack of capacity has impacted on the ability of the Department to deliver programmes effectively, efficiently and in a sustainable manner to its primary clients, being municipalities and traditional institutions. Some brief comments are made regarding the following critical performance areas where the impact has been perverse.

Infrastructure

The greatest challenge facing our municipalities remains the development of infrastructure towards service delivery. National backlog eradication targets, set for each sector, have been reviewed and are now generally held to be 2014. With current Municipal Infrastructure Grant and Integrated National Electrification Programme funding levels, achievement of the water, sanitation and electricity targets are at risk. In the same context the free basic services delivery to indigent communities is not being implemented satisfactorily as per targets.

The Government's Free Basic Services (FBS) commitment to economically disadvantaged communities (indigent) continues to have a limited impact due to the enormous backlogs in infrastructure. Guidelines have been developed for the implementation of Free Basic Water, Sanitation and Electricity. However additional support will continue to be provided in respect of planning to eradicate backlogs in the first place, and in implementation of infrastructure development programmes and Free Basic Service provision.

Disaster Management

The KwaZulu-Natal Province has faced increasing levels of disaster risk and devastating incidents throughout the 2009/10 financial year, ranging from man-made and natural hazards, including earth tremors, veld fires, strong winds and severe storms, that have triggered widespread hardship and devastation during the past year. These recent major incidents of fire, strong winds and floods that occurred in the province have become an eye opener and many lessons have been learnt. The need exists for the province to move quickly and swiftly in an attempt to fully comply with Disaster Management No 52 of 2002 in order to create a sustainable state of readiness for the province to deal with Disaster Risk Management. Resourcing the organs of state and communities is of utmost importance as to enable the province to deal with Disaster Risk Management. The change in mind set for the municipalities responsible for disaster management will enable the proper planning, budgeting and development of necessary programmes for prevention, mitigation and development strategies.



Development Planning

Capacity constraints within municipalities and the department have had a negative impact on the rate of progress made in addressing service delivery challenges. Whilst the Department has invested a great deal of time and resources in development planning capacity building initiatives, there are still serious capacity constraints in most municipalities, particularly in the smaller and rural-based municipalities. High staff turn-over, as well as a scarcity of requisite skills to perform development planning functions, has resulted in a situation where municipalities are not able to retain or even recruit suitably qualified and experienced staff to perform these functions. It is for this reason that the concept of a shared service has been pursued as an option that has the potential to achieve greater economies of scale and improve the sustainability of the Department's development planning capacity building programme.

2.5 OVERVIEW OF THE ORGANIZATIONAL ENVIRONMENT FOR 2008/2009

An external evaluation of the Department's performance was undertaken. This evaluation undertook a systematic and assessment of the department's programmes and policies, including its design, implementation and results achieved at the level of the clients as identified. The evaluation assessed the extent to which the DLGTA's programmes and associated activities:

- *Were efficient* by assessing the outputs in relation to inputs, looking at costs, implementing time, and economic and financial results;
- *Were effective* by measuring the extent to which an objective has been achieved or how likely it is to be achieved; and
- *Whether they produced results, and achieved the intended impact:* By establishing the positive and negative, and foreseen and unforeseen, changes to and effects caused by the projects or programs.

Due to the sensitivity of some of the findings, there were some diverse and in some cases negative perceptions regarding the results. Notwithstanding this challenge, the evaluation results have been of immense value to the Department by providing information and recommendations to develop and plan future Departmental Strategic and Annual Performance Plans, and being able to focus on results that are to be achieved through implementation of the different programmes. Most programmes have also utilised the results to guide their detailed business plans in order to improve the effectiveness and efficiency of their operations.



2.6 STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS FOR THE FINANCIAL YEAR 2009/2010

Policy developments and legislative changes

The recent policy pronouncements following the election of the new President in April 2009: ushered a new Medium Term Strategic Framework (MTSF) with new priorities which the Department has to take cognizance of and align to its plans. Simultaneously a Local Government Turnaround Strategy was approved by national Cabinet in November 2009 and has to be incorporated into the business processes and be prioritised by the Department. Coupled with this was the new mandate for Co-operative Governance. A new Provincial Programme of Action outlining new priorities was adopted by the Provincial Executive demanding a new way of doing things with emphasis on a "hands on approach" by all provincial departments. Each one of these is briefly outlined below.

Medium Term Strategic Framework

The MTSF will guide government's programmes over the period 2009 to 2014. It is mindful of the current global economic crisis and the implications that this will have on investment, employment, incomes and government revenue. Taking these into account, the main focus in the current period is "to minimize the impact of the economic downturn on the country's productive capacity as well as jobs and poverty reduction measures, to identify opportunities for new areas of growth and economic participation, and progressively to set the country on a new growth and development path." In addition, there is a strong focus on improving efficiencies to ensure that the resources that we do have are utilized in the most efficient manner possible.

The following strategic objectives are identified in the MTSF:

- Halve poverty and unemployment by 2014.
- Ensure a more equitable distribution of the benefits of economic growth and reduce inequality.
- Improve the nation's health profile and skills base and ensure universal access to basic services.
- Improve the safety of citizens by reducing incidents of crime and corruption.
- Build a nation free of all forms of racism, sexism, tribalism and xenophobia.

The ten strategic priority areas to give effect to the above strategic objectives are:

- Speeding up growth and transforming the economy to create decent work and sustainable livelihoods.
- Massive programme to build economic and social infrastructure.



- Comprehensive rural development strategy linked to land and agrarian reform and food security.
- Strengthen the skills and human resource base.
- Improve the health profile of all South Africans.
- Intensify the fight against crime and corruption.
- Build cohesive, caring and sustainable communities.
- Pursuing African advancement and enhanced international cooperation.
- Sustainable Resource Management and use.
- Building a developmental state including improvement of public services and strengthening democratic institutions.

Provincial Programme of Action

In line with the MTSF, ten provincial priorities have been identified in the Provincial Programme of Action being:

- Rural development, agrarian reform (creating capacity for food security, income generation and export possibilities).
- Fighting crime and creating safer communities.
- Education and skills for all (in support of government priority programmes, building economy, and creating jobs and nation building).
- Health for all - focusing on primary health care, with the aim of reducing morbidity and mortality.
- Creating decent work and ensuring economic growth: first economy interventions, integration of second economy, building small business and cooperative movement etc.
- Nation building and good governance - creation of inclusive government and compassionate, non-racial and integrated society; efficient administration and elimination of fraud and corruption.
- Social and economic infrastructure.
- Cohesive and sustainable communities.
- International co-operation.
- Sustainable resource management.

Local Government Turn Around Strategy

Following an assessment of local government in each of the nine provinces, a State of Local Government Report and a Framework for the Local Government Turnaround Strategy was prepared. This was then translated into the actual Local Government Turnaround Strategy (TAS). It was approved by National Cabinet in November 2009 and submitted to



Provincial Cabinet at its meeting of 2 December 2009. The TAS has five strategic objectives:

- Ensure that municipalities meet the basic service needs of communities.
- Build clean, effective, efficient, responsive and accountable local government.
- Improve performance and professionalism in municipalities.
- Improve national policy, oversight and support.
- Strengthen partnerships between local government, communities and civil society.
- In addressing these objectives, there is a strong emphasis on mobilising government and society. Key interventions to take these strategic objectives forward are:
 - National Government (including state enterprises) will organise itself better in relation to Local Government.
 - Provinces will improve their support and oversight responsibilities over Local Government.
 - Municipalities will reflect on their own performance and identify their own tailor-made turnaround strategies.
 - All three spheres of government will improve Inter-Governmental Relations in practice.
 - Political parties will promote and enhance the institutional integrity of municipalities.

These are further unpacked into immediate pre- 2001 election priorities and Vision 2014 priorities. The TAS then highlights a number of things to be done differently. These focus on a social compact between government and broader society, municipal accountability, differentiation, annual assessments, a single window of coordination, and revamped Vuna Awards.

"New" Mandate of Co-operative Governance

The **new mandate** of the Department as outlined by Cabinet is as follows:

- To coordinate all organs of State to ensure maximum impact;
- Interventionist approach;
- Improved internal and external cooperation and outcomes based IGR structures;
- Ensure **SINGLE** window of coordination and regulation of national, provincial and local government;
- Clarify the role of non-public sector institutions (social partners) e.g. Academic institutions; and,
- Clarify the role of private sector and of State Owned Enterprises in the new dispensation.



In essence the mandate of the department has been equated to the COG of the wheel, standing at the centre of integrated development with the Department now having the following functions:

- Coordination both vertically and horizontally, and doing away with silo approach across the province.
- The key area of focus is planning. The Department is repositioned as a critical ally of the Planning Commission to align planning across the three spheres of government, by strengthening the IDPs.
- Ensuring the alignment of priorities of both national and provincial departments implemented in a local space in the municipal IDP's.
- Ensure that IDP encapsulates the provincial priorities and budget in a coordinated manner.
- Enhance the IGR framework support integration (IGR framework to be reviewed and strengthened).
- Ensure seamless service delivery in a coordinated manner supported by emerging legislated processes.
- Put development planning at the center stage.
- Put people at the center of development.

These are not new functions, in the context of the White Paper on Developmental Local Government. However, they do represent a new focussed emphasis on strengthening certain functions which in the past have not been achieving the results required.

2.7 DEPARTMENTAL RECEIPTS



	2008/09 Actual	2009/10 Target	2009/10 Actual	% deviation from target
Sales of goods & services non capital assets	1,012	833	927	11%
Sales of capital assets (Capital Revenue)	0	0	0	
Machinery & equipment	0	0	0	
Interest, dividend & rent on land	931	554	1,089	97%
Financial transactions (Recovery of loans and advances)	8,927	0	927	100%
TOTAL DEPARTMENTAL RECEIPTS	10,870	1,387	5,490	296%

It is difficult to accurately budget for the departmental receipts, as the department operational activities do not control or have no influence over the sources of the receipts. The interest earned is mainly interest from positive bank balance that the department had from time to time.

2.8 DEPARTMENTAL PAYMENTS

Programmes	Voted for 2009/10	Roll-overs & adjust-ments	Virement	Total voted	Actual Expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	184,689	-17,019	0	167,670	154,094	13,576



Local Governance	359,670	-3,428	-4,538	351,704	343,325	8,380
Development and Planning	257,724	-8,368	0	249,356	231,572	17,784
Traditional Institutional management	145,053	0	4,538	149,591	140,362	9,229
Urban and Rural Development	139,616	-3,060	0	136,556	126,191	10,365
Systems & Institutional Development	44,784	-5,744	0	39,040	27,876	11,164
TOTAL	1,131,536	-37,619	0	1,093,918	1,023,420	70,498

PROGRAMME 1: ADMINISTRATION

This programme is dedicated to all supporting services within the department as well as the Office of the Ministry and all special projects. The programme consists of two sub-programmes, namely Office of the MEC and Corporate Services.

Corporate Services is responsible to render the following key functions:-



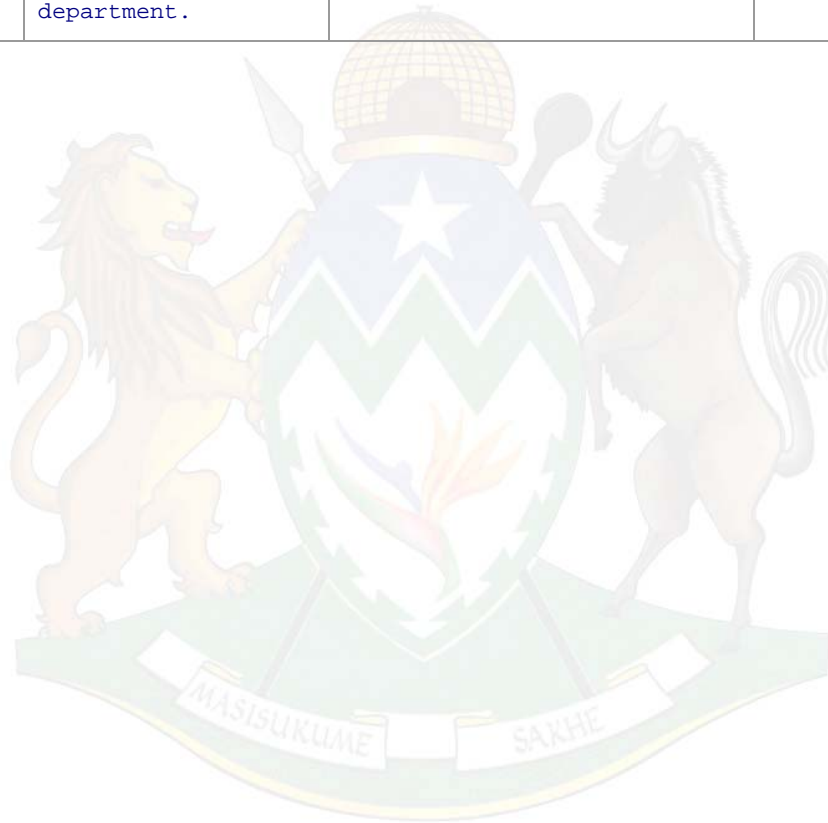
- Provision of Human Resource Management including Labour Relations and the management of service benefits;
- Provision of Human Capital Development including the Departmental Wellness Programmes
- Provision of Auxiliary Services encompassing Transport, Security, Office Services and Occupational Health and Safety;
- Provision of an Information Communication Technology Service including the provision of information system, management of service level agreements with service providers and the provision of IT related resources; and
- Provision of Management Services encompassing Organisation and Work Study, Job Evaluation and Batho Pele Service Delivery initiatives and programmes.
- Provision of Financial Management support to the department



Sub-Programme	Measurable Objective	Performance Measure Indicator	Target Output 09/10	Actual Output 09/10	Variance	Reasons for Deviation (greater than 20%)
CORPORATE SERVICES	Provision of legal support within the department according to prescribed legislative norms and standards	% legal matters attended to within the agreed norms and standards	100	100	0	
	Development and implementation of Human resource strategy to support operational efficiency	Number of strategies developed and approved according to national legal/policy prescripts, including provincial guidelines to strengthen and support operational efficiency within the department	1	0	-1	Capacity constraints impact on the development of this Plan. The development of it will be prioritised in 2010/2011
	Maintenance of departmental buildings and fleet in order to strengthen and support the broader Department	Number of Departmental buildings/ offices that are maintained in terms of Occupational Health Safety Act.	1	1	0	
		Number of Departmental vehicles that are roadworthy	200	218	18	
	Maintenance and implementation of an Information Technology Strategy to improve efficiency of internal operations	Number of Information Technology Strategy reviewed and implemented annually	1	0	-1	Capacity constraints impact on the development of this Plan.
FINANCIAL MANAGEMENT	Application of Preferential Procurement objectives as contained in legislation/practice notes to promote broad-based	% compliance to the Preferential Procurement targets as set	100	100	0	



	participation and empowerment					
	Implementation and reviewing of the Asset Management Strategy to improve budgeting and financial management throughout the department.	% compliance with Asset Management Strategy	100	100	0	





PROGRAMME 2: LOCAL GOVERNANCE

Programme 2: Local Governance

The purpose of this programme is to implement institutional, administrative and financial municipal framework, and to provide municipal infrastructure framework.

The programme consists of five sub-programmes which are detailed below, namely Municipal Administration, Municipal Finance, Public Participation, Disaster Management and Municipal Infrastructure.

Some of the key functions of the programme include:

- Enhancing the oversight role of councillors and the division between the Executive and Administrative arms in a municipality.
- Provision of support to municipal governance structures to improve community participation and accessibility
- Ensuring sound financial management in all 61 municipalities in KwaZulu Natal
- Combating corruption, promoting ethics and ensuring accountability in all 61 municipalities in KwaZulu-Natal by 2014.
- Managing and co-ordinating municipal infrastructure development through facilitating municipal infrastructure investment planning, infrastructure development programme implementation and appropriate operation and maintenance in 61 municipalities
- Developing and improving disaster management capacity of 61 municipalities in order to deal with disaster occurrences in the province.

PROGRAMME PERFORMANCE

MUNICIPAL GOVERNANCE

The code of conduct procedure manual has been work shopped with the 12 identified municipalities. Municipalities response to the support provided is poor as a result due to other priorities. Seven municipalities are being monitored in applying oversight mechanisms. All institutional governance matters such as the Amajuba legal matter, and various Section 139 Constitutional Interventions have received attention and have been resolved in the majority of cases. Five municipalities have been targeted to received



hands-on governance support; however, delays in internal management procedures have resulted in the project to roll-over to the next financial year.

A Provincial Task Team has been established between COGTA KZN, NIA, Kwanaloga and the IEC in managing the 2011 Local Government Elections. The team is developing a programme of action for the 2011 elections, including the councillor orientation programmes, which includes the agenda for the first council meeting to be held after the elections.

The two Districts of Umkhanyakude and Zululand have been monitored on an ongoing basis in establishing intergovernmental forums. IGR structures are in place and are functioning. The Districts has resolved to adopt

and align their structures to the Departmental model and the functionality of committees is being monitored and given hands on support.

With respect to the performance contracts of Section 57 Managers, only two of the 10 municipalities targeted are still to provide all supporting documents. During the monitoring and assessment process, a number of substantial shortfalls and non compliance issues were identified in individual municipalities and remedial action has begun by visiting individual municipalities and hands on support to be being given where identified. Nine of the 20 identified performance appraisal committees have been verified. The other committees will be verified as soon as appointments can be arranged with municipalities.

Prior to a skills gap being determined, a skills audit at each municipality must be completed. This work is dependent on a service providers appointed by National CoGTA. To date Skills audits have been completed and in 4 municipalities and the skills gaps have been determined. The process will be complete by 31 July 2010. A draft strategy is being completed and will be presented to the Provincial Steering Committee.

MUNICIPAL FINANCE

All medium and high capacity municipalities have implemented an asset management framework using different systems and service providers. Only a few municipalities used the framework developed by the Department following a pilot project. Municipalities found difficulty in using the framework developed due to service provider preference although best practices were either revised or enhanced depending on the expertise of the service providers in the market. The Department needs to dedicate more hands on support to implement a framework of this magnitude in its entirety

All municipal financial operating systems evaluated for effectiveness and optimal compliance. Municipalities will be monitored and supported and system updates and reviews will be undertaken at the District Area Finance Fora.

Of the seven municipalities targeted to implement a debt management strategy, only four municipalities fully committed to the strategy. Three municipalities are progressing extremely slowly (Ubuhlebezwe, Okhahlamba and Emadlangeni) due to capacity and funding constraints. Municipalities do not use the principles of debt collection as is applicable and practised by the most effective municipalities. Municipalities also endure a vast array of unique problems that have to specifically considered before a collection



strategy can be effective. All municipalities did not consider the impact of Indigent Consumers effectively and rely on outdated collection methods to recover very aged debt still on their books. Municipalities will be monitored and supported until the debt collection strategy is showing signs of improvement and achieving desired results within a given period.

The Consolidated Financial Assessment reports were prepared in terms of Section 131 of the MFMA and Section 80 of the MPRA.

All 11 Valuation Appeal Boards have been established. Functionality of the VAB's will be tracked and assessed as an ongoing indicator.

Although the target of 25 Municipal Public Accounts Committees has not been met, all medium and high capacity municipalities have received the MPAC framework. Only a few workshops have taken place at individual municipalities. Municipalities cited the timing of the workshops to be inappropriate due to the Oversight /public participation processes currently taking place but have expressed interest in the workshops and have committed to establishing a Municipal Public Accounts Committee.

PUBLIC PARTICIPATION

One hundred and fifty-five ward committees were established in line with national guidelines. However, due to delays with the appointment of a national service provider, the training of Ward Committees has been delayed. As a remedial action, the Department has now identified funds and it is in the process of procuring service providers to commence with the training. Training should commence during the 1st quarter 2010/11. Twenty

municipalities have been supported and monitored to have a customised Community Participation Framework in place.

MUNICIPAL INFRASTRUCTURE

The support to municipalities to enhance Operational and Maintenance challenges has been completed except for the ongoing monitoring of implementation. The programme development phase has been extremely successful and will certainly enhance sustainability of services and increase the life span of infrastructure if fully implemented by the municipalities. Shortage of funds in municipalities generally constrains Operation & Maintenance.

The review of the water sector strategy to the point where it constitutes a universal access plan has not been completed. The main reason is that detailed municipal planning is ongoing and done on an incremental basis. What is required is a comprehensive water service plan from all Water Services Authorities (WSA). Department of Water Affairs (DWA) is currently assisting WSA's to review/update their Water Service Development Plans (WSDP's) which will be rolled-up as a provincial plan.

A water planning assessment has been concluded in three districts (Umkhanyakude, Umgungundlovu and Umzinyathi) so that areas of additional support can be identified. The Department is working closely with DWA in providing support to WSAs in the three key areas - updating WSDPs, bulk water planning and at strategic plan level. The strategy and work plan was



held pending the Water Indaba of November 2009 and the resolutions are now being incorporated.

The draft Universal Access Plan for Electricity has been compiled. This plan is a "living" document and will be updated regularly as demand for electricity and new developments dictate. No consultative workshops have yet been held on this plan.

The comprehensive benchmark for municipal performance was developed in respect of Free Basic Service provision to monitor and evaluate municipal performance and to identify municipalities and the areas where support. Initial assessments have been conducted. Provision of information, by municipalities in their budget reports need to improve to reflect municipal commitment to indigent support. Continued support is to be provided.

The year end assessment of municipalities indicates 27 of 60 municipalities did not achieve the provincial service delivery benchmark. All 60 municipalities completed their Stage 1 Comprehensive Infrastructure Plans. The final MIG expenditure as at the close of March 2010 was 95.02%.

DISASTER MANAGEMENT

The Provincial Disaster Management Framework was approved by Cabinet and published in a special Provincial Gazette for public comments. The Department of Works has purchased a building that is being renovated to accommodate the Provincial Disaster Management Operations Centre. This includes the operations centre, the administrative personnel as well as the emergency relief stock storeroom that is kept on hand to be utilised in the event of an incident.

Disaster Management Centres have been established in all 10 Districts and the Metro but their level of functionality is linked to their budgetary provisions. The Provincial Disaster Management Centre has further injected financial resources to enhance the establishment and functionality of the Umdoni, Ugu and Sisonke disaster management centres.

The Provincial Disaster Management Advisory Forum has been established and the Terms of Reference was adopted. Membership will be confirmed through HODs for sector departments.

All district municipalities were engaged with a view of sensitising them with the alignment of their IDPs with Disaster Management Plans. Their 2010-11 IDPs will be assessed during the end of March and beginning of April 2010 to determine whether alignment has been done in this regard.

Work towards the Provincial 2010 Fifa World Cup Disaster Management Master Plan is progressing. There were some delays during the procurement of the service provider; however, work is progressing to have the draft Master Plan discussed at the Provincial Disaster Management Advisory Forum to be finalised during April 2010 and shall be ready before the event for simulation and implementation.



Sub-Programme	Measurable Objective	Performance Measure Indicator	Target Output 09/10	Actual Output 09/10	Variance	Reasons for Deviation (greater than 20%)
MUNICIPAL ADMISTRATION	Enhance municipal governance by the application by municipalities of appropriate frameworks, policies and guidelines	Number of municipal councils applying adopted roles and responsibilities	5	5	0	
		Number of municipal councils applying delegations frameworks	5	5	0	
		Number of municipal councils applying oversight mechanisms	5	5	0	
	Stable local government	% of institutional governance matters resolved	100	100	0	
	Support the building of municipal capacity by facilitating the deployment of skilled professionals	Number of Municipalities benefiting from the deployment of skilled professionals	12	0	-12	There were delays in internal funding allocations and SCM processes. The process will be finalised in 2010/2011
	Assessment of operational capacity of municipalities to determine powers and functions	Number of municipalities assessed and powers and functions adjusted	61	61	0	
	Smooth transition from one municipal administration to the next after 2011 elections	Programme of preparation for the 2011 local government elections	1	1	0	
	Promotion of effective co-operative governance to improve coordination and	Number of district intergovernmental forums (DIFs) with operational committee structures and systems.	2	2	0	



		Number of municipalities evaluated on effectiveness of financial operating systems	61	61	0	
		Number of municipalities implementing Best Practice Debt Management Strategy to achieve debt reduction	4	4	0	
	Development and monitoring the implementation of Municipal Financial Management capacity building programme	Number of capacity building programmes implemented and monitored	1	1	0	
	Monitor, Assess and report on municipal financial management in terms of MFMA and MPRA	Number of consolidated assessment reports prepared	2	2	0	
	Establishment of functional Valuation Appeal Boards in terms of Section 58 of the MPRA	Number of Valuation Appeal Boards established and report on functionality	11	11	0	
	Provision of support to municipalities to develop and implement strategies to enhance financial accountability	Number of financial oversight committees (finance portfolio committees or Municipal SCOPAs) established and functionality monitored.	25	0	-25	A workshop to discuss these issues is essential and support (oversight from departmental officials) during the first few meetings would be necessary. Municipalities will be monitored and



						supported through the implementation until the project is completed.
PUBLIC PARTICIPATION	Provision of support to municipal governance structures to improve community participation and accessibility	Number of ward committees established in line with national guidelines	150	150	0	
		Number of Functional Ward Committees in terms of set criteria	200	200	0	
		Number of ward committees trained on module 2&3	311	0	-311	Due to delays with external service provider, the department has identified funds. SCM is in the process of procuring service providers to commence with the training. Training should commence during the 1st quarter 2010/11.
		Number of ward committees trained on module 4&5	400	0	-400	Dependent on National CoGTA and LGSeta and based on funding and appointment of service provider.
		Number of municipalities with a customised Community Participation Framework	20	20	0	
MUNICIPAL INFRASTRUCTURE	Facilitation and provision of water, electricity and sanitation in the province to improve the lives and wellbeing of communities	Number of consolidated provincial universal access plans developed (backlog eradication plans)	1	0	-1	Provincial Summit, which will assist in preparing the 1st draft, is being held in Nov 2009. Although the project is presently behind schedule, the final draft strategy document should still



						be completed by March 2010. Following the Summit, discussions will be held with DWAF to explore mechanisms on providing UAP
		Number of municipalities achieving 65% of the infrastructure development performance benchmark	20	33	13	
		Water, sanitation and electricity service delivery impact assessment report	2	0	-2	Capacity constraints limited the achievement to one assessment.
		Number of municipalities achieving 60% of Free basic service benchmark	21	33	12	
	Strategic support to municipalities in effectively managing of infrastructure.	Number of infrastructure development plans facilitated and monitored.	60	59	-1	
		Number of municipal planned and preventative maintenance programmes developed to ensure sustainability of services	2	2	0	
DISASTER MANAGEMENT	Contribution to the well being of communities through effective disaster management plans/frameworks	Provincial Disaster Management Framework adopted and gazetted	1	1	0	
		fully resourced and functional provincial disaster management centres with all critical posts filled and functional communication system installed	1	1	0	
		No of functional	2	2	0	



	districts disaster management centres established				
	No of functional and effective fora established	1	1	0	
	100% of all 11 district advisory forum membership reconstituted	1	1	0	
	Number of DMP aligned with IDP's	11	11	0	
	Number of Capacity Building Programmes developed	1	0	-1	Delays in internal processes have hampered the achievement of the target.
		3	3	0	
	Number of Provincial 2010 DM Master Plans approved	1	1	0	





PROGRAMME 3: DEVELOPMENT AND PLANNING

Programme 3: Development and Planning

The purpose of this programme is to promote informed integrated planning and development in the province. This Programme consists of six sub-programmes, namely Spatial Planning, Development Administration and Land Use Management, Municipal Strategic Management, Municipal Performance Management, Provincial Planning and Development Commission and Special Projects.

The key functions include:

- Promoting improved alignment through implementation of a Provincial IDP assessment framework and annual support and assessment plan in order to improve the credibility rating of 61 municipal IDPs and improved service delivery
- Providing a Provincial Spatial Development framework for improved and aligned Municipal Spatial Development Frameworks and Land Use Management Systems, so as to promote orderly development and investment confidence in 61 municipalities
- Building the development planning capacity of municipalities to facilitate improved municipal strategic planning, spatial planning and performance management through the establishment of 10 District Wide Development Planning Shared Services
- Establishment and support of 61 functional municipal Organisational Performance Management Systems (OPMS) to report on progress with implementing Municipal IDP

PROGRAMME PERFORMANCE

SPATIAL PLANNING

Sixty One municipalities were supported in developing SDFs. These SDF's were also assessed as part of the annual IDP assessment process. Twenty One municipalities scored 60% and above. With respect to their performance against the Municipal Spatial Planning capacity benchmark. Fifty Six municipalities are participating in the District Wide Development Planning Shared Service. This Shared Service is aimed in enhancing municipal capacity in dealing with municipal spatial planning matters.

DEVELOPMENT ADMINISTRATION

Compliance of Ninety Five percent is recorded with respect to the support provided to statutory development bodies such the Development Tribunal, Development Appeals Tribunal, Town Planning Appeals Board and PDA Appeals Tribunal.

The formalisation of 5 priority towns is on- track. The development approval hearing for Ndwedwe was held in February 2010, and Maphumulo to follow shortly. The Ingonyama Trust Board has finalised its policy approach, and prepared proforma agreements between Traditional Councils, municipalities



and the ITB. These have been signed in Jozini and Manguzi. Mbazwane is to be concluded in April 2010. Work is now proceeding on the land rights enquiry in Jozini.

STRATEGIC PLANNING

The Annual Provincial IDP Management Plan has been adopted and all 61 municipal IDPs were submitted and assessed accordingly. The 61 assessment reports have been disseminated and the findings have been discussed with Municipalities on 3 April 2009. From the IDP assessments, MEC responses have been drafted and handed to

municipalities, a Provincial report was drafted. However, the results of the assessment show that only 30 municipalities reached the 60% mark on the IDP benchmark.

Three municipalities, Umlalazi, Nguthu, and Newcastle were also supported in a process of promoting Community Based Planning.

MUNICIPAL PERFORMANCE

Seven of the ten Districts have received training on establishing performance management systems, with cancellations in ILembe, Umzinyathi and Sisonke. Diagnostic Assessment have been done in 57 municipalities however with the remaining four being Umzumbe, Ulundi, Mthonjaneni and Nkandla where the service providers have been experiencing difficulties in finalising these assessments.

Resulting from the Diagnostic assessments, a total of 57 action plans have been completed and these await sign off by the remaining municipalities.

Information for the half yearly reports for the 2009/2010 year have been submitted by 12 municipalities however these have been assessed and additional information has been requested from the municipalities and a number of columns on the data sheets were left blank.

District Technical Advisory Committees on performance managements have been established and are functional in DC 22, 23, 24, 26, and 29. In other instances, DC 21 functions through its planner's forum, DC 25 has incorporated PMS into the IDP committee meeting; DC 28 has structured OPMS with the Development Planning Shared Services Technical Steering Committee. DC 43 and 27 have been established however are not meeting regularly as planned.

SPECIAL INITIATIVES

87 projects closed and close-out reports submitted to the PMU. Most of the outstanding projects are new projects emanating from savings on original business plans 30 of Project Consolidate municipalities have achieved 80% with the implementation of their MPA's.

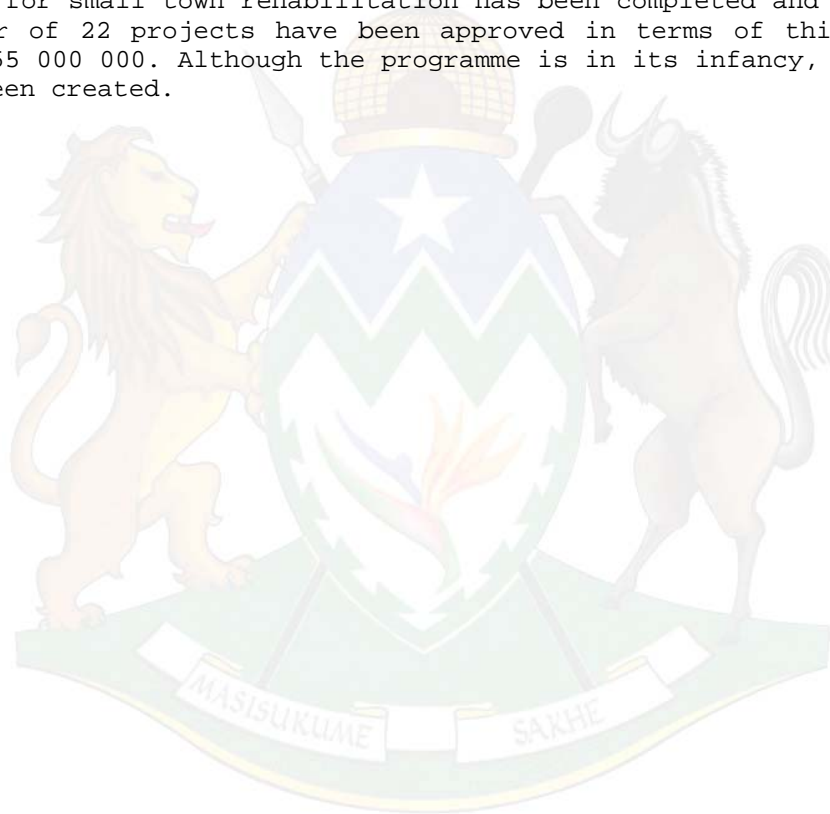
A total number of 22 new corridor projects have been approved in the 2009/2010 financial year. R62 232 000 has been transferred to corridor development municipalities for the implementation of new projects approved



by the Economic Cluster. These projects are aligned to the Govt Programme of Action and the Provincial Priority Sectors.

As part of implementing the Provincial Spatial Economic Development Strategy (PSEDS), 50 corridor projects approved in previous financial years exceeded an implementation level of 50% and 36 have been closed. Corridor Impact Assessment is done by measuring job creation and counter funding being provided. To date, 560 jobs (including both temporary and permanent) have been created through the implementation of corridor projects and counter funding agreements have been reached between the municipalities and other stakeholders (public and private) totalling R105 000 000.

A framework for small town rehabilitation has been completed and approved. A total number of 22 projects have been approved in terms of this framework totalling R55 000 000. Although the programme is in its infancy, already 195 jobs have been created.





Sub-Programme	Measurable Objective	Performance Measure Indicator	Target Output 08/09	Actual Output 08/09	Variance	Reasons for Deviation (greater than 20%)
		% compliance with SLA with statutory bodies (Development Tribunal, Municipalities Development Appeals supported in the Tribunal, Town Planning Appeals implementation of Board, PDA Appeals SDFs aligned with Tribunal, PSEDS)				
SPATIAL PLANNING	Provision of support to municipalities with the development and implementation of spatial development frameworks.	Number of Municipalities	100	95	-5	
		Development Appeals	61		0	
		Number of rural settlements formalised	50		-50	The project as a whole has been delayed by the IB's project approach, but
		% alignment of provincial capital budget with SDF	5	0	-5	
	Development and monitoring of a development administration capacity building programme	% alignment of provincial capital budget with spatial priorities of the Province	50		-50	No progress report submitted on this target
		Municipal performance against municipal capacity benchmark	51	0	-51	The way it was submitted on the progress report for this target to resume.
		% compliance in processing of statutory planning applications within municipalities	90		-30	Targeted training is being undertaken in priority municipalities to reach benchmark goals. Measurement against benchmarks has still to be undertaken on 20 municipalities to improve the achievement of the target
	Development and monitoring of Spatial Planning Capacity Building Programme	Number of participating on District Wide Development Planning Shared District wide Settlement	56	56	0	
		Number of participating on Provincial Shared Service (PSS) assessment	56		0	
	STRATEGIC PLANNING	Improved alignment programme through	Number of Shared Provincial (PSS) assessment			
DEVELOPMENT ADMINISTRATION	Empowerment of provincial SDF assessment framework and spatial	Number of applications managed and support plans added per annum	1	1	0	
		Annual Provincial IDP assessment	70		-10	
		Annual Provincial IDP assessment	1	1	0	



		report produced				
		Number of Community Based Plans facilitated	3	3	0	
		Number of sector departments participating effectively in Municipal IDP Process	4	4	0	
		Number of municipalities achieving 60% rating on IDP assessment	45	30	-15	Capacity constraints within municipalities impact on the achievement of this target.
		Number of municipalities achieving required 60 % of strategic planning capacity benchmark	45	54	9	
		Number of municipalities participating on District Wide Development Planning Shared Service (DPSS)	45	54	9	
		Number of Provincial Reports on the State of Development Planning Shared Services (DPSS)	1	0	-1	Many districts are just starting now to build their capacity
PERFORMANCE MANAGEMENT	Establishment and support of functional municipal Organisational Performance Management Systems (OPMS)	Number of municipalities reporting on performance in terms section 46 of the Municipal Systems Act (and have gone through	61	27	-34	Capacity constraints within municipalities impact on the achievement of this target.



	to report on progress with implementing Municipal IDP	the public participation process)				
	Establishment of formal functional provincial structures for building municipal capacity	Number of established District IGR Structures reporting on District Wide M&E	5	5	0	
PROVINCIAL PLANNING AND DEVELOPMENT COMMISSION	Provision of support to the Provincial and Development Commission to effectively carry out its mandate	% compliance with SLA in respect of secretariat support to the Commission	100	100	0	
		Number of research projects managed for the Commission	8	8	0	
		% of statutory applications processed in terms of adopted norms and time frames	100	100	0	
SPECIAL PROJECTS	Support municipalities for effective service delivery	Number of Project Consolidate Interventions completed and close out reports submitted	85	87	2	
		Number of Project Consolidate Municipalities with 80% Implementation of MPA	30	30	0	
		Municipal pre deployment assessment tool developed and implemented to determine baseline prior to	1	1	0	



		deployment				
		Number of deployment agreements concluded with municipalities	5	0	-5	
		Deployee impact in municipalities assessed and lessons learnt documented	1	1	0	
		Provincial Framework for hands on support developed as informed by lessons learnt from Project Consolidate	1	0	-1	The project was suspended and resuscitated due to budgetary shortfalls in the province.
		Number of new corridor development projects packaged and approved	15	22	7	
		Number of projects approved in previous financial years exceeding implementation level of 50% on expenditure	40	50	10	
		Number of projects closed out, including projects in the previous financial year	30	36	6	
	Promotion of the creation of decent work opportunities in the	Number of employment opportunities secured through corridor	500	560	60	



	implementation of corridor projects	interventions % counter funding mobilised on Corridor Development budget	30	30	0	
	Promotion and support to increase economic activity in small towns.	Number of partnership agreements initiated with other local economic development programmes to align initiatives	2	2	0	
		Framework for small town rehabilitation aligned to rural development finalised and rolled out	1	1	0	
		Number of packaged projects for priority small towns in support of rural development	6	22	16	
		Number of work opportunities created through the small town rehabilitation programme	100	195	95	
		Number of (small town) projects approved exceeding implementation level of 50% on expenditure	3	6	3	
		Effective and strategic support of municipalities	% of construction work completed in all 6 complexes	100	100	0
	Number of jobs		1500	2904	1404	



	with the construction and upgrading of sports facilities to meet the 2010 FWC target	created through the stadia construction programme				
--	--	---	--	--	--	--





PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT

The purpose of this programme is to support and enhance the capacity of traditional councils. The programme consists of three sub-programmes, namely Traditional Institutional Administration; Traditional Resource Administration and Traditional Land Administration

The key functions include:

- Implementing financial management tools aimed at improving financial management of traditional institutions
- Ensuring transformation of outstanding traditional communities in compliance with legislation
- Enhancing good governance through policies and frameworks

PROGRAMME PERFORMANCE

TRADITIONAL INSTITUTIONAL MANAGEMENT

Asset registers for all 257 Traditional Councils' were developed. The registers are now operational to all TC's. The Business Unit conducted an orientation program to TC's Secretaries, Local House's staff and to some TC members who deal with financial matters pertaining to the Traditional Council. All Traditional Councils now have an asset register that they update and maintain regularly. This is done through an assistance of Local Houses staff.

Eleven of Local Houses and 1 Provincial House have been formally reconstituted and have discussed and adopted their Rules of Orders and Codes of Conduct. Furthermore, a skill gap analysis on all Amakhosi in Local Houses was conducted and finalized.

TRADITIONAL LAND ADMINISTRATION

194 Traditional Councils have been trained on land matters and was supported with the alignment of land allocation in terms of municipal land use management schemes. 101 TC s supported with establishment and maintenance of land use databases. The Ingonyama Trust Board was support with the demarcation of 1711 land parcels. A further 17 traditional boundary disputes was resolved during the period.



Strategic Objective	Measurable Objective	Performance Measure Indicator	Target Output 09/10	Actual Output 09/10	Variance	Reasons for Deviation (greater than 20%)
		Establish skills gap for traditional leaders	1	1	0	
TRADITIONAL INSTITUTIONAL AND	Implementation of financial management improvement framework initiatives to enhance financial management	Number of Financial Conflict Management initiatives implemented	1	0	-1	Internal process delayed the achievement of the target.
TRADITIONAL COUNCIL	Effective monitoring, development and monitoring evaluation and review of the implementation of the Traditional Council Capacity Management strategy to enhance building strategic management	Number of TC's trained on land matters building programmes developed, implemented and monitored	294	201	-2	No progress Report submitted
LAND ADMINISTRATION SUPPORT	Formulation of Policies: Performance Management Framework for TC's and maintenance of a Land Use Database for Amakhosi	Number of TC's supported with establishment and maintenance of land use database	1 101	107	-1 6	
	Improving transparency of information in land use	Framework for TC accountability developed, implemented and	1		-1	Internal process delayed the achievement of the target.
	Promote synergy between training of Amakhosi leadership programs and land use management processes	Number of TC's supported developed and modules in leadership for Amakhosi: (UKZN; UNIZULU)	194 1	201	7 -1	No progress Report submitted
	Traditional institutions support ITB with process of established in accordance to land use framework to improve security of tenure	Number of TCs % compliance with SLA transformed with ITB	100 17	0	-100 -17	There is a challenge in the transformation of Community Authorities and landless Amakhosi, as all transfers have been deferred to 2010.
		Number of TC boundary disputes of local houses / Provincial House formally deposited	11 16 1	17	0 1 0	
		Number of Amakhosi installed	6		-2	Financial constraints limited the implementation of the projects.
	Enhance governance through frameworks, policies and guidelines	Rules of Order, Code of Conduct,	11	11	0	
		Performance Management Systems for TC's and LH	11	0	-11	The draft PMS is to be finalized in 2010.



PROGRAMME 5: URBAN AND RURAL DEVELOPMENT

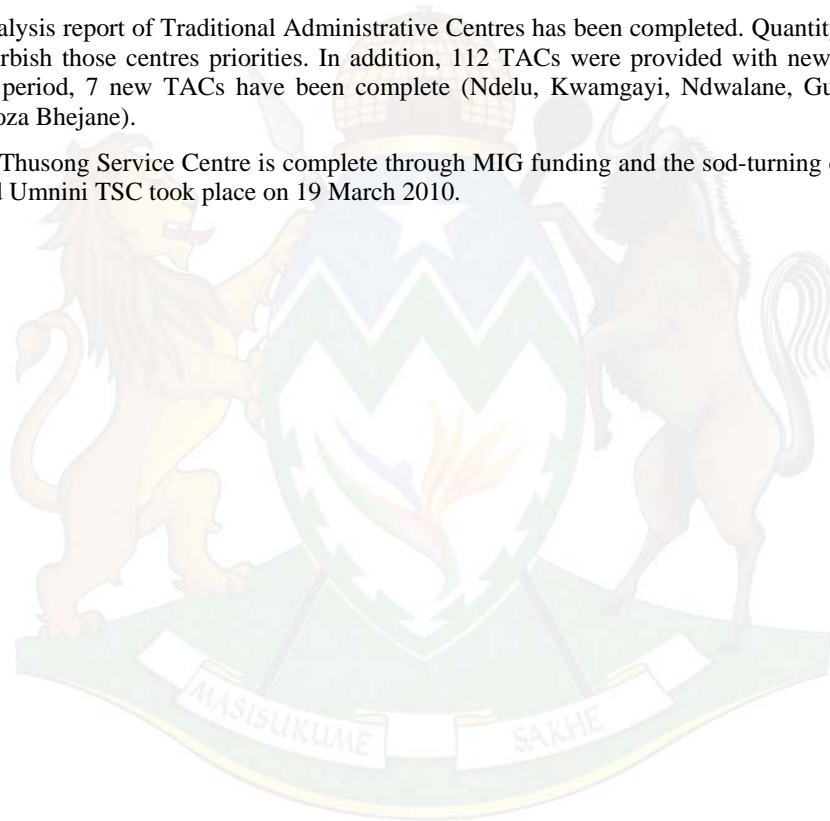
RURAL DEVELOPMENT

Umzinyathi, Msinga, Umkhanyakude, Ntambanana and Ndwedwe municipalities were supported with rural development in terms of integrating rural development service delivery planning into their IDPs. Two corporate partnerships have been established to consolidate resources towards rural development.

RURAL CONNECTIVITY

A Status Quo Analysis report of Traditional Administrative Centres has been completed. Quantity surveyors were appointed to refurbish those centres priorities. In addition, 112 TACs were provided with new ITC equipment. Over the MTEF period, 7 new TACs have been complete (Ndelu, Kwamgayi, Ndwalane, Gumbi, Mzimkulu, Mngobokazi, Khoza Bhejane).

The Maphumulo Thusong Service Centre is complete through MIG funding and the sod-turning ceremony for the Ethekwini funded Umnini TSC took place on 19 March 2010.





Strategic Objective	Measurable Objective	Performance Measure Indicator	Target Output 09/10	Actual Output 09/10	Variance	Reasons for Deviation (greater than 20%)
RURAL DEVELOPMENT	Support municipalities in the development and implementation of rural development frameworks	Number of Support Strategies for municipalities aligned with National and Provincial Rural Development Framework	1	0	-1	Development of Rural Development strategy is the mandate of the Department of Agriculture and Rural development
		Number of municipalities supported with integration of rural development service delivery planning in IDPs	2	5	3	
	Facilitation of the implementation of an integrated LED programme to achieve sustainable local economic development in terms of the PGDS, PSEDS and nodal points	Number of Municipal LED IDP guidelines developed for integration of LED within municipal IDPs	1	0	-1	Delays with the finalisation of the COGTA-LED strategy
		Number of Corporate Partnerships established to consolidate resources towards rural development	12	2	-10	Financial constraints limited the implementation of the projects.
		Number of structured cooperative programme developed to support rural development	1	1	0	
URBAN DEVELOPMENT	Support municipalities in the development and of urban renewal development frameworks	Number of Provincial urban development frameworks developed and aligned with PGDS	1	0	-1	Internal process delayed the achievement of the target.
		Number of municipalities supported with integrated service delivery in IDPs in terms of the urban development framework	2	0	-2	Delays in the finalisation of service delivery guideline impacted on the achievement of the target.
		Number of Corporate Partnerships established to consolidate resources towards implementation of urban development framework	3	0	-3	Dependent of the finalisation of Urban Development Strategy and seed capital.
RURAL CONNECTIVITY	Improved access to government services by communities	Number of functional Thusong centres established in terms of availability of services	30	0	-30	Functionality of TSCs is dependent on operational funding to Municipalities.
		Number of habitable TACs with services and furniture established	58	0	-58	Implementation of projects moved over to the 2010/11 financial year due to late submission approval and long winded procurement processes.



		Number of TSCs constructed/rehabilitated	5	2	-3	Financial constraints limited the implementation of the projects.
		Number of TACs constructed	1	0	-1	Functionality of TSCs is dependent on operational funding to Municipalities.
	Development and monitoring of capacity building programmes for centre managers	Number of capacity building programmes developed for centre managers	1	0	-1	Financial constraints limited the implementation of the projects.
SYNERGISTIC PARTNERSHIPS	Promotion and management of synergistic partnerships between Traditional institution and municipalities for improved and coordinated service delivery	Number of synergistic partnerships formalised to enhance rural service delivery	15	5	-10	Internal process delayed the achievement of the target.
		Number of functional Joint Coordinating Committees	15	5	-10	Internal process delayed the achievement of the target.
	Development and monitoring of municipal and traditional institutions capacity building programmes	Number of capacity building programmes implemented	1	0	-1	Internal process delayed the achievement of the target.
COMMUNITY DEVELOPMENT WORKERS	Development and implementation of a CDW Master plan for improved coordination of service delivery	Number of CDW's deployed in wards	90	0	-90	Financial constraints limited the implementation of the projects.
		Number of agreements developed and signed between local government and other departments	5	0	-5	No progress
		Number of implemented and developed Performance management framework	1	0	-1	Awaiting the finalisation of national CDWP Policy Framework being undertaken by DPSA.
	Development and monitoring of a capacity development programme for CDWs	Number of capacity development models for CDWs developed and monitored	2	1	-1	Financial\ constraints limited the implementation of the projects.



PROGRAMME 6: CAPACITY AND SYSTEMS

PROGRAMME PERFORMANCE

MONITORING AND EVALUATION

Fourth quarterly reports have been prepared and submitted to Provincial Treasury. The internal 2nd and 4th Quarterly Report reflecting programme performance and challenges have been prepared and submitted. The 2008/2009 Departmental Annual Performance Report was prepared in time to form part of the Annual Report. The 2009/2010 Annual Performance Report is in the process of being prepared.

The External Evaluation of Departmental Programmes was finalised and distributed internally. A consolidated database on Local Government information has been established and is available in easy downloadable profiles per municipality. The 2007/2008 Consolidated Annual Municipal Performance Report was finalised and tabled in the Legislature in the second half of 2009.

DEVELOPMENT INFORMATION SERVICES

All Sector Government Departments and SOEs have updated their information on PSEDS database; however the information is still subject to a verification process.

All 2007 and 2008 property registers are being maintained on a weekly basis and disseminated quarterly and on request. The remaining municipalities that were not part of the initial contract is finalised for inclusion with 2007 and 2008 registers for update and maintenance.

Nine district municipalities having completed all phases of District Information Management Systems (DIMS) implementation. The implementation of the DIMS Provincial Portal project will undergo the full SCM process and will commence and be concluded in the next financial year.



Strategic	Measurable Objective	Performance Measure Indicator	Target	Actual	Variance	Reasons for
		Number of SOEs contributing to PSEDS Database per annum. (uMhlatuze Water, Siza Water, uThukela Water and Umngeni Water)	4	4	0	
		Number of municipalities provided with quarterly cadastral update	35	35	0	
	Implementation, management, and review of District Information Management Systems (DIMS) to improve municipal management and reporting of information	Number of municipalities with access to DIMS Services	49	49	0	
		Number of municipalities participating on District Wide Development Planning Shared Services	56	56	0	
		Information for Local Government and Traditional Institutions	1	1	0	
		Number of Annual Performance Report of Traditional Institutions	1	0	-1	5YLGSA to be reviewed in view of CoGTA Municipal Turn Around Strategy.
	Improved transparency through development of a Consolidated Annual Municipal Performance Report (CAMPR) in terms of Section 46 of the MSA	Number of Consolidated AMPR approved. (prepared, tabled in Leg, media published) in terms of Section 46 of the Municipal Systems Act (2000)	1	1	0	
DEVELOPMENT INFORMATION SERVICES	Maintenance of the PSEDS database with Government Departments and SOE's capital projects to	Number of Departments contributing to PSEDS Database per annum. (DED, DOT, DAEA, DACT, DOHOUSING, DOWORKS, DOH, TLGA, DLA, DOE, DWAF)	11	11	0	

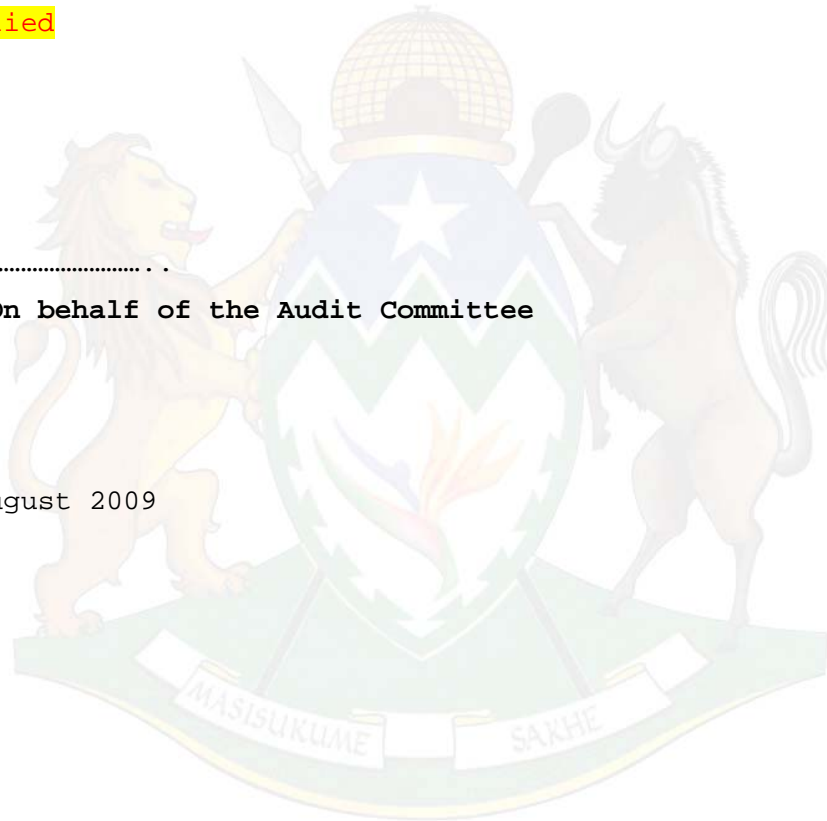


**3. REPORT OF THE AUDIT COMMITTEE ON
VOTE 11 – CO-OPERATIVE GOVERNANCE AND TRADITIONAL
AFFAIRS**

To be supplied

.....
Chairman: On behalf of the Audit Committee

Date: ... August 2009



4 ANNUAL FINANCIAL STATEMENTS

4.1 REPORT OF THE AUDITOR GENERAL

**REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL
LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE NO. 11:
DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS FOR
THE YEAR ENDED 31 MARCH 2010**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Co-operative Governance and Traditional Affairs, which



comprise the appropriation statement, the statement of financial position as at 31 March 2010, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages ... to ...

Accounting officer's responsibility for the financial statements

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

Auditor-General's responsibility

3. As required by section 188 of the Constitution of South Africa and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 40(2) of the PFMA, my responsibility is to express an opinion on the financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Co-operative Governance and Traditional Affairs as at 31 March 2010, and its financial performance and its cash flows for the year then ended in accordance with the modified cash basis of accounting as determined by the National Treasury, as set out in accounting policy note 1.1 to the financial statements and in the manner required by the PFMA and DoRA.

Emphasis of matter

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

Basis of accounting

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

Irregular expenditure

10. As disclosed in note 23 to the financial statements, irregular expenditure to the amount of R3,933 million was incurred, as a proper tender process had not been followed.

Other matters

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

Unaudited supplementary schedules

12. The supplementary information set out on pages **xx** to **xx** 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

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

Findings

**Predetermined objectives**

14. No matters to report.

Compliance with laws and regulations**Public Service Regulations****Non-adherence**

15. Contrary to the requirements of Public Service Regulations (PSR) 1/ III/ B2(d), the department did not have a human resource plan for the medium term expenditure framework 2008-10.

INTERNAL CONTROL

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

Leadership

17. The accounting officer did not take the appropriate steps to ensure that an approved human resource plan was in place.

OTHER REPORTS**Investigations in progress**

18. A fraud investigation into the approval of a payment in the supply chain management unit is currently in progress.
19. Disciplinary charges are being investigated into a deviation from procurement practices in the awarding of a contract.

Pietermaritzburg

30 July 2010



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence





4.2 ACCOUNTING OFFICER'S REPORT AND APPROVAL

Report by the Accounting Officer to the Executive Authority / Provincial Legislature and Parliament of the Republic of South Africa.

1. General review of the state of financial affairs

The year under review marked the inauguration of the new government administration, resulting in changes in a number of policy imperatives and strategic direction of the department. The department conducted its strategic planning session, focusing on the unpacking of the new department mandate in lieu of the new government priorities of ensuring a better focused and much more coordinated service delivery. There was a paradigm shift in the department whereby the focus has been in the department's coordination role to ensure co-operative governance horizontally and vertically in the all spheres of government and organs of the state.

Even though, the department organisational structure was finalised during the previous financial year, the department experienced challenges in filling of vacancy. A provincial moratorium on filling of vacancies as part of the cost-cutting measures in view of the difficult economic times resulted in the delays in filling of vacancies. The department nevertheless developed a number of systems to ensure a viable environment for enhanced performance and accountability, and to ensure optimal performance of the department in view of the capacity challenges.

Human Capacity Development unit has been growing from strength to strength since its establishment. There has been an increase in the number of employees receiving counselling and emotional support through the Employee Assistance Programme (EAP). Thus resulting in a further decrease in staff losses through death and ill-health emotionally and physically. The department further participated in Inter-Departmental Games, which was the first of its own kind in the province, thereby encouraging physical fitness amongst employees which results in mental vitality thus increase production and commitment levels.

The department continued to enhance governance, deepening local democracy, and building a strong local government sphere that ultimately translates into improved service delivery, and municipalities were continuously encouraged to enhance the oversight function of all councillors and adopt a standardised reporting format. Other important municipal functions include the implementation of an appropriate monitoring and evaluation framework to effectively measure performance, and the promotion of the development of economic infrastructure and rural service centres to stimulate economic growth and development

The department continued with the rolling out of the Massification Programme which is specifically aimed at addressing service delivery backlogs. Provincial priority projects in needy communities were targeted, which resulted in the delivery of water, sanitation and electrification. The programme entailed the implementation of sewerage



purification plants, emptying of pit latrines, electrification in specified intervention areas within the boundaries of Ugu and Ilembe District Municipalities.

In line with the provincial objectives on the 2010 World Cup infrastructure development programme, the entire stadia infrastructure in five municipalities, namely Ugu, uThungulu, Amajuba, uMgungundlovu and eThekweni, were completed and prepared for hand over before the World Cup starts, in accordance with the FIFA and Local Organising Committee (LOC) requirements for training base camps. The aforementioned municipalities were also assisted to develop 2010 World Cup specific disaster management plans, which incorporate the management of public viewing areas in all the districts.

There was a specific focus on the implementation of the Small Town Rehabilitation programme to augment the work that is already done through the provincial Corridor Development programme. The primary drive of this new programme is to strengthen the service centres in the province and therefore to provide a sound base for social and economic activities in key centres throughout the province. Seven pilot municipalities received support in 2009/10, and multi-year projects have been approved for the implementation that will result in the retention and attraction of investment in rural economies.

The department concluded a status quo analysis report on Traditional Administrative Centres (TACs) and Thusong Service Centres (TSCs), and the results reflected that existing centres have positively contributed in bringing essential government services to vulnerable communities. The departmental capacity building programme for centre managers has been moved forward to 2010/11 due to the National Government Communication and Information System (GCIS) developing a programme for centre managers.

The department is in a process of implementing ward councillor awareness campaigns in identified areas of skills shortages. A skills gap analysis was conducted for all 11 Local Houses and an ABET course was rolled out to 28 Amakhosi plus 18 Ondlunkulu. The Rules of Order were adopted by the 11 Local Houses.

The department facilitated the training of Joint Co-ordinating Committees on municipal legislation in order that each traditional leadership and municipality understands their roles and responsibilities, particularly in respect of the Umhlathuze, Emnambithi and Maphumulo municipalities.

The Monitoring and Evaluation Framework was implemented across all business units in the department and there is on-going capacity building of departmental staff in implementation thereof.

The external evaluation of departmental programmes has been finalised and a report outlining the findings and recommendations was presented to the department. The Local Government Accounting Certificate Learnership was launched, and 366 learners are on the programme which was aimed at capacitating municipalities on holistic financial skills.

The department's total voted funds for the 2009/10 financial year originally amounted to approximately R1,131 billion (2007/08: R1,037



billion). This represents an increase of approximately 9% over the previous financial period. These voted funds were then reduced by R37 million as part of the provincial budget cut of 7.5% on equitable share across the departments. The remaining increase in the 2009/10 allocation relates mainly to the funding for the rehabilitation of small towns. There were also other minor additional allocations such as personnel inflation adjustment and Government Employees Medical Scheme contribution.

The department incurred expenditure of R1,023 billion for the 2009/10 financial period versus a R1,020 billion expenditure in 2008/09 financial period. The year on year increase in actual expenditure is approximately 73%.

Consequently, of the voted funds of R1,037 billion, approximately R70.4 million remained unspent. This includes the allocation of R40 million that was surrendered to Provincial Treasury as a department's contribution to the Provincial Financial Recovery Plan. The remainder of the savings were as a result of the delays in filling of vacancies and appeals on the bids as well as the delays in receipt of invoices for the goods and services delivered towards the end of the financial year.

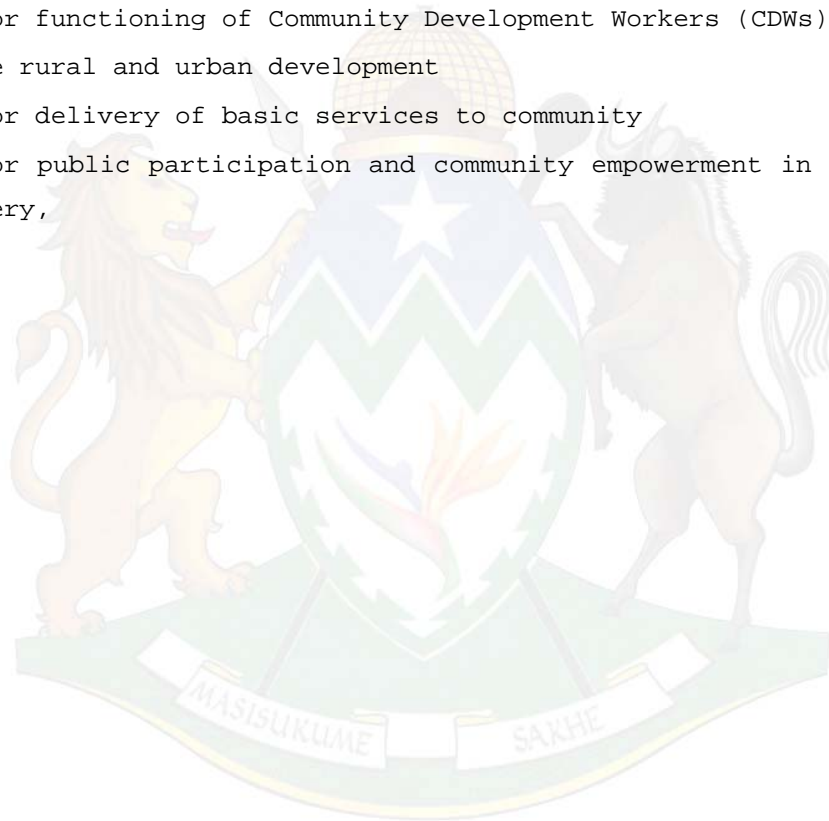
1. Service rendered by the department

2.1 The Department renders the following services:

- Formulate and administer legislative and policy framework in respect of local government and traditional institutions;
- Monitor and support the finances, governance and broader service delivery by municipalities and traditional institutions;
- Build capacity and provide hands on support to municipalities especially the poor and ill capacitated municipalities and institutions of Traditional Leadership
- Provide support to the municipalities, specifically on the implementation of Municipal Property Rates Act.
- Promote informed and structured integrated planning and development;
- Render professional and secretariat support to planning and development statutory bodies;
- Facilitate and monitor the impact of Project Consolidate municipal interventions;



- Implement legislation applicable to the institution of Traditional Leadership and to land
- under management of Traditional Leadership; and
- Promote synergy between municipalities and institution of Traditional Leadership on land use and development.
- Implement transformation of Traditional Institution
- Facilitate development and functionality of Thusong Centres
- Monitor functioning of Community Development Workers (CDWs)
- Manage rural and urban development
- Monitor delivery of basic services to community
- Monitor public participation and community empowerment in service delivery,





2.2 Tariff Policy:

In 2008/09 the only tariffs levied by the department related to the sale of maps and digital information. These tariffs are listed below:-

SHEET SIZE	PAPER		GLOSS		COPY
	VECTOR	COLOUR	VECTOR	COLOUR	
A0	R 79.00	R95.00	R158.00	R189.00	R21.00
A1	R63.00	R74.00	R126.00	R147.00	R15.00
A2	R48.00	R58.00	R95.00	R115.00	R15.00
A3	R15.00	R20.00	R30.00	R40.00	R0.50
A4	R10.00	R15.00	R20.00	R30.00	R0.30
MAP BOOK - Thematic Maps	R 200.00				
MAP BOOK - Census	R 300.00				

2.3 Free Services:

The services rendered by the department, in terms of its core functions, are mandated by legislation and are related to constitutional obligations and are therefore provided free of charge, to both municipalities and traditional institutions.

2.3 Inventories:

Apart from stock of consumable items, such as stationery, the department does not carry any other inventories. These consumable items were of immaterial value hence no stock count thereof was conducted during the financial year under review.

2. Capacity constraints

The departmental strategic plan of the past five years focused mainly on the stabilization of the local government sector, especially providing support to municipalities, firstly through Project Consolidate and the Five Year Strategic Agenda. The hands on support given to municipalities provided an excellent opportunity for the achievement of the activism approach by all management in the department. The close face-to-face encounter with municipalities, including the municipal assessment provided a better understanding and appreciation of the challenges experienced by municipalities on the ground and provided clarity on the response and interventions required. Our province continued to be one of the trend-setters in a number of interventions and approaches that most provinces modelled on, e.g. the process of



support and assessment of the IDPs, the shared services model, the establishment of the Local Houses of Traditional Leaders, the Monitoring and Evaluation framework to monitor our work and many other forms of intervention.

The moratorium on the filling of critical posts continues to affect service delivery. Development of systems to enhance accountability coupled with the diligent and dedicated officials in the department ensured a viable environment for enhanced performance and accountability, and optimal performance of the department in view of the capacity challenges.

The department consolidated and strengthened its support for establishing capacity in municipalities in the field of municipal strategic planning, spatial planning, development administration, municipal performance management and development information services with the establishment of district-wide Development Planning Shared services. Focus was placed on ensuring that the municipalities have access to the required planning competency and capacity to implement this new framework.

The greatest challenge that municipalities face remains the development of infrastructure towards service delivery, and the national backlog eradication targets were reviewed and have been set for 2014. The current funding levels of the Municipal Infrastructure Grant and the Integrated National Electrification Programme are not sufficient to ensure the full achievement of the water, sanitation and electricity targets. Similarly, free basic service delivery to indigent communities is not being implemented satisfactorily, as originally targeted.

The service delivery environment throughout the province is characterised by a lack of financial resources and skilled personnel, spiralling unit costs, lack of bulk infrastructure, inappropriate infrastructure investment planning, dispersed settlement patterns, topography and limited financial provision for operations and maintenance of assets. These factors and the mitigation of the aforementioned risks are being addressed in the strategy development. The department anticipates facilitating bulk infrastructure development along selected nodes and corridors, as spelt out in the Provincial Spatial Economic Development Strategy (PSEDS), which should result in a significant impact on service delivery. A total of 25 nodes have been identified in the PSEDS and the roll-out of support to these nodes will occur over the MTEF period, with at least 6 nodes receiving support per year through the Small Town Rehabilitation programme.

3. Utilisation of donor funds

The department received funding from the Development Bank of South Africa (DBSA) which was provided from 2006/07 to 2009/10, aimed at building municipal capacity. These funds were used in capacity building initiatives in municipalities and the ward committees. At the end of the financial year under review there was approximately R6.8 million that had not been spent from these donor funds.



4. Trading entities and public entities

5.1 Provincial Planning and Development Commission

The KwaZulu-Natal Town and Regional Planning Commission trading as the Provincial Planning and Development Commission (PPDC) was established in terms of the Natal Town Planning Ordinance, No 27 of 1949 and recognised as the Planning and Development Commission in terms of the Development Facilitation Act 1995 (Act no.67 of 1995). The PPDC is responsible for the processing of certain categories of development applications and appeals in terms of the Natal Town Planning Ordinance, 1949. It is also responsible to advise the MEC for Local Government on Development Planning issues and policies and to undertake research in this regard. In the current financial year, the Commission was allocated a grant of R2,6 million by the Department. Financial statements in respect of the PPDC have been prepared for the year ended 31 March 2009.

5.2 Umsekeli Municipal Support Services

This Entity was established by Proclamation 100/1996. Umsekeli's primary function is to assist the Department in its Constitutional obligation to support municipalities in the daily execution of their functions.

The process of winding up of the affairs of Umsekeli started in the 2007/08 financial year. The winding up however could still not be brought to finality before the end of the current financial year, due to challenges that had arisen, as a result of litigation matters that was brought about by the former employees of Umsekeli. Some of these litigations have been settled out of court, whilst with the others the court decision is still awaited, so that the winding up process can be finalized.

With Umsekeli technically wound up, the department did not allocate any funding for the 2009/10 financial year.

5.3 KwaZulu-Natal House of Traditional Leaders

The passing of Traditional Leadership Framework Act (2003) as amended, as well as the Traditional Leadership and Governance Act (Act 5 of 2005) resulted in the transformation of the institution of traditional leadership, which saw the establishment of the Provincial House, the Local Houses of Traditional Leaders and Traditional Councils as part of the transformation process that sought to democratize the institution and align it to other democratic structures of government.

As a result this has placed additional capacity and support requirements on the department to ensure effective transformation and smooth transition to democratic principles. In response, the Department, has established eleven districts offices to support these structures and has further developed partnership with the



University of KwaZulu Natal and University of Zululand to develop a dedicated capacity building programme for Traditional Leadership.

The Department continues to promote the synergic relationship between the municipalities and the traditional councils in the planning and development of areas under the jurisdiction of the traditional councils programmes such as LUMS, IDPs and others.

5. Organisations to whom transfer payments have been made

Transfers were made to relevant municipalities in terms of the Division of Revenue Act:

- For infrastructure development, particularly the districts that have been earmarked to benefit on the 2010 Stadia Infrastructure Projects
- Massification
- Rehabilitation of Small Towns
- Incorporation of Umzimkhulu
- Implementation of the Municipal Finance Management Act no 56 of 2003;
- To promote investment through Corridor Development particularly on the municipalities located along the primary and secondary provincial corridors;
- For capacity building and development planning support; and
- For Disaster Management

6. Public private partnerships (PPP)

The department did not pursue any public / private partnerships.

7. Corporate governance arrangements

The Sub-directorate: Internal Control makes use of a customised Control and Risk Self Assessment module to conduct risk assessments within this Department. The risk criteria / risk types for these risk assessments were set by management and include financial risks, administrative risks, asset risks, equipment risks and documentation risks.

All Chief Directorates, where potential risk are more likely to occur, were identified and an annual risk assessment plan was recommended and approved for execution.

The department continues to implement an integrated risk management approach and a common risk management methodology which is to be adopted by all members of staff, thereby involving the entire department's staff in the corporate governance issues.



Internal Control Sub-directorate has conducted audits into department administration compliance, traditional councils, grants paid to municipalities, value-for-money on Integrated Development Initiative grants, payments for suppliers and Human Resources activities, where the controls that exist in the department were tested for effectiveness and efficiency.

8. Discontinued activities/activities to be discontinued

The department is in the process of winding up Umsekeli Municipal Services

9. New/proposed activities

Critical to the new mandate of the department will be the strengthening of the coordination of the provincial government work and the Monitoring and Evaluation capability to ensure the timeous interventions that will ensure that there is change for the better in all situations. There will be a gearing-up process of the department to position itself for the challenges ahead by bringing in the requisite capacity to deliver and perform to the optimum.

The new administration has undertaken the assessment of all municipalities nationally, to get a sense of the practical challenges on the ground and provide a complete review and overhaul of the areas that need to be revisited and/or require amendments of legislation and policies. The process of developing turnaround strategies will provide an opportunity of refocusing the municipalities to go back to the drawing boards and determine what the key priorities facing their municipalities are and how they will be ensuring coordination of the initiatives across government and ensuring that in turning around the municipalities, there is a new wave of efficiency and effectiveness, especially in the face of the growing number of protests and dissatisfaction among the communities.

As we gear ourselves for the next elections towards the next term of local government, the department will ensure that the focus will be on accelerating the functioning of the municipalities and ensuring that there is renewed accountability and enhanced monitoring and evaluation frameworks, this will ensure that the problems and gaps can be identified right at the beginning and the appropriate interventions brought to bear just in time.

The department will start with the process of filling all critical vacancies to ensure that optimal support is afforded to the local governance institutions, especially with the imminent local government and traditional council elections that will take place during 2011.



The Employee Assistance Programme of the department will be one of the priority areas to ensure proper care for staff suffering from various health challenges that continue to undermine performance. The performance management systems will be implemented with vigilance to ensure high levels of performance from programmes and individual staff members. Measure to recognize and reward performance and also serve as motivation for staff to perform will be further supported and put in place.

The department's Corporate Services will be enhanced through the recruitment of adequately skilled staff to ensure the effective implementation of the Human Resource Plan, financial management and to improve the performance of all programmes and effectively create efficiency. The focus will also centre on providing an effectively positive working environment for staff which promotes efficiency.

The area of focus will be the improvement of financial management and governance in the institute of traditional leadership. The guideline document (policy framework) outlining generic processes on interventions and approaches to be adopted and followed when dealing with conflicts will be developed and implemented, in order to fast-track resolution of disputes which in some cases it completely paralyzes the functioning of the Traditional Councils.

10. Asset management

The department has developed and implemented an Asset Management Policy and framework which is aligned to Treasury Guidelines. During the year under review a lot of emphasis was placed on ensuring that all assets are correctly recorded, and the reconciling items between the BAS and Hardcat are eradicated.

In line with the policy and the framework, the department has conducted two asset counts during the year to ensure that the recorded assets in Hardcat correspond to the assets on the ground.

11. Events after the reporting date

There are no significant events affecting the Annual Financial Statements that took place after the reporting date.

12. Performance information

The department has set up Monitoring and Evaluation unit which has taken custody of the interrogation of performance information and monitoring the performance of the department against the set out strategic goals and objectives. During the year under review the departments had used the Quarterly Review Sessions to self-critic and review each business unit performance against the set performance target.



The Monitoring and Evaluation unit then collate the performance information based on the recommendation of the Quarterly Review Session in order to paint a consolidated picture of the department's performance.

13. SCOPA resolutions

Ongoing reports have been submitted to SCOPA:

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
None	None	None

14. Prior modifications to audit reports

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Irregular Expenditure on the transfer of Imizi Yezizwe funding to Department of Human Settlement without approval from Provincial Treasury	Year ended 31 March 2009	Application has been made to Provincial Treasury in view of the progress made on the project

15. Exemptions and deviations received from the National Treasury

There were no exemptions and deviations received from National Treasury.

16. Approval

The Annual Financial Statements set out on pages 1 to 72 have been approved by the Accounting Officer.

.....
MS CG Gumbi-Masilela
 Accounting Officer
 Vote: 11



31 May 2010





4.3 STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 12 of 2009.

1. Presentation of the Financial Statements

1.1 Basis of preparation

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

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

1.5 Comparative figures - Appropriation Statement

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



2. Revenue

2.1 Appropriated funds

Appropriated funds comprises of departmental allocations.

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

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

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

2.2 Departmental revenue

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

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

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

2.3 Aid assistance

Aid assistance is recognised as revenue when received.

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



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

3. Expenditure

3.1 Compensation of employees

3.1.1 Short-term employee benefits

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

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

3.1.2 Post retirement benefits

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

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

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

3.1.3 Termination benefits

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



3.1.4 Other long-term employee benefits

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

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





3.2 Goods and services

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

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

3.3 Financial transactions in assets and liabilities

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

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

3.4 Transfers and subsidies

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

3.5 Unauthorised expenditure

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

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

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



3.6 Fruitless and wasteful expenditure

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

3.7 Irregular expenditure

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

4. Assets

4.1 Cash and cash equivalents

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

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

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

4.2 Prepayments and advances

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

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

4.3 Receivables

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



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

4.4 Inventory

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

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

4.5 Capital assets

4.8.1 Movable assets

Initial recognition

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

All assets acquired prior to 1 April 2004 are included in the register at R1.

Subsequent recognition

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

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

4.8.2 Immovable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital



asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

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

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

5. Liabilities

5.1 Payables

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

5.2 Contingent liabilities

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

5.3 Commitments

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

5.4 Accruals

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

5.5 Employee benefits

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



statement of financial performance or the statement of financial position.

5.6 Lease commitments

Finance lease

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

Operating lease

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

5.7 Provisions

The department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end.

6. Net Assets

6.1 Recoverable revenue

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

7. Related party transactions

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



8. Key management personnel

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





4.4 APPROPRIATION STATEMENT

Appropriation statement for the year ended 31 March 2010

Appropriation per programme									
	2008/09							2007/08	
	Adjusted Appropriation	Shift-ing of Funds	Virement	Final Appropriation	Actual Expendi-ture	Variance	Expendi-ture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	140,620	-	-	140,620	134,836	5,784	95.9%	112,245	103,823
Transfers and subsidies	1,047	-	-	1,047	1,030	17	98.4%	3,421	3,230
Payment for capital assets	6,301	-	-	6,301	8,991	(2,690)	142.7%	14,602	11,702
2. Local Governance									
Current payment	181,278	-	(26,350)	154,928	149,758	5,170	96.7%	66,813	56,577
Transfers and subsidies	204,497	-	20,000	224,497	224,551	(54)	100.0%	193,054	193,320
Payment for capital assets	919	-	-	919	551	368	60.0%	562	692
3. Development and Planning									
Current payment	50,549	-	(2,600)	47,949	46,489	1,460	97.0%	32,514	31,987
Transfers and subsidies	139,962	-	2,600	142,562	142,562	-	100.0%	85,852	85,862
Payment for capital assets	576	-	-	576	547	29	95.0%	384	304
4. Traditional Institutional Management									
Current payment	133,768	-	(206)	133,562	129,866	3,696	97.2%	104,275	95,828
Transfers and subsidies	1,481	-	206	1,687	22,687	(21,000)	100.0%	891	5,771
Payment for capital assets	23,711	-	(1,600)	22,111	1,004	21,107	99.5%	7,717	616
5. Urban and Rural Development									
Current payment	102,228	-	6,350	108,578	108,066	512	99.5%	105,683	104,946
Transfers and subsidies	200	-	-	200	126	74	63.0%	28,243	27,803
Payment for capital assets	3,129	-	1,900	5,029	5,027	2	100.0%	1,091	732
6. Systems and Institutional Development									
Current payment	39,065	-	-	39,065	36,468	2,597	93.4%	21,386	15,899
Transfers and subsidies	8,051	-	-	8,051	8,052	(1)	100.0%	4,795	5,193
Payment for capital assets	434	-	(300)	134	61	73	45.5%	777	365
TOTAL	1,037,816	-	-	1,037,816	1,020,672	17,144	98.3%	784,305	744,650
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				10,870				2,038	
Aid assistance				5,500				19,796	
Actual amounts per statement of financial performance (total revenue)				1,054,186				806,139	



ADD		
Aid assistance	11,348	6,542
Actual amounts per statement of financial performance (total expenditure)	1,032,020	751,192





Appropriation per economic classification									
	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	250,103	-	(10,547)	239,556	231,651	7,905	96.7%	218,272	213,111
Goods and services	397,405	-	(14,752)	382,653	370,849	11,804	96.9%	224,644	195,949
Financial transactions in assets and liabilities	-	-	2,493	2,493	2,983	(490)	119.7%	-	-
Transfers and subsidies									
Provinces and municipalities	347,346	-	22,600	369,946	369,946	-	100.0%	308,631	308,010
Departmental agencies and accounts	2,700	-	-	2,700	23,700	(21,000)	100.0%	2,625	7,504
Households	5,192	-	206	5,398	5,362	36	99.3%	5,000	5,665
Payments for capital assets									
Buildings and other fixed structures	21,000	-	-	21,000	-	21,000	100.0%	4,894	15
Machinery and equipment	13,810	-	250	14,060	16,181	(2,121)	115.1%	19,570	14,227
Software and other intangible assets	260	-	(250)	10	-	10	0.0%	669	169
Total	1,037,816	-	-	1,037,816	1,020,672	17,144	98.3%	784,305	744,650



Detail per programme 1 - Administration

Detail per sub-programme	2009/10							2008/09	
	Adjusted Appropriation	Shift-ing 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 Office of the MEC									
Current payment	24,576	-	-	24,576	18,445	6,131	75.1%	26,044	25,950
Transfers and subsidies	195	-	-	195	195	-	100.0%	-	-
Payment for capital assets	219	-	-	219	887	(668)	405.0%	740	754
1.2 Corporate Services									
Current payment	132,116	-	(6,180)	125,936	119,196	6,740	94.6%	114,576	108,886
Transfers and subsidies	1,504	-	-	1,504	1,675	(171)	111.4%	1,047	1,030
Payment for capital assets	9,060	-	6,180	15,240	13,696	1,544	89.9%	5,561	8,237
Total	167,670	-	-	167,670	154,094	13,576	91.9%	147,968	144,857

Economic classification	2009/10							2008/09	
	Adjusted Appropriation	Shift-ing of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	74,689	-	(3,036)	71,653	66,714	4,939	93.1%	54,781	52,305
Goods and services	82,003	-	(3,144)	78,859	70,647	8,212	89.6%	84,321	80,974
Financial transactions in assets and liabilities	-	-	-	-	280	(280)	0.0%	1,518	1,557
Transfers and subsidies to:									
Households	1,699	-	-	1,699	1,870	(171)	110.1%	1,047	1,030
Payment for capital assets									
Buildings and other fixed structures	-	-	7,980	7,980	7,980	-	100.0%	-	-
Machinery and equipment	9,271	-	(1,800)	7,471	6,587	884	88.2%	6,301	8,991
Software and other intangible assets	8	-	-	8	16	(8)	200.0%	-	-
Total	167,670	-	-	167,670	154,094	13,576	91.9%	147,968	144,857



Detail per programme 2 - Local Governance

Detail per sub-programme	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Municipal Administration									
Current payment	23,102	-	(6,000)	17,102	17,708	(606)	103.5%	26,913	24,045
Transfers and subsidies	56,008	-	6,000	62,008	62,008	-	100.0%	49,478	48,694
Payment for capital assets	97	-	-	97	64	33	66.0%	330	214
2.2 Municipal Finance									
Current payment	19,290	-	-	19,290	14,290	5,000	74.1%	22,823	23,088
Transfers and subsidies	6,550	-	-	6,550	6,874	(324)	104.9%	13,015	13,855
Payment for capital assets	11	-	-	11	62	(51)	563.6%	191	75
2.3 Public Participation									
Current payment	7,820	-	-	7,820	5,547	2,273	70.9%	3,946	2,523
Transfers and subsidies	-	-	-	-	-	-	-	4	2
Payment for capital assets	-	-	-	-	-	-	-	50	106
2.4 Disaster Management									
Current payment	23,043	-	(7,500)	15,543	15,638	(95)	100.6%	18,184	18,121
Transfers and subsidies	500	-	5,500	6,000	6,000	-	100.0%	2,500	2,500
Payment for capital assets	818	-	-	818	698	120	85.3%	148	156
2.5 Municipal Infrastructure									
Current payment	53,367	-	(17,500)	35,867	33,537	2,330	93.5%	83,062	81,981
Transfers and subsidies	160,963	-	19,500	180,463	180,463	-	100.0%	159,500	159,500
Payment for capital assets	136	-	-	136	436	(300)	320.6%	200	-
Total	351,705	-	-	351,705	343,325	8,380	97.6%	380,344	374,860

Economic classification	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	32,125	-	-	32,125	25,346	6,779	78.9%	30,435	30,530
Goods and services	94,497	-	(31,000)	63,497	60,615	2,882	95.5%	124,493	118,855
Financial transactions in assets and liabilities	-	-	-	-	759	(759)	-	-	373
Transfers and subsidies to:									
Provinces and municipalities	223,871	-	31,000	254,871	254,871	-	100.0%	223,726	223,726
Households	150	-	-	150	474	(324)	316.0%	771	825
Payment for capital assets									
Machinery and equipment	1,062	-	-	1,062	1,260	(198)	118.6%	919	551
Total	351,705	-	-	351,705	343,325	8,380	97.6%	380,344	374,860




Detail per programme 3 - Development and Planning

Detail per sub-programme	2009/10							2008/09	
	Adjusted Appropriation	Shift-ing of Funds	Virement	Final Appropriation	Actual Expendi-ture	Variance	Expendi-ture as % of final appro-priation	Final Appro- priation	Actual expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Spatial Planning									
Current payment	8,690	-	-	8,690	5,046	3,644	58.1%	5,368	4,911
Transfers and subsidies	-	-	-	-	32	(32)	-	4,373	4,373
Payment for capital assets	70	-	-	70	35	35	50.0%	79	73
3.2 Development Administration									
Current payment	17,223	-	-	17,223	13,360	3,863	77.6%	11,923	11,911
Transfers and subsidies	-	-	-	-	-	-	-	3,519	3,519
Payment for capital assets	281	-	-	281	263	18	93.6%	214	197
3.3 Municipal Strategic Management									
Current payment	9,639	-	-	9,639	4,136	5,503	42.9%	4,164	3,987
Transfers and subsidies	10,800	-	-	10,800	10,800	-	100.0%	10,020	10,020
Payment for capital assets	102	-	-	102	96	6	94.1%	60	36
3.4 Municipal Performance Management									
Current payment	9,005	-	-	9,005	6,158	2,847	68.4%	6,402	5,921
Payment for capital assets	80	-	-	80	19	61	23.8%	55	47
3.5 Provincial Planning and Development Commission									
Current payment	4,133	-	-	4,133	2,799	1,334	67.7%	3,511	3,400
Transfers and subsidies	2,800	-	-	2,800	2,800	-	100.0%	2,700	2,700
Payment for capital assets	-	-	-	-	-	-	-	56	55
3.6 Special Projects									
Current payment	15,847	-	(2,700)	13,147	12,654	493	96.3%	16,581	16,359
Transfers and subsidies	170,432	-	2,700	173,132	173,132	-	100.0%	121,950	121,950
Payment for capital assets	254	-	-	254	242	12	95.3%	112	139
Total	249,356	-	-	249,356	231,572	17,784	92.9%	191,087	189,598



Economic classification	2009/10							2008/09	
	Adjusted Appropriation	Shift-ing of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	31,816	-	-	31,816	19,397	12,419	61.0%	20,645	19,479
Goods and services	32,721	-	(2,700)	30,021	24,741	5,280	82.4%	26,782	26,488
Financial transactions in assets and liabilities	-	-	-	-	15	(15)	-	522	522
Transfers and subsidies to:									
Provinces and municipalities	181,232	-	2,700	183,932	183,932	-	100.0%	139,470	139,470
Departmental agencies and accounts	2,800	-	-	2,800	2,800	-	100.0%	2,700	2,700
Households	-	-	-	-	32	(32)	-	392	392
Payment for capital assets									
Machinery and equipment	787	-	-	787	655	132	83.2%	566	547
Software and other intangible assets	-	-	-	-	-	-	-	10	-
Total	249,356	-	-	249,356	231,572	17,784	92.9%	191,087	189,598



Detail per programme 4 - Traditional Institutional Management

Detail per sub-programme	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Traditional Institutional Administration									
Current payment	88,010	-	-	88,010	85,670	2,340	97.3%	76,320	73,286
Transfers and subsidies	14	-	-	14	100	(86)	714.3%	1,002	22,002
Payment for capital assets	126	-	-	126	128	(2)	101.6%	21,280	310
4.2 Traditional Resource Administration									
Current payment	46,800	-	-	46,800	42,253	4,547	90.3%	46,630	46,158
Transfers and subsidies	2,146	-	-	2,146	971	1,175	45.2%	487	613
Payment for capital assets	572	-	-	572	450	122	78.7%	627	624
4.3 Traditional Land Administration									
Current payment	11,437	-	-	11,437	10,592	845	92.6%	10,612	10,422
Transfers and subsidies	-	-	-	-	-	-	-	198	72
Payment for capital assets	486	-	-	486	198	288	40.7%	204	70
Total	149,591	-	-	149,591	140,362	9,229	93.8%	157,360	153,557

Economic classification	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	82,028	-	-	82,028	78,128	3,900	95.2%	67,161	63,468
Goods and services	64,219	-	-	64,219	60,182	4,037	93.7%	65,948	65,944
Financial transactions in assets and liabilities	-	-	-	-	205	(205)	-	453	454
Transfers and subsidies to:									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	21,000
Households	2,160	-	-	2,160	1,071	1,089	49.6%	1,687	1,687
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	21,000	-
Machinery and equipment	1,184	-	-	1,184	776	408	65.5%	1,111	1,004
Total	149,591	-	-	149,591	140,362	9,229	93.8%	157,360	153,557


Detail per programme 5 - Urban and Rural Development

Detail per sub-programme	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Public Participation-CDW's									
Current payment	63,196	-	-	63,196	59,165	4,031	93.6%	55,511	54,987
Transfers and subsidies	37	-	-	37	22	15	59.5%	171	20
Payment for capital assets	-	-	-	-	-	-	-	942	465
5.2 Rural Connectivity									
Current payment	46,691	-	2,000	48,691	48,496	195	99.6%	38,181	40,155
Payment for capital assets	349	-	-	349	461	(112)	132.1%	3,874	4,407
5.3 Rural Development									
Current payment	15,598	-	-	15,598	12,688	2,910	81.3%	9,730	8,584
Transfers and subsidies	-	-	-	-	33	(33)	-	-	71
Payment for capital assets	90	-	-	90	94	(4)	104.4%	160	98
5.4 Synergistic Partnerships									
Current payment	4,798	-	-	4,798	3,288	1,510	68.5%	2,906	2,610
Transfers and subsidies	-	-	-	-	-	-	-	29	29
Payment for capital assets	40	-	-	40	16	24	40.0%	30	35
5.5 Urban Development									
Current payment	5,735	-	(2,000)	3,735	1,900	1,835	50.9%	2,250	1,730
Transfers and subsidies	-	-	-	-	-	-	-	-	6
Payment for capital assets	22	-	-	22	28	(6)	127.3%	23	22
Total	136,556	-	-	136,556	126,191	10,365	92.4%	113,807	113,219

Economic classification	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	77,557	-	-	77,557	67,752	9,805	87.4%	61,951	61,364
Goods and services	58,461	-	-	58,461	57,751	710	98.8%	46,627	46,625
Financial transactions in assets and liabilities	-	-	-	-	34	(34)	-	-	77
Transfers and subsidies to:									
Households	37	-	-	37	55	(18)	148.6%	200	126
Payment for capital assets									
Machinery and equipment	501	-	-	501	599	(98)	119.6%	5,029	5,027
Total	136,556	-	-	136,556	126,191	10,365	92.4%	113,807	113,219


Detail per programme 6 - Systems and Institutional Development

Detail per sub-programme	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Capacity Building									
Current payment	2,989	-	(1,372)	1,617	774	843	47.9%	1,066	982
Transfers and subsidies	-	-	-	-	-	-	-	1,301	1,302
Payment for capital assets	-	-	-	-	-	-	-	29	-
6.2 Monitoring and Evaluation									
Current payment	8,042	-	-	8,042	4,006	4,036	49.8%	6,818	6,112
Payment for capital assets	402	-	-	402	158	244	39.3%	55	10
6.3 Institutional Transformation and External Communications									
Current payment	15,766	-	1,372	17,138	17,507	(369)	102.2%	25,004	22,870
6.4 Development Information Services									
Current payment	11,413	-	-	11,413	5,328	6,085	46.7%	6,177	6,504
Transfers and subsidies	-	-	-	-	-	-	-	6,750	6,750
Payment for capital assets	428	-	-	428	103	325	24.1%	50	51
Total	39,040	-	-	39,040	27,876	11,164	71.4%	47,250	44,581

Economic classification	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	14,822	-	-	14,822	6,180	8,642	41.7%	4,583	4,505
Goods and services	23,388	-	-	23,388	21,435	1,953	91.6%	34,482	31,963
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	-	6,750	6,750
Households	-	-	-	-	-	-	-	1,301	1,302
Payment for capital assets									
Machinery and equipment	830	-	-	830	261	569	31.4%	134	61
Total	39,040	-	-	39,040	27,876	11,164	71.4%	47,250	44,581

4.5 NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH
2010

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

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

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

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

3. Detail on financial transactions in assets and liabilities

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

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

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	167,670	154,094	13,576	8.10

Explanation of variance: The under-expenditure under Compensation of Employees is as result of the non-filling of posts. The under expenditure under Goods and Services is as a result of the cost cutting measures implemented by the Provincial Treasury (Cost Cutting Circular PT11). The over-expenditure under Financial Transactions in Assets & Liabilities relates to thefts and losses incurred in Programme 1: Administration. The over-expenditure under Transfers and Subsidies is as a result of additional bursaries awarded to non-employees. The saving under Capital Assets is as a result of the cost cutting measures implemented by the Provincial Treasury (Cost Cutting Circular PT11), prohibiting the acquisition of furniture and equipment. R10 million was provided from this programme as part of the contribution towards Provincial Financial Recovery.

Local Governance	351,705	343,325	8,380	2.38
------------------	---------	---------	-------	------

Explanation of variance: The savings under Compensation of Employees is as a result of the non-filling of vacant posts under the Municipal Infrastructure sub-programme. The under expenditure under Goods and Services is as a result of the postponement of the Public Participation Provincial Dialogue which was scheduled to take place in March 2010 but was postponed due to the unavailability of the national department to facilitate this dialog. R6 million was also set aside to be surrendered to Provincial Treasury in respect of the Provincial Financial Recovery.

Development and Planning	249,356	231,572	17,784	7.13
--------------------------	---------	---------	--------	------

Explanation of variance: The variance under Compensation of Employees is as a result of non-filling of vacant posts. The variance under Goods & Services is as a result of various projects being delayed due to challenges with appointments of service providers, development of systems and delays with implementation of the PDA legislation and Board Members claims within the Sub-programme: Development Administration. The variance under Transactions in Financial Assets and Liabilities is as a result of writing off of losses incurred within the Programme which could not be recovered. The variance under Households is as a result of the retirement of a staff member within the Sub-programme: Spatial Planning. The variance under Payments for Capital Payments is as a result of the non filling of vacant posts, thus it is not necessary to purchase additional Computers, Office Equipment and Furniture. R12 million was set aside to be vired to Provincial Treasury in respect of the Provincial Recovery Plan.

Traditional Management	Institutional	149,591	140,362	9,229	6.17
-------------------------------	----------------------	----------------	----------------	--------------	-------------

Explanation of variance: The under expenditure under Compensation of Employees was due to non filling of vacant posts and also delays in the finalisation of the Amakhosi benefits. The over expenditure under Financial transactions in Assets & Liabilities is as a result of outstanding debts being written off by the department. The under expenditure under Goods and services was due to projects that were not carried out as expected as no suitable service providers were available , namely Strategic Planning Workshop and development of Accountability strategy for Traditional Councils. The opening of the Provincial House only took place at the end of March of which it was not feasible for payments to take place. Out of a total number of 6 installations for Amakhosi scheduled for the year only three took place this was due to delays of other processes i.e Ukuthela amanzi custom being delayed. The under expenditure under Payments to Capital Assets is as a result of office furniture and computer equipment that were budgeted for vacant posts but could not be purchased due to non filling of posts as well as due to the implementation of circular PT(11) of 2009/10. The under expenditure under Transfers and subsidies is as a result of savings on leave gratuity budgeted for the retirement of a Chief Director for Traditional Affairs.

Urban and Rural Development		136,556	126,191	10,365	7.59
------------------------------------	--	----------------	----------------	---------------	-------------

Explanation of variance: The under expenditure under Compensation of Employees was as a result of non filling of posts during the 2009/10 financial year due to the moratorium placed on the filling of posts. The over-expenditure under Transactions in Financial Assets & Liabilities is as a result of the write-off of debts that the department could not recover. The over -expenditure under Households is as a result of death and retirement benefits which could not be anticipated. R4 million was declared as a contribution towards the Provincial Recovery Plan.

Systems and Institutional Development		39,040	27,876	11,164	28.60
--	--	---------------	---------------	---------------	--------------

Explanation of variance: The under-expenditure under Compensation of Employees in Programme 6 is as a result of the non filling of posts which was due to the implementation of the Treasury Circular PT(11) of 2009/10. The reason for the savings under Goods & Services is as a result of the savings in the communication initiatives as part of the cost-cutting measures implemented by the department. The saving under Capital Assets is as a direct result of the non-fillings of posts which is as a result of the restructuring of the department. Provision was made for the

purchasing of new capital assets (office furniture and computers) for the appointment of additional staff within the 2009/2010 financial year. R8 million was declared as a contribution to the Provincial Financial Recovery.

4.2 Per classification	Economic	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
		R'000	R'000	R'000	%
Current payments:					
Compensation of employees		310,001	263,517	46,484	14.99
Goods and services		318,445	295,371	23,074	7.25
Financial transactions in assets and liabilities		-	1,293	(1,293)	-
Transfers and subsidies:					
Provinces and municipalities		438,803	438,803	-	-
Departmental agencies and accounts		2,800	2,800	-	-
Households		4,046	3,502	544	13.45
Payments for capital assets:					
Buildings and other fixed structures		7,980	7,980	-	-
Machinery and equipment		11,835	10,138	1,697	14.34
Software and other intangible assets		8	16	(8)	(15.09)

4.6 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2010

	Note	2009/10 R'000	2008/09 R'000
REVENUE			
Annual appropriation	1	1,093,918	1,037,816
Departmental revenue	2	5,490	10,870
Aid assistance	3	-	5,500
TOTAL REVENUE		1,099,408	1,054,186
EXPENDITURE			
Current expenditure			
Compensation of employees	4	263,517	231,651
Goods and services	5	295,371	370,849
Financial transactions in assets and liabilities	6	1,293	2,983
Aid assistance	3	6,066	1,348
Total current expenditure		566,247	606,831
Transfers and subsidies		445,105	409,008
Transfers and subsidies	7	445,105	399,008
Aid assistance	3	-	10,000
Expenditure for capital assets			
Tangible capital assets	8	18,118	16,181
Software and other intangible assets	8	16	-
Total expenditure for capital assets		18,134	16,181
TOTAL EXPENDITURE		1,029,486	1,032,020
SURPLUS/(DEFICIT) FOR THE YEAR		69,922	22,166
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		70,498	17,144
Annual appropriation		70,498	17,144
Departmental revenue	13	5,490	10,870
Aid assistance	3	(6,066)	(5,848)
SURPLUS/(DEFICIT) FOR THE YEAR		69,922	22,166

4.7 STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

	Note	2009/10	2008/09
		R'000	R'000
ASSETS			
Current assets		78,587	85,378
Cash and cash equivalents	9	68,972	574
Prepayments and advances	10	139	42
Receivables	11	9,476	11,906
Voted funds to be recovered from the Revenue Fund	12	-	72,856
TOTAL ASSETS		78,587	85,378
LIABILITIES			
Current liabilities		77,934	83,854
Voted funds to be surrendered to the Revenue Fund	12	70,498	-
Departmental revenue to be surrendered to the Revenue Fund	13	9	251
Bank overdraft	14	-	70,430
Payables	15	602	282
Aid assistance unutilised	3	6,825	12,891
TOTAL LIABILITIES		77,934	83,854
NET ASSETS		653	1,524
Represented by:			
Recoverable revenue		653	1,524
TOTAL		653	1,524

4.8 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2010

	<i>Note</i>	2009/10	2008/09
		R'000	R'000
Recoverable revenue			
Opening balance		1,524	2,515
Transfers:		(871)	(991)
Debts revised		(871)	(991)
Closing balance		653	1,524
TOTAL		653	1,524

4.9 CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

	Note	2009/10	2008/09
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1,096,910	964,186
Annual appropriated funds received	1.1	1,093,918	947,816
Departmental revenue received	2	2,992	10,870
Aid assistance received	3	-	5,500
Net (increase)/decrease in working capital		2,653	(2,637)
Surrendered to Revenue Fund		67,124	(917)
Current payments		(566,247)	(606,831)
Transfers and subsidies paid		(445,105)	(409,008)
Net cash flow available from operating activities	16	155,335	(55,207)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(18,134)	(16,181)
Proceeds from sale of capital assets	2.3	2,498	-
Net cash flows from investing activities		(15,636)	(16,181)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(871)	(991)
Net cash flows from financing activities		(871)	(991)
Net increase/(decrease) in cash and cash equivalents		138,828	(72,379)
Cash and cash equivalents at the beginning of the period		(69,856)	2,523
Cash and cash equivalents at end of period	17	68,972	(69,856)

4.10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

1 Annual Appropriation

1.1 Annual Appropriation

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

	Final Appropriati on R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriati on Received 2008/09 R'000
Programmes				
Administration	167,670	167,670	-	134,495
Local Governance	351,705	351,705	-	348,133
Development and Planning	249,356	249,356	-	176,104
Traditional Institutional Management	149,591	149,591	-	142,551
Urban and Rural Development	136,556	136,556	-	105,113
Systems and Institutional Development	39,040	39,040	-	41,420
Total	1,093,918	1,093,918	-	947,816

2 Departmental revenue

	Note	2009/10 R'000	2008/09 R'000
Sales of goods and services other than capital assets	2.1	927	1,012
Interest, dividends and rent on land	2.2	1,089	931
Sales of capital assets	2.3	2,498	-
Financial transactions in assets and liabilities	2.4	976	8,927
Departmental revenue collected		5,490	10,870

2.1 Sales of goods and services other than capital assets

	2009/10 R'000	2008/09 R'000
Sales of goods and services produced by the department	925	1,010
Sales by market establishment	666	745
Other sales	259	265
Sales of scrap, waste and other used current goods	2	2
Total	927	1,012

2.2 Interest, dividends and rent on land			
	2		
Interest		1,089	931
Total		1,089	931
	Note	2009/10	2008/09
		R'000	R'000
2.3 Sales of capital assets			
	2		
Tangible capital assets		2,498	-
Machinery and equipment	27	2,498	-
Total		2,498	-
2.4 Financial transactions in assets and liabilities			
	2		
Receivables		574	798
Other Receipts including Recoverable Revenue		402	8,129
Total		976	8,927
3 Aid assistance			
3.1 Aid assistance received in cash from other sources			
Local			
Opening Balance		12,891	18,739
Revenue		-	5,500
Expenditure		(6,066)	(11,348)
Current		(6,066)	(1,348)
Transfers		-	(10,000)
Closing Balance		6,825	12,891
3.2 Total assistance			
Opening Balance		12,891	18,739
Revenue		-	5,500
Expenditure		(6,066)	(11,348)
Current		(6,066)	(1,348)
Transfers		-	(10,000)
Closing Balance		6,825	12,891
Analysis of balance			
Aid assistance unutilised		6,825	12,891
Other sources		6,825	12,891
Closing balance		6,825	12,891
4 Compensation of employees			
4.1 Salaries and Wages			
Basic salary		150,725	138,678
Performance award		2,558	1,632
Service Based		711	531
Compensative/circumstantial		4,566	3,270
Other non-pensionable allowances		71,801	58,473
Total		230,361	202,584

	Note	2009/10 R'000	2008/09 R'000
4.2 Social contributions			
Employer contributions			
Pension		20,699	17,933
Medical		12,423	11,093
Bargaining council		34	41
Total		33,156	29,067
Total compensation of employees		263,517	231,651
Average number of employees		1,177	1,217
5 Goods and services			
Administrative fees		4,484	3,351
Advertising		7,037	12,401
Assets less than R5,000	5.1	3,643	8,317
Bursaries (employees)		665	563
Catering		3,960	9,624
Communication		5,159	5,342
Computer services	5.2	5,967	10,955
Consultants, contractors and agency/outsourced services	5.3	167,168	199,734
Entertainment		9	3
Audit cost - external	5.4	5,133	4,117
Government motor transport		5,941	7,547
Inventory	5.5	4,997	8,493
Operating leases		13,201	11,330
Owned and leasehold property expenditure	5.6	8,653	9,127
Transport provided as part of the departmental activities		822	2,426
Travel and subsistence	5.7	31,780	36,425
Venues and facilities		3,549	16,012
Training and staff development		2,055	1,888
Other operating expenditure	5.8	21,148	23,194
Total		295,371	370,849
5.1 Assets less than R5,000			
Tangible assets	5	3,643	8,317
Machinery and equipment		3,643	8,317

Total		3,643	8,317
5.2 Computer services			
	5		
SITA computer services		5,814	10,494
External computer service providers		153	461
Total		5,967	10,955
	Note	2009/10	2008/09
		R'000	R'000
5.3 Consultants, contractors and agency/outsourced services			
	5		
Business and advisory services		148,351	176,112
Infrastructure and planning		4	1,884
Legal costs		4,673	5,556
Contractors		6,852	12,889
Agency and support/outsourced services		7,288	3,293
Total		167,168	199,734
5.4 Audit cost - External			
	5		
Regularity audits		5,133	4,117
Total		5,133	4,117
5.5 Inventory			
	5		
Learning and teaching support material		67	286
Food and food supplies		116	336
Fuel, oil and gas		1	5
Other consumable materials		469	1,052
Maintenance material		114	172
Stationery and printing		4,014	6,422
Medical supplies		216	220
Total		4,997	8,493
5.6 Owned and leasehold property expenditure			
	5		
Municipal services		2,556	2,426
Property maintenance and repairs		3,468	-
Other		2,629	6,701
Total		8,653	9,127
5.7 Travel and subsistence			
	5		
Local		31,197	33,494
Foreign		583	2,931
Total		31,780	36,425
5.8 Other operating expenditure			
	5		
Professional bodies, membership and subscription fees		4	7
Resettlement costs		235	2,461

Other	20,909	20,726
Total	21,148	23,194

	Note	2009/10 R'000	2008/09 R'000
6 Financial transactions in assets and liabilities			
Material losses through criminal conduct		5	-
Theft	6.2	5	-
Debts written off	6.1	1,288	2,983
Total		1,293	2,983
6.1 Debts written off			
Nature of debts written off	6		
Staff Debts		430	952
Ex-employee Debts		858	2,031
Total		1,288	2,983
6.2 Details of theft			
Nature of theft	6		
Petty Cash		5	-
Total		5	-
6.3 Assets written off			
Nature of write-off			
Office Equipment		51	-
Computer Equipment		304	47
Other Equipment		-	48
Total		355	95
7 Transfers and subsidies			
Provinces and municipalities	Annexure 1B	438,803	369,946
Departmental agencies and accounts	Annexure 1C	2,800	23,700
Households	Annexure 1H	3,502	5,362
Total		445,105	399,008
8 Expenditure for capital assets			
Tangible assets		18,118	16,181
Buildings and other fixed structures		7,980	-
Machinery and equipment	27.1	10,138	16,181
Software and other intangible assets		16	-
Computer software	28.1	16	-
Total		18,134	16,181

8.1 Analysis of funds utilised to acquire capital assets - 2009/10

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	18,118	-	18,118
Buildings and other fixed structures	7,980	-	7,980
Machinery and equipment	10,138	-	10,138
Software and other intangible assets	16	-	16
Computer software	16	-	16
Total	18,134	-	18,134

8.2 Analysis of funds utilised to acquire capital assets - 2008/09

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	16,181	-	16,181
Machinery and equipment	16,181	-	16,181
Total	16,181	-	16,181

Note 2009/10 R'000 2008/09 R'000

9 Cash and cash equivalents

Consolidated Paymaster General Account	68,398	-
Disbursements	4	4
Cash on hand	570	570
Total	68,972	574

10 Prepayments and advances

Travel and subsistence	139	42
Total	139	42

11 Receivables

	Note	2009/10			Total	2008/09 R'000
		R'000 Less than one year	R'000 One to three years	R'000 Older than three years		
Claims recoverable	11.1 Annex 4	681	3,296	3,600	7,577	8,957
Recoverable expenditure	11.2	155	68	-	223	74
Staff debt	11.3	407	258	738	1,403	2,573
Other debtors	11.4	2	271	-	273	302
Total		1,245	3,893	4,338	9,476	11,906

	Note	2009/10 R'000	2008/09 R'000
12.1 Claims recoverable			
National departments		11	-
Provincial departments		3,966	5,357
Local governments		3,600	3,600
Total		7,577	8,957
12.2 Recoverable expenditure (disallowance accounts)			
Salary Disallowance		-	1
Salary Reversal		123	1
Income Tax		90	64
Medical Aid		8	8
Deduction Disallowance		1	-
Tax Debt		1	-
Total		223	74
12.3 Staff debt			
Debt Account		1,403	2,573
Total		1,403	2,573
12.4 Other debtors			
Debt Account (SARS)		139	139
Appeal Board		134	163
Total		273	302
12 Voted funds to be surrendered to the Revenue Fund			
Opening balance		(72,856)	(10,345)
Transfer from statement of financial performance		70,498	17,144
Voted funds not requested/not received	1.1	-	(90,000)
Paid during the year		72,856	10,345
Closing balance		70,498	(72,856)
13 Departmental revenue to be surrendered to the Revenue Fund			
Opening balance		251	643
Transfer from Statement of Financial Performance		5,490	10,870
Paid during the year		(5,732)	(11,262)
Closing balance		9	251
14 Bank Overdraft			
Consolidated Paymaster General Account		-	70,430
Total		-	70,430
15 Payables - current			

Description

Total

Total

		15.1	602	282
	Total		602	282
		Note	2009/10	2008/09
			R'000	R'000
16.1	Clearing accounts			
	Description	15		
	(Identify major categories, but list material amounts)			
	ACB Recalls		304	4
	Appeal Board		143	171
	Sizwe & Old Mutual		67	2
	Salary Reversal		18	30
	Tax Recoveries		24	18
	Income Tax		38	50
	Debt Overpayments		-	7
	Pension		8	-
	Total		602	282
16	Net cash flow available from operating activities			
	Net surplus/(deficit) as per Statement of Financial Performance		69,922	22,166
	Add back non cash/cash movements not deemed operating activities		85,413	(77,373)
	(Increase)/decrease in receivables - current		2,430	(2,795)
	(Increase)/decrease in prepayments and advances		(97)	51
	Increase/(decrease) in payables - current		320	107
	Proceeds from sale of capital assets		(2,498)	-
	Expenditure on capital assets		18,134	16,181
	Surrenders to Revenue Fund		67,124	(917)
	Voted funds not requested/not received		-	(90,000)
	Net cash flow generated by operating activities		155,335	(55,207)
17	Reconciliation of cash and cash equivalents for cash flow purposes			
	Consolidated Paymaster General account		68,398	(70,430)
	Disbursements		4	4
	Cash on hand		570	570
	Total		68,972	(69,856)

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

18 Contingent liabilities

	<i>Note</i>	2009/10 R'000	2008/09 R'000
Liable to	Nature		
Housing loan guarantees	Employees	<i>Annex 3A</i> 239	434
Claims against the department		<i>Annex 3B</i> 3,180	6,140
Other departments (interdepartmental unconfirmed balances)		<i>Annex 5</i> 6,569	12,071
Other		<i>Annex 3B</i> 1,886	550
Total		11,874	19,195

19 Commitments

Current expenditure

Approved and contracted

Total Commitments

14,675	23,418
14,675	23,418

20 Accruals

Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	9,518	2,386	11,904	13,142
Machinery and equipment	194	10	204	1,457
Total	9,712	2,396	12,108	14,599

Listed by programme level

Administration	7,370	2,588
Local Governance	1,200	3,649
Development and Planning	715	1,570
Traditional Institutional Management	2,145	2,977
Urban and rural Development	77	2,632
Systems and Institutional Development	601	1,183
Total	12,108	14,599

Confirmed balances with other departments

Annex 5

3,427

2,056

Confirmed balances with other government entities

Annex 5

-

1

Total

3,427

2,057

21 Employee benefits

Leave entitlement

10,424

10,850

Service bonus (Thirteenth cheque)

6,139

5,539

Capped leave commitments

35,782

34,061

Total

52,345

50,450

The leave entitlement balance as disclosed above is the net of negative balances. The negative balances amount to R985,685
--

22 Lease commitments

23.1 Operating leases expenditure

	Land	Buildings and other fixed structures	Machinery and equipment	Total
2009/10				
Not later than 1 year	-	10,490	2,533	13,023
Later than 1 year and not later than 5 years	-	13,242	2,711	15,953
Total lease commitments	-	23,732	5,244	28,976

	Land	Buildings and other fixed structures	Machinery and equipment	Total
2008/09				
Not later than 1 year	-	7,741	1,839	9,580
Later than 1 year and not later than 5 years	-	13,746	2,204	15,950
Total lease commitments	-	21,487	4,043	25,530

23.2 Finance leases expenditure

	Land	Buildings and other fixed structures	Machinery and equipment	Total
2009/10				
Not later than 1 year	-	-	453	453
Later than 1 year and not later than 5 years	-	-	176	176
Total present value of lease liabilities	-	-	629	629

	Land	Buildings and other fixed structures	Machinery and equipment	Total
2008/09				
Not later than 1 year	-	-	380	380
Later than 1 year and not later than 5 years	-	-	187	187
Total present value of lease liabilities	-	-	567	567

Note 2009/10 2008/09
R'000 R'000

23 Irregular expenditure

24.1 Reconciliation of irregular expenditure

Opening balance	35,295	4,879
Add: Irregular expenditure - relating to current year	4,260	30,416
Irregular expenditure awaiting condonation	39,555	35,295

Analysis of awaiting condonation per age classification

Current year	4,260	30,416
Prior years	35,295	4,879
Total	39,555	35,295

24.2 Details of irregular expenditure - current year

Incident	Disciplinary steps taken/criminal proceedings	2009/10 R'000
Purchase of earth boxes without following procurement regulations.	None.	3,933
Acting allowances paid beyond 12 months.	None.	327
Total		4,260

	Note	2009/10 R'000	2008/09 R'000
24 Related party transactions			
Payments made			
Goods and services		5,355	6,292
Purchases of capital assets		424	4,795
Financial transactions in assets and liabilities		2	-
Total		5,781	11,087

The department has the following public entities under its control: 1. uMsekeli, to whom it is a successor in law. The department provided financial assistance to uMsekeli in the form of salaries and re-imbursements for monthly operating expenditure such as telephone, electricity and water costs. 2. Traditional Trust and Levies Account. This entity is supported by the department through administrative support, as well as human capital support. Due to the nature of the support provided to this entity, the value of this support could not be quantified as at 31 March 2010. The other quantifiable expenses that were incurred by the department on behalf of this entity are included above. 3. Provincial Planning and Development Commission. This entity is supported by the department through administrative support, as well as human capital support. The department also transferred R2,800,000 to this entity as disclosed in annexure 1 C.

25 Key management personnel

	No. of Individuals		
Political office bearers (provide detail below)	3	1,389	1,328
Officials: Level 15 to 16	4	3,846	3,795

Level 14 (incl. CFO if at a lower level)	12	9,320	7,496
Total	19	14,555	12,619

Due to the 2009 national elections, the Department had a change in Political Head when first MEC T W Mchunu replaced MEC M Mabuyakhulu and later MEC N Dubu replaced MEC T W Mchunu.

26 Provisions
Potential irrecoverable debts

Staff debtors		15	271
Other debtors		904	1,000
Total		919	1,271

27 Movable Tangible Capital Assets

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

	Opening balance R'000	Current Year Adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	53,782	-	8,701	3,230	59,253
Transport assets	24,239	-	4,716	1,452	27,503
Computer equipment	19,742	-	2,240	567	21,415
Furniture and office equipment	8,848	-	946	503	9,291
Other machinery and equipment	953	-	799	708	1,044
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	53,782	-	8,701	3,230	59,253

28.1 Additions

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

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
MACHINERY AND EQUIPMENT	10,138	-	-	(1,437)	8,701
Transport assets	4,716	-	-	-	4,716
Computer equipment	2,350	-	-	(110)	2,240

Furniture and office equipment	2,245	-	-	(1,299)	946
Other machinery and equipment	827	-	-	(28)	799
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	10,138	-	-	(1,437)	8,701

28.2 Disposals

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

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash Received Actual R'000
MACHINERY AND EQUIPMENT	1,452	1,778	3,230	2,498
Transport assets	1,452	-	1,452	2,498
Computer equipment	-	567	567	-
Furniture and office equipment	-	503	503	-
Other machinery and equipment	-	708	708	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	1,452	1,778	3,230	2,498

28.3 Movement for 2008/09

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

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	37,900	17,638	1,756	53,782
Transport assets	18,761	7,139	1,661	24,239
Computer equipment	14,661	5,128	47	19,742
Furniture and office equipment	3,903	4,945	-	8,848
Other machinery and equipment	575	426	48	953
TOTAL MOVABLE TANGIBLE ASSETS	37,900	17,638	1,756	53,782

28.4 Minor assets

MINOR ASSETS OF THE DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2010

Intangible Heritage Machinery Biological Total

	assets R'000	assets R'000	and equipment R'000	assets R'000	R'000
Minor assets	-	-	6,555	-	6,555
TOTAL	-	-	6,555	-	6,555

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	24	-	24
Number of minor assets at cost	-	-	4,562	-	4,562
TOTAL NUMBER OF MINOR ASSETS	-	-	4,586	-	4,586

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2009

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Minor assets	-	-	5,397	-	5,397
TOTAL	-	-	5,397	-	5,397

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	-	3,041	-	3,041
TOTAL NUMBER OF MINOR ASSETS	-	-	3,041	-	3,041

28 Intangible Capital Assets

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

	Opening balance R'000	Current Year Adjust- ments to prior year balances R'000	Addition s R'000	Disposal s R'000	Closing Balance R'000
COMPUTER SOFTWARE	1,006	-	16	16	1,006
TOTAL INTANGIBLE ASSETS CAPITAL	1,006	-	16	16	1,006

28.1 Additions

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

	Cash R'000	Non-cash R'000	(Develop- ment work-in- progress - current costs) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
COMPUTER SOFTWARE	16	-	-	-	16
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	16	-	-	-	16

28.2 Disposals

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

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash Received Actual R'000
COMPUTER SOFTWARE	-	16	16	-
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	-	16	16	-

28.3 Movement for 2008/09

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

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	1,006	-	-	1,006

TOTAL INTANGIBLE CAPITAL ASSETS

1,006	-	-	1,006
-------	---	---	-------

ANNEXURE 1F
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2008/09
	Amount	Roll Overs	Adjustments	Total Availabl e	Actual Transfer	% of Available funds Transferr ed	Amount received by municipal ity	Amount spent by municipal ity	% of available funds spent by municipalit y	Total Availabl e
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
eThekwini	51,000	-	-	51,000	51,000	100%	51,000	50,000	98%	102,200
Vulamehlo	750	-	-	750	750	100%	750	-	0%	-
Umdoni	-	-	3,000	3,000	3,000	100%	3,000	3,000	100%	-
Umzumbe	-	-	-	-	-	-	-	-	-	600
uMuziwabantu	11,500	-	-	11,500	11,500	100%	11,500	660	6%	600
Ezingoleni	100	-	-	100	100	100%	100	-	0%	600
Hibiscus Coast	-	-	-	-	-	-	-	-	-	100
Ugu	43,375	-	3,000	46,375	46,375	100%	46,375	30,136	65%	36,310
uMngeni	3,000	-	-	3,000	3,000	100%	3,000	93	3%	600
Impendle	-	-	-	-	-	-	-	-	-	700
Msunduzi	5,000	-	-	5,000	5,000	100%	5,000	-	0%	100
Mkhambathini	-	-	-	-	-	-	-	-	-	300
Richmond	8,830	-	-	8,830	8,830	100%	8,830	-	0%	500
uMgungundlovu	45,754	-	(1,250)	44,504	44,504	100%	44,504	30,020	67%	40,150
Emnambithi	14,100	-	-	14,100	14,100	100%	14,100	2,238	16%	1,600
Indaka	750	-	-	750	750	100%	750	290	39%	-
Umtshezi	-	-	-	-	-	-	-	-	-	900
Okhahlamba	500	-	-	500	500	100%	500	360	72%	100

Imbabazane	-	-	-	-	-	-	-	-	-	100
Uthukela	400	-	500	900	900	100%	900	-	0%	2,100
Endumeni	-	-	-	-	-	-	-	-	-	100
Nquthu	-	-	600	600	600	100%	600	-	0%	2,860
Usinga	9,970	-	-	9,970	9,970	100%	9,970	161	2%	100

ANNEXURE 1F (Continued)

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2008/09
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Availabl e R'000	Actual Transfer R'000	% of Available funds Transferr ed	Amount received by municipal ity R'000	Amount spent by municipal ity R'000	% of available funds spent by municipalit y %	Total Availabl e R'000
						%			%	
Umvoti	-	-	-	-	-	-	-	-	-	2,600
Umzinyathi	6,738	-	-	6,738	6,738	100%	6,738	383	6%	11,800
Newcastle	18,000	-	2,000	20,000	20,000	100%	20,000	15,504	78%	10,200
Emadlangeni	550	-	-	550	550	100%	550	-	0%	500
Dannhauser	-	-	-	-	-	-	-	-	-	100
Amajuba	8,117	-	-	8,117	8,117	100%	8,117	9	0%	13,350
eDumbe	-	-	600	600	600	100%	600	600	100%	500
uPhongolo	500	-	-	500	500	100%	500	-	0%	600
Abaqulusi	500	-	-	500	500	100%	500	-	0%	-
Nongoma	-	-	200	200	200	100%	200	-	0%	900
Ulundi	-	-	450	450	450	100%	450	-	0%	1,700
Zululand	12,537	-	-	12,537	12,537	100%	12,537	1,351	11%	7,797
Umhlabuyalingana	-	-	-	-	-	-	-	-	-	1,050
Jozini	600	-	-	600	600	100%	600	-	0%	700
The Big 5 False Bay	-	-	-	-	-	-	-	-	-	950
Mtubatuba	-	-	2,300	2,300	2,300	100%	2,300	-	0%	400
Umkhanyakhude	13,337	-	1,100	14,437	14,437	100%	14,437	4,047	28%	20,703
Mbonambi	5,457	-	600	6,057	6,057	100%	6,057	2,715	45%	200

uMhlatuze	1,000	-	-	1,000	1,000	100%	1,000	-	0%	100
Ntambanana	-	-	-	-	-	-	-	-	-	400
Umlalazi	-	-	-	-	-	-	-	-	-	100
Mthonjaneni	400	-	-	400	400	100%	400	130	33%	300
Nkandla	4,500	-	-	4,500	4,500	100%	4,500	-	0%	-

ANNEXURE 1F (Continued)
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2008/09
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
uThungulu	38,500	-	-	38,500	38,500	100%	38,500	34,000	88%	20,400
Mandeni	400	-	600	1,000	1,000	100%	1,000	-	0%	800
KwaDukuza	-	-	-	-	-	-	-	-	-	1,100
Ndwedwe	-	-	-	-	-	-	-	-	-	3,450
Maphumulo	400	-	-	400	400	100%	400	220	55%	400
Ilembe	34,980	-	19,000	53,980	53,980	100%	53,980	15,145	28%	13,000
Ingwe	-	-	-	-	-	-	-	-	-	500
Kwa Sani	-	-	-	-	-	-	-	-	-	100
Kokstad	-	-	-	-	-	-	-	-	-	1,500
Ubuhlebezwe	5,800	-	-	5,800	5,800	100%	5,800	300	5%	600
Umzimkhulu	6,265	-	-	6,265	6,265	100%	6,265	2,732	44%	21,163
Sisonke	51,493	-	1,000	52,493	52,493	100%	52,493	26,417	50%	41,363
	405,103	-	33,700	438,803	438,803	100%	438,803	220,511	50%	369,946

ANNEXURE 1C
 STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2008/09
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Provincial Planning and Development Commission	2,800	-	-	2,800	2,800	100%	2,700
	2,800	-	-	2,800	2,800	100%	2,700

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

	TRANSFER ALLOCATION				EXPENDITURE		2008/09
	Adjusted Appropriation Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
Transfers							
Employee Social Benefits	3,035	-	-	3,035	2,279	75%	4,815
Bursaries (Non-Employees)	670	-	-	670	831	124%	419
Claims Against the State	341	-	-	341	392	115%	164
Total	4,046	-	-	4,046	3,502	87%	5,398

ANNEXURE 1N

STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDI- TURE R'000	CLOSING BALANCE R'000
Received in cash					
Development Bank of SA	Municipal capacity building	8,679	-	6,066	2,613
Department of Cooperative Governance and Traditional Affairs	Municipal capacity building	4,212	-	-	4,212
TOTAL		12,891	-	6,066	6,825

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2010 - LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2009	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2010	Guaranteed interest for year ended 31 March 2010	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing								
Standard Bank		198	26	-	26	-	-	-	-
Nedbank		117	13	-	13	-	-	-	-
First National Bank		343	139	-	102	-	37	-	-
ABSA		269	110	-	30	-	80	-	-
Peoples Bank		91	30	14	14	-	30	-	-
Old Mutual		231	34	-	24	-	10	-	-
Ithala SA		204	82	-	-	-	82	-	-
Home Loans		40	-	-	-	-	-	-	-
	Total	1,493	434	14	209	-	239	-	-

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2010

Nature of Liability	Opening Balance 01/04/2009 R'000	Liabilitie s incurred during the year R'000	Liabilities paid/cancelled /reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31/03/2010 R'000
Claims against the department					
Kuter and Partners	5,000	-	5,000	-	-
Gumede & Others	200	-	200	-	-
LRH Khumalo	80	-	-	-	80
Hlatswayo & Others	100	-	-	-	100
Road Trans Cartage and Plant Hire	35	-	-	-	35
Buthelezi	25	-	-	-	25
Umvoti Council	200	-	200	-	-
Yengwa & Others	-	500	-	-	500
Giant Concerts	500	-	-	-	500
Dube Traditional Council & Others	-	75	-	-	75
Castelyn & Others	-	180	-	-	180
Inkosi Jiyane NO & Another	-	75	-	-	75
Makhanya	-	75	-	-	75
Mbuyazi	-	75	-	-	75
Khoza	-	110	-	-	110
PROQS	-	700	-	-	700
Ingonyama Trust	-	150	-	-	150
Johannesburg Metro Council	-	500	-	-	500
Subtotal	6,140	2,440	5,400	-	3,180

ANNEXURE 3B (Continued)
 STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2010

Nature of Liability	Opening Balance 01/04/20 09	Liabilit ies incurred during the year	Liabilities paid/cancel led/reduced during the year	Liabilitie s recoverabl e (Provide details hereunder)	Closing Balance 31/03/201 0
	R'000	R'000	R'000	R'000	R'000
Other					
Poverty Alleviation Network & Others	50	-	50	-	-
Others	500	-	500	-	-
Occupation Specific Dispensation	-	1,886	-	-	1,886
Subtotal	550	1,886	550	-	1,886
Total	6,690	4,326	5,950	-	5,066

ANNEXURE 4
CLAIMES RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Department of Agriculture	-	-	-	413	-	413
Eastern Cape Department of Local Government	-	-	1,648	1,648	1,648	1,648
Free State Department of Local Government	-	-	-	1,648	-	1,648
Mpumalanga Department of Local Government	-	-	1,648	1,648	1,648	1,648
Department of Justice	11	-	-	-	11	-
Department of Transport	-	-	670	-	670	-
	11	-	3,966	5,357	3,977	5,357
Other Government Entities						
Msunduzi Municipality	2,600	2,600	-	-	2,600	2,600
Newcastle Municipality	1,000	1,000	-	-	1,000	1,000
	3,600	3,600	-	-	3,600	3,600
TOTAL	3,611	3,600	3,966	5,357	7,577	8,957

**ANNEXURE 5
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of Transport	-	-	-	805	-	805
Department of Works	3,425	1,861	3,302	10,914	6,727	12,775
Department of Health	1	7	1	38	2	45
Office of The Premier	1	-	-	47	1	47
KZN provincial Treasury	-	-	-	181	-	181
Department of Social Development	-	181	-	-	-	181
Department of Agriculture	-	7	-	-	-	7
Department of Human Settlements	-	-	3,266	-	3,266	-
Total	3,427	2,056	6,569	11,985	9,996	14,041
OTHER GOVERNMENT ENTITY						
Current						
SAPS	-	1	-	5	-	6
PALAMA	-	-	-	81	-	81
Total	-	1	-	86	-	87

**ANNEXURE 6
INVENTORY**

	<i>Note</i>	Quantity	2009/10 R'000
Inventory			
Opening balance			-
Add: Additions/Purchases - Cash			4,997
(Less): Issues			(3,998)
Closing balance			999

No quantities have been disclosed as the inventory consists of different types of inventory and each type of inventory has a different unit of measure.

SCHEDULE - IMMOVABLE ASSETS

Movements to immovable assets - 2007/2008

The department has applied the exemption as granted by the National Treasury and thus immovable assets have not been disclosed on the face of the annual financial statements.

Additions

The additions for the 2007/08 financial year on buildings recorded under the category *Buildings and other fixed structures* were R14,655.22.

Movements to immovable assets - 2009/2010

The department has applied the Guidelines as issued by the National Treasury and thus where there is doubt as to which department is responsible for the property and the GIAMA allocation process has not been finalised, these assets must not be disclosed in the notes to the annual financial statements. The register for immovables in the Province of KwaZulu Natal resides with the Department of Public Works.

Additions

The additions for the 2009/2010 year recorded on Buildings and fixed structures are R7,980,000.00.

The supplementary information presented does not form part of the annual financial statements and is unaudited.

5. HUMAN RESOURCE MANAGEMENT

5.1 SERVICE DELIVERY

1.1 Main services provided and standards

1.1 Main services provided and standards

SERVICES	CUSTOMERS	STANDARD OF SERVICE
<ul style="list-style-type: none"> • Provide for the functioning of the office of the MEC • Provide corporate support to the Department • Provide management and support services to local government within a regulatory framework • Support municipalities to be financially accountable and sustainable • Support municipal infrastructural development • Ensure the establishment of effective and efficient disaster management mechanisms • Support municipalities in the delivery of services • Promote and facilitate provincial spatial frameworks for development at municipal level • Promote orderly development • Promote effective and 	<ul style="list-style-type: none"> • MEC • Departmental staff • Learners/Students • Municipalities • Public Entities • Kwanaloga • Community based organisations (CBO's) • Members of communities • NGO's • Ingonyama Trust Board • Institution of Traditional Leadership 	<p>Service Standards are currently being reviewed</p>

<p>efficient integrated development planning</p> <ul style="list-style-type: none"> • Render professional support to the Provincial Planning and Development Commission • Manage the institutional, administrative and financial framework of the Traditional Institution • Manage and register traditional land rights • Render support services to the House of Traditional Leaders • Improved access to community services • Empowered traditional leadership and support structures • Strengthened functional linkage with municipalities 		
--	--	--

1.2 Consultation Arrangements with customers

Type of arrangement	Customer	Actual achievement
Participation in National forums	Same as above	Regular and active participation
Capacity building workshops with all municipalities and traditional authorities		<ul style="list-style-type: none"> • Number of capacity building programmes • New programmes are developed and implemented on a regular and ongoing basis
Regular interaction and information sharing with customers		<ul style="list-style-type: none"> • Regular meetings with municipalities and traditional institutions • Consult on one on one basis with municipalities and traditional councils • Promote services on inter/intranet • Publish policies on inter/intranet • Implementation of Promotion of Access to Information Act

1.3 Service Delivery Access Strategy

Access Strategy	Actual achievements
Improve and extend inter/intranet web site	<ul style="list-style-type: none"> - Inter/Intranet web site updated regularly - Regular meetings with Municipalities and Traditional Authorities

Regular interaction with municipalities and traditional authorities	- One-on one training with municipal and traditional authority staff and political office bearers
---	---

1.4 Service Information Tool

Types of information	Actual Achievements
Improve and extend inter/intranet web site	Inter/Intranet web site monitored and updated regularly
Use of intranet/internet	Wide promotion of intranet/internet
Conduct empowerment and information dissemination workshops and conferences	<ul style="list-style-type: none"> - Consult on one on one basis with municipalities and traditional authorities - Promote services on inter/intranet - Publish policies on inter/intranet - Implementation of Promotion of Access to Information Act - Arrange annual Local Government Conference
Regular updating of information on the website	Inter/Intranet web site updated regularly

1.5 Complaints Mechanism

Complaints Mechanism	Actual Achievements
Provide contact details of Management teams	Achieved
Provide comments page on website	Achieved
Feedback on capacity building workshops by way of evaluation forms	Achieved
Resolve problems/complaints within stipulated timeframes	Achieved

5.2 EXPENDITURE

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Donor	0	0	0	0	0	0	1169
Prog 1: Administration	154,095	66,714	0	0	43.3	57	1169
Prog 2: Local Governance	343,325	25,346	0	0	7.4	22	1169
Prog 3: Development & Planning	231,572	19,397	0	0	8.4	17	1169
Prog 4: Traditional Institutional Management	140,362	78,128	0	0	55.7	67	1169
Prog 5: Urban and Rural Development	126,191	67,752	0	0	53.7	58	1169
Prog 6: Systems and Inst dev	27,876	6,180	0	0	22.2	5	1169
Total as on Financial Systems (BAS)	1,023,420	263,516	0	0	25.7	225	1169

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R'000)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
Lower skilled (Levels 1-2)	8,634	2.8	105,122	303,122	82
Skilled (Levels 3-5)	26,196	8.6	114,895	303,122	228
Highly skilled production (Levels 6-8)	110,783	36.5	158,488	303,122	699

Highly skilled supervision (Levels 9-12)	38,706	12.8	411,766	303,122	94
Senior management (Levels 13-16)	26,239	8.7	795,121	303,122	33
Contract (Levels 3-5)	276	0.1	69,000	303,122	4
Contract (Levels 6-8)	1,390	0.5	92,667	303,122	15
Contract (Levels 9-12)	2,892	1	289,200	303,122	10
Contract (Levels 13-16)	1,648	0.5	412,000	303,122	4
Periodical Remuneration	2,112	0.7	594	303,122	3553
Abnormal Appointment	63,687	21	37,573	303,122	1695
TOTAL	282563	93.2	44034	303122	6417

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

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass (R'000)	Medical Ass. As % of Personnel Cost	Total Personnel Cost per Programme
Prog1: administration	48,759	70	688	1	1533	2.2	3356	4.8	69,626
Prog2: local governance	19,543	70.8	0	0	421	1.5	989	3.6	27,608
Prog3: development & planning	14,432	60.3	0	0	306	1.3	761	3.2	13,933
Prog4: traditional inst man	68,722	64.7	21	0	753	0.7	2015	1.9	106,143
Prog5: urban and rural dev	49,988	71.7	7	0	2027	2.9	5035	7.2	69,711
Prog6: systems & inst dev	4,422	72.5	1	0	107	1.8	266	4.4	6,101
TOTAL	205,866	67.9	723	0.2	5,147	1.7	12,422	4.1	303122

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

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. As % of Personnel Costs	Total Personnel Cost per salary band (R'000)
Lower skilled (Levels 1-2)	6,127	70	55	0.6	391	4.5	650	7.4	8,755
Skilled (Levels 3-5)	18,465	69.5	164	0.6	1017	3.8	2,272	8.6	26,559
Highly skilled production (Levels 6-8)	80,455	71.2	419	0.4	3072	2.7	7832	6.9	112,971
Highly skilled supervision (Levels 9-12)	28,900	65.8	24	0.1	333	0.8	1209	2.8	43,905
Senior management (Levels 13-16)	21,670	70.5	0	0	301	1			30,750
Other	0	0	0	0	0	0	0	0	0
Contract (Level 1-2)	0	0	0	0	0	0	0	0	0
Contract (Levels 3-5)	250	89.9	0	0	4	1.4	13	4.7	278
Contract (Levels 6-8)	1,187	80.7	62	4.2	9	0.6	22	1.5	1,471
Contract (Levels 9-12)	2,346	70.2	0	0	14	0.4	6	0.2	3,344
Contract (Levels 13-16)	1,382	71.9	0	0	8	0.4	0	0	1,921
Periodical Remuneration	0	0	0	0	0	0	0	0	6,604
Abnormal Appointment	45,084	67.2	0	0	0	0	0	0	67,104
TOTAL	250866	67.9	724	0.2	5149	1.7	12,422	4.1	303,122

5.3 EMPLOYMENT AND VACANCIES

TABLE 3.1 - Employment and Vacancies by Programme at end of period				
Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administration, Permanent	632	374	40.8	123
Programme 2: Local Governance, Permanent	222	87	60.8	
Programme 3: Development & Planning, Permanent	193	58	69.9	2
Programme4: Traditional Institutional Management, Permanent	331	196	40.7	27
Programme 5: Urban and Rural Development, Permanent	526	435	17.3	1
Programme 6: Systems & inst Dev, Permanent	65	19	70.7	
TOTAL	1969	1169	40.6	153

TABLE 3.2 - Employment and Vacancies by Salary Band at end of period				
Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	170	83	51.1	99
Skilled (Levels 3-5), Permanent	390	227	41.7	33
Highly skilled production (Levels 6-8), Permanent	873	699	19.9	20
Highly skilled supervision (Levels 9-12), Permanent	430	94	78.1	

Senior management (Levels 13-16), Permanent	73	33	54.7	
Contract (Levels 3-5), Permanent	4	4		
Contract (Levels 6-8), Permanent	14	14		
Contract (Levels 9-12), Permanent	11	11		1
Contract (Levels 13-16), Permanent	4	4		
TOTAL	1969	1169	40.6	153

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to Establishment
Administrative related, Permanent	514	249	51.5	0
All artisans in the building metal machinery etc., Permanent	17	16	5.8	16
Architects town and traffic planners, Permanent	55	9	83.6	1
Archivists curators and related professionals, Permanent	0	0	0	0
Auxiliary and related workers, Permanent	0	0	0	0
Building and other property caretakers, Permanent	12	12	0	0
Bus and heavy vehicle drivers, Permanent	9	7	22.2	0
Cartographers and surveyors, Permanent	0	0	0	0
Cartographic surveying and related technicians, Permanent	0	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	77	66	14.3	55
Client inform clerks (switch receipt inform clerks), Permanent	0	0	0	0
Communication and information related, Permanent	28	3	89.3	0
Community development workers, Permanent	412	374	9.2	0
Engineering sciences related, Permanent	11	2	81.8	0
Engineers and related professionals, Permanent	2	0	100	0
Finance and economics related, Permanent	44	7	84.1	0
Financial and related professionals, Permanent	54	37	31.5	0
Financial clerks and credit controllers, Permanent	38	30	21.1	1
Food services aids and waiters, Permanent	0	0	0	0
General legal administration & rel. professionals, Permanent	6	3	50	0
Head of department/chief executive officer, Permanent	2	2	0	0

Human resources & organisation development & relate professional, Permanent	17	5	70.5	0
Human resources clerks, Permanent	21	17	19	0
Human resources related, Permanent	80	14	82.5	0
Information technology related, Permanent	30	11	63.3	0
Language practitioners interpreters & other communications, Permanent	0	0	0	0
Legal related, Permanent	6	3	50	0
Library mail and related clerks, Permanent	13	7	46.2	0
Light vehicle drivers, Permanent	19	14	26.3	9
Material-recording and transport clerks, Permanent	3	0	10	0
Messengers porters and deliverers, Permanent	50	39	22	29
Mining geology & geophysical & related technicians, Permanent	0	0	0	0
Motor vehicle drivers, Permanent	9	7	22.2	0
Other administration & related clerks and organisers, Permanent	199	121	39.1	22
Other administrative policy and related officers, Permanent	41	21	48.7	2
Other information technology personnel, Permanent	1	0	100	0
Other occupations, Permanent	1	1	0	0
Regulatory inspectors, Permanent	5	2	60	0
Road workers, Permanent	3	3	0	3
Safety health and quality inspectors, Permanent	2	1	50	0
Secretaries & other keyboard operating clerks, Permanent	79	28	64.6	0
Security guards, Permanent	21	15	28.6	8
Security officers, Permanent	1	0	100	0
Senior managers, Permanent	75	35	53.3	0
Social sciences related, Permanent	11	4	63.6	0
Trade labourers, Permanent	7	7	0	7
Water plant and related operators, Permanent	0	0	0	0
TOTAL	1969	1169	40.6	1

5.4 JOB EVALUATION

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	118	0	0	0	0	0	0
Contract (Levels 3-5)	0	0	0	0	0	0	0
Contract (Levels 6-8)	1	0	0	0	0	0	0
Contract (Levels 9-12)	6	0	0	0	0	0	0
Contract (Band A)	4	0	0	0	0	0	0
Contract (Band B)	1	0	0				
Skilled (Levels 3-5)	206	1	0.08	0	0	0	0
Highly skilled production (Level 6-8)	723	10	0.83	0	0	0	0
Highly skilled supervision (Level 9-12)	103	52	4.34	0	0	0	0
Senior Management Service Band A	21	3	0.26	0	0	0	0
Senior Management Service Band B	10	1	0.08	0	0	0	0
Senior Management Service Band C	3	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
TOTAL	1198	67	5.59	0	0	0	0

TABLE 4.2 - Profile of employees whose positions were upgraded due to their posts being upgraded

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	0	0	0	0

TABLE 4.3 - Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
	0	0	0	0	0

TABLE 4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation (i.t.o 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	0	0	0	0

5.5 EMPLOYMENT CHANGES

TABLE 5.1 - Annual Turnover Rates by Salary Band				
Salary Band	Employment at Beginning of Period (April 2009)	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	118	0	5	4.2
Skilled (Levels 3-5), Permanent	206	3	7	3.4
Highly skilled production (Levels 6-8), Permanent	723	4	18	2.5
Highly skilled supervision (Levels 9-12), Permanent	103	6	10	9.7
Senior Management Service Band A, Permanent	21	3	1	4.8
Senior Management Service Band B, Permanent	10	0	1	10
Senior Management Service Band C, Permanent	3	0	0	0
Senior Management Service Band D, Permanent	2	1	0	0
Contract (Level 1-2), Permanent	0	0	0	0
Contract (Levels 3-5), Permanent	1	10	6	600
Contract (Levels 6-8), Permanent	6	17	10	166.7
Contract (Levels 9-12), Permanent	4	11	4	100
Contract (Band A), Permanent	1	4	3	300
Contract (Band B), Permanent	0	1	0	0
TOTAL	1198	60	65	5.4

TABLE 5.2 - Annual Turnover Rates by Critical Occupation				
Occupation	Employment at Beginning of Period (April 2009)	Appointments	Terminations	Turnover Rate
Administrative related, Permanent	59	17	12	20.3
All artisans in the building metal machinery etc., Permanent	18	0	1	5.6
Architects town and traffic planners, Permanent	4	1	2	50
Archivists curators and related professionals, Permanent	1	0	1	100
Auxiliary and related workers, Permanent	5	0	0	0
Building and other property caretakers, Permanent	22	0	1	4.5
Bus and heavy vehicle drivers, Permanent	11	5	0	0
Cartographers and surveyors, Permanent	4	0	0	0
Cartographic surveying and related technicians, Permanent	27	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	48	0	4	8.3
Client inform clerks (switchboard reception inform clerks), Permanent	4	0	0	0
Communication and information related, Permanent	1	0	0	0
Community development workers, Permanent	404	0	2	0.5
Engineering sciences related, Permanent	12	0	3	25
Finance and economics related, Permanent	16	0	1	6.3
Financial and related professionals, Permanent	16	5	0	0
Financial clerks and credit controllers, Permanent	27	2	2	7.4
Food services aids and waiters, Permanent	8	0	1	12.5
General legal administration & rel. professionals, Permanent	2	0	0	0

Head of department/chief executive officer, Permanent	1	0	0	0
Human resources & organisation developm & relate prof, Permanent	2	0	0	0
Human resources clerks, Permanent	31	0	0	0
Human resources related, Permanent	4	0	0	0
Information technology related, Permanent	0	0	0	0
Language practitioners interpreters & other commun, Permanent	1	0	0	0
Library mail and related clerks, Permanent	20	1	3	15
Light vehicle drivers, Permanent	13	0	3	23.1
Messengers porters and deliverers, Permanent	64	1	2	3.1
Mining geology & geophysical & related technicians, Permanent	9	0	2	22.2
Motor vehicle drivers, Permanent	5	0	0	0
Other administration & related clerks and organisers, Permanent	152	0	9	5.9
Other administrative policy and related officers, Permanent	95	0	3	3.2
Other occupations, Permanent	4	1	0	0
Road workers, Permanent	3	0	0	0
Safety health and quality inspectors, Permanent	1	0	1	100
Secretaries & other keyboard operating clerks, Permanent	38	16	6	15.8
Security guards, Permanent	15	0	0	0
Security officers, Permanent	1	0	0	0
Senior managers, Permanent	31	9	5	16.1
Social sciences related, Permanent	12	0	0	0
Trade labourers, Permanent	6	0	0	0
Water plant and related operators, Permanent	0	0	0	0
Regulatory inspectors, Permanent	0	2	1	0
Trade/industryadvisors and other related profession	1	0	0	0
TOTAL	1198	60	65	5.4

TABLE 5.3 - Reasons why staff are leaving the Department					
Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	12	18.5	1	65	1198
Resignation, Permanent	16	24.6	1.3	65	1198
Expiry of contract, Permanent	21	32.3	1.8	65	1198
Discharged due to ill health, Permanent	1	1.5	0.1	65	1198
Dismissal-misconduct, Permanent	1	1.5	0.1	65	1198
Retirement, Permanent	13	20	1.1	65	1198
Other, Permanent	1	1.5	0.1	65	1198
TOTAL	65	100	5.4	65	1198

TABLE 5.4 - Promotions by Critical Occupation					
Occupation	Employment at Beginning of Period (April 2005)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	59	0	0	28	47.5
All artisans in the building metal machinery etc.	18	0	0	1	5.6
Architects town and traffic planners	4	0	0	2	50
Archivists curators and related professionals	1	0	0	0	0
Auxiliary and related workers	5	0	0	17	340
Building and other property caretakers	22	0	0	8	36.4
Bus and heavy vehicle drivers	11	0	0	7	63.6
Cartographers and surveyors	4	0	0	4	100
Cartographic surveying and related technicians	27	0	0	5	18.5
Cleaners in offices workshops hospitals etc.	48	0	0	15	31.3
Client inform clerks (switchboard receipt inform clerks)	4	0	0	2	50
Communication and information related	1	1	100	0	0

Community development workers	404	0	0	370	91.6
Engineering sciences related	12	0	0	10	83.3
Finance and economics related	16	0	0	10	62.5
Financial and related professionals	16	1	6.3	14	87.5
Financial clerks and credit controllers	27	0	0	26	96.3
Food services aids and waiters	8	0	0	6	75
General legal administration & rel. professionals	2	0	0	0	0
Head of department / chief executive officer	1	1	100	0	0
Human resources & organisation developm & relate prof	2	0	0	2	100
Human resources clerks	31	0	0	19	61.3
Human resources related	4	0	0	2	50
Information technology related	0	0	0	0	0
Language practitioners interpreters & other commun	1	0	0	0	0
Library mail and related clerks	20	0	0	14	70
Light vehicle drivers	13	0	0	5	38.5
Messengers porters and deliverers	64	0	0	15	23.4
Mining geology & geophysical & related technicians	9	0	0	8	88.9
Motor vehicle drivers	5	0	0	0	0
Other administration & related clerks and organisers	152	0	0	137	90.1
Other administrative policy and related officers	95	0	0	50	52.6
Other occupations	4	0	0	1	25
Road workers	3	0	0	0	0
Safety health and quality inspectors	1	0	0	0	0
Secretaries & other keyboard operating clerks	38	2	5.3	22	57.9
Security guards	15	0	0	6	40
Security officers	1	0	0	1	100
Senior managers	31	1	3.2	18	58.1
Social sciences related	12	0	0	8	66.7
Trade labourers	6	0	0	0	0

Water plant and related operators	0	0	0	0	0
Trade/industry advisors and other related profession	1	0	0	0	0
TOTAL	1198	6	0.5	833	69.5

TABLE 5.5 - Promotions by Salary Band					
Salary Band	Employment at Beginning of Period (April 2009)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2), Permanent	118	0	0	34	28.8
Skilled (Levels 3-5), Permanent	206	0	0	120	58.3
Highly skilled production (Levels 6-8), Permanent	723	2	0.3	600	83
Highly skilled supervision (Levels 9-12), Permanent	103	1	1	58	56.3
Senior management (Levels 13-16), Permanent	36	3	8.3	17	47.2
Contract (Levels 3-5), Permanent	1	0	0	1	100
Contract (Levels 6-8), Permanent	6	0	0	1	16.7
Contract (Levels 9-12), Permanent	4	0	0	2	50
Contract (Levels 13-16), Permanent	1	0	0	0	0
TOTAL	1198	6	0.5	833	69.5

5.6 EMPLOYMENT EQUITY

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent	11	0	1	12	10	10	0	2	11	0	34
Professionals, Permanent	24	0	2	26	9	24	0	5	29	11	75
Technicians and Associate Professionals	68	1	3	72	19	26	4	11	41	15	147
Clerks, Permanent	251	0	13	264	9	376	9	15	398	38	711
Service and sales workers, Permanent	16	0	0	16	0	1	0	0	1	0	17
Craft and related trades workers, Permanent	15	0	0	15	0	0	0	0	1	0	15
Plant and machine operators and assemblers, Permanent	26	0	0	26	0	1	0	0	2	0	27
Elementary occupations, Permanent	60	0	1	61	1	81	0	0	82	0	143
TOTAL	471	1	20	492	48	518	13	33	564	64	1169

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	1	0	0	1	1	1	0	0	1	0	3
Senior Management, Permanent	9	0	1	10	10	7	0	2	9	0	29
Professionally qualified and experienced specialists and mid-management, Permanent	32	0	5	37	24	18	0	6	24	9	94
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	258	1	11	270	11	338	10	20	368	50	699
Semi-skilled and discretionary decision making, Permanent	119	0	2	121	3	90	2	5	97	6	227
Unskilled and defined decision making, Permanent	33	0	0	33	0	50	0	0	50	0	83
Contract (Senior Management), Permanent	3	0	0	3	0	1	0	0	1	0	4
Contract (Professionally qualified), Permanent	6	0	0	6	0	4	0	0	4	0	10
Contract (Skilled technical), Permanent	7	0	0	7	0	7	1	0	8	0	15
Contract (Semi-skilled), Permanent	1	0	0	1	0	3	0	0	3	0	4

TOTAL	469	1	19	489	49	520	13	33	566	65	1169
--------------	------------	----------	-----------	------------	-----------	------------	-----------	-----------	------------	-----------	-------------

TABLE 6.3 - Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	1	0	0	1	0	0	0	0	0	0	1
Senior Management, Permanent	2	0	0	2	0	1	0	0	1	0	3
Professionally qualified and experienced specialists and mid-management, Permanent	1	0	0	1	0	4	0	1	5	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	3	0	0	3	0	1	0	0	1	0	4
Semi-skilled and discretionary decision making, Permanent	0	0	0	0	0	1	0	2	3	0	3
Contract (Senior Management), Permanent	3	0	0	3	0	2	0	0	2	0	5
Contract (Professionally qualified), Permanent	6	0	0	6	0	5	0	0	5	0	11
Contract (Skilled technical). Permanent	7	0	0	7	0	9	1	0	10	0	17
Contract (Semi-skilled), Permanent	1	0	0	1	0	9	0	0	9	0	10
Contract (unskilled), permanent	0	0	1	1	0	0		0	0	0	1
TOTAL	24	0	0	24	0	32	1	3	36	0	60

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

TABLE 6.4 - Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	0	0	0	0	1	1	0	0	1	0	2
Senior Management, Permanent	5	0	1	6	8	2	0	2	4	0	18
Professionally qualified and experienced specialists and mid-management, Permanent	15	0	6	21	19	9	1	2	12	7	59
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	220	1	11	232	6	314	6	17	337	27	602
Semi-skilled and discretionary decision making, Permanent	60	0	2	62	3	45	0	4	49	6	120
Unskilled and defined decision making, Permanent	12	0	0	12	0	22	0	0	22	0	34
Contract (Senior Management), Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified), Permanent	0	0	0	0	0	2	0	0	2	0	2

Contract (Skilled Technical), Permanent	0	0	0	0	0	1	0	0	1	0	1
Contract (Semi-skilled), Permanent	0	0	0	0	0	1	0	0	1	0	1
TOTAL	312	1	20	333	37	397	7	25	429	40	839
	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	0	0	0	0	1	1	0	0	1	2	4

Contract (Senior management), Permanent	1	0	0	1	0	2	0	0	2	0	3
TABLE 6.5 - Terminations											
Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Contract (Professionally qualified), Permanent	1	0	0	1	0	3	0	0	3	0	4
Contract (Skilled technical), Top Management, Permanent	2	0	0	2	0	0	0	0	0	0	10
Senior Management, Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Semi-skilled), Permanent	0	0	0	0	0	0	0	0	0	0	0
TOTAL	18	0	5	23	4	30	2	2	34	4	65
	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities management, supervisors, foremen, Permanent	0	0	0	0	0	0	0	0	0	0	0
	7	0	2	9	0	4	0	1	5	4	18
Semi-skilled and discretionary decision making, Permanent	4	0	1	5	0	1	0	1	2	0	7
Unskilled and defined decision making, Permanent	1	0	0	1	0	4	0	0	4	0	5

TABLE 6.6 - Disciplinary Action

Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
TOTAL	18	0	0	18	0	13	1	1	15	0	33

TABLE 6.7 - Skills Development

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent	11	0	1	12	11	9	0	2	11	0	34
Professionals, Permanent	24	0	2	26	9	24	0	5	29	11	75
Technicians and Associate Professionals	66	1	3	70	19	26	4	11	41	15	145
Clerks, Permanent	252	0	13	265	9	374	9	15	398	39	711
Service and sales workers, Permanent	15	0	0	15	0	1	0	0	1	0	16
Craft and related trades workers, Permanent	16	0	0	16	0	1	0	0	1	0	17
Plant and machine operators and assemblers, Permanent	25	0	0	25	0	2	0	0	2	0	27
Elementary occupations, Permanent	60	0	0	60	1	82	0	0	82	0	143

TOTAL	469	1	19	489	49	519	13	33	566	65	1169
Employees with disabilities	0	0	0	0	1	1	0	0	1	2	4

5.7 PERFORMANCE REWARDS

	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	57	519	11	549	9,629
African, Male	42	469	9	410	9,755
Asian, Female	17	33	51.5	280	16,497
Asian, Male	12	19	63.2	245	20,428
Coloured, Female	6	13	46.2	83	13,913
Coloured, Male	0	1	0	0	0
Total Blacks, Female	80	565	14.2	913	11,409
Total Blacks, Male	54	489	11	655	12,127
White, Female	28	63	44.4	349	12,455
White, Male	16	48	33.3	658	41,105
Employees with a disability	0	4	0	0	0

TOTAL	178	1169	15.2	2,574	14,461

Contract (Levels 9-12)	1	10	10	12	12,000
Periodical Remuneration	0	3553	0	0	0
Abnormal Appointment	0	1695	0	0	0
TOTAL	165	6380	2.6	1769	10721
Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	7	82	8.5	28	4,000
Skilled (Levels 3-5)	27	228	11.8	146	5,407
Highly skilled production (Levels 6-8)	93	699	13.3	879	9,452
Highly skilled supervision (Levels 9-12)	37	94	39.4	704	19,027
Contract (Levels 3-5)	0	4	0	0	0
Contract (Levels 6-8)	0	15	0	0	0

7.3- Performance Rewards by Critical Occupations					
Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	11	62	17.7	183	16,636
All artisans in the building metal machinery etc.	1	17	5.9	11	11,000
Architects town and traffic planners	5	6	83.3	41	8,200
Auxiliary and related workers	0	20	0	0	0
Building and other property caretakers	0	21	0	0	0
Bus and heavy vehicle drivers	0	10	0	0	0

Rank: Unknown	0	1	0	0	0
Regulatory inspectors Cartographers and surveyors	0	4	0	0	0
Road workers Cartographic surveying and related technicians	0	3	0	0	0
	0	8	0	0	0
Cleaners in offices workshops hospitals etc.	3	46	6.5	13	4,333
Client inform clerks(switchboard reception inform clerks)	0	4	0	0	0
Communication and information related	0	2	0	0	0
Community development workers	0	9	0	0	0
Engineering sciences related	5	8	62.5	88	17,600
Finance and economics related	9	13	69.2	223	24,778
Financial and related professionals	12	24	50	124	10,333
Financial clerks and credit controllers	4	34	11.8	31	7,750
Food services aids and waiters	0	7	0	0	0
General legal administration & rel. professionals	0	2	0	0	0
Head of department/chief executive officer	0	2	0	0	0
Human resources & organisation development & relate professionals	1	2	50	18	18,000
Human resources clerks	11	30	36.7	90	8,182
Human resources related	3	4	75	72	24,000
Library mail and related clerks	4	20	20	18	4,500
Light vehicle drivers	1	12	8.3	3	3,000
Messengers porters and deliverers	5	60	8.3	19	3,800
Mining geology & geophysical & related technicians	2	4	50	12	6,000
Motor vehicle drivers	0	5	0	0	0
Other administrative & related clerks and organisers	63	583	10.8	521	8,270
Other administrative policy and related officers	16	51	31.4	203	12,688

Secretaries & other keyboard operating clerks	7	40	17.5	73	10,429
Security guards	1	14	7.1	3	3,000
Security officers	0	1	0	0	0
Senior managers	13	32	40.6	806	62,000
Social sciences related	1	1	100	21	21,000
Trade labourers	0	6	0	0	0
TOTAL	178	1169	15.2	2573	14455

TABLE 7.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	6	23	26.1	333	5,550	1.9	17,334
Band B	5	10	50	340	6,800	3.5	9,748
Band C	2	2	100	133	6,650	4.5	2,947
Band D	0	2	0	0	0	0	0
TOTAL	13	37	35.1	806	6200	2.7	30029

5.8 FOREIGN WORKERS

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Highly skilled production (Levels 9-12)	2	40	2	40	0	0	5	5	0
Senior management (Levels 13-16)	1	20	1	20	0	0	5	5	0
Contract (Level 13 to 16)	1	20	1	20	0	0	5	5	0
Periodical Remuneration	1	20	0	0	-1	0	5	5	0
Abnormal Appointment	0	0	1	20	1	0	5	5	0
TOTAL	5	100	5	100	0	0	5	5	0

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Professionals and managers	4	80	4	80	0	0	5	5	0
Other occupations	1	20	1	20	0	0	5	5	0
TOTAL	5	100	5	100	0	0	5	5	0

5.9 LEAVE UTILISATION

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)	216	79.6	26	4.9	8	42	529	172
Skilled (Levels 3-5)	822	81.4	114	21.6	7	217	529	669
Highly skilled production (Levels 6-8)	2143	85	303	57.3	7	965	529	1822
Highly skilled supervision (Levels 9-12)	395	82.3	64	12.1	6	485	529	325
Senior management (Levels 13-16)	125	94.4	18	3.4	7	334	529	118
Contract (Levels 3-5)	4	100	1	0.2	4	1	529	4
Contract (Levels 6-8)	5	80	2	0.4	3	2	529	4
Contract (Levels 9-12)	2	0	1	0.2	2	2	529	0
TOTAL	3712	83.9	529	100	7	2048	529	3114

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
-------------	------------	-----------------------------------	--	---	---------------------------	------------------------	---	--

Lower skilled (Levels 1-2)	94	100	4	5.6	24	18	94	72
Skilled (Levels 3-5)	836	100	20	27.8	42	202	836	72
Highly skilled production (Levels 6-8)	1031	100	41	56.9	25	456	1031	72
Highly skilled supervision (Levels 9-12)	62	100	5	6.9	12	64	62	72
Senior Management (13-16)	40	100	1	1.4	40	120	40	72
Contract (Level 3 to 5)	1	100	1	1.4	1	0	1	72
TOTAL	2064	100	72	100	29	860	2064	72

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	1989	24	83
Skilled (Levels 3-5)	5285	23	226
Highly skilled production (Levels 6-8)	15010.84	22	683
Highly skilled supervision (Levels 9-12)	2255	22	103
Senior management (Levels 13-16)	729	20	37
Contract (Levels 3-5)	15	8	2
Contract (Levels 6-8)	71	9	8
Contract (Levels 9-12)	62	10	6
Contract (Levels 13-16)	16	5	3
Not Available	52	26	2
TOTAL	25484.84	22	1153

TABLE 9.4 - Capped Leave for Jan 2005 to Dec 2005						
	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2007	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2007	No. of employees as at 31 December 2009
Lower skilled (Levels 1-2)	31	10	76	3	5703	75
Skilled (Levels 3-5)	90	6	93	14	19509	209
Highly skilled production(Levels 6-8)	1315108	5	108	26	31940	295
Highly skilled supervision (Levels 9-12)	25	8	98	3	7264	74
Senior management(Levels 13-16)	6	3	119	2	2268	19
TOTAL	283	6	99	48	66684	672

TABLE 9.5 - Leave Payouts			
Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2008/09 due to non-utilisation of leave for the previous cycle	145	7	20714
Capped leave payouts on termination of service for 2009/2010	664	80	8300

Current leave payout on termination of service for 2009/10	106	12	8833
TOTAL	915	99	9242

5.10 HIV/AIDS AND HEALTH PROMOTION PROGRAMMES

<p>HR OVERSIGHT - APRIL 2009 to MARCH 2010 - KwaZulu Natal - Co-operative Governance & Traditional Affairs</p>			
<p>TABLE 10.1 - Steps taken to reduce the risk of occupational exposure</p>			
<p>Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)</p>	<p>Key steps taken to reduce the risk</p>		
<p>Due to the nature of work being conducted by employees of the Department, none of the employees are viewed to be at risk of contracting HIV and related diseases as a result of occupational exposure.</p>	<p>Yes</p>		
<p>This Department has not identified any staff to be at a high risk of contracting HIV and related diseases.</p>			

TABLE 10.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide required information]			
Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Mr DA Beykirch : Manager : Human Capital Development
2. Does the department have a dedicated unit or have you designated specific staff members to promote 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.	Yes		There are five posts on the approved structure. All posts are currently vacant. One person from an employment agency is presently engaged in a temporary capacity.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	Yes		Counseling/ Referrals of staff who experience problems, Immune Supplements for HIV Positive Employees, Wellness Consultations which include on site Pre and Post Test Counseling, HIV Rapid Tests and CD4 Counts. Provisions of educational material and workshops HIV & AIDS training undertaken.

<p>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.</p>	<p>No</p>	<p>The membership is due for review when the new Employee Health and Wellness Framework issued by DPSA is introduced and a provincial policy is formulated. COGTA has participated in the formulation of the Provincial Policy being driven by OTP. New committee will be established once OTP finalizes the Provincial Policy.</p>
<p>5. Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.</p>	<p>Yes</p>	<p>The Employment Equity Report reflects the policies and practices.</p>
<p>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>	<p>Yes</p>	<p>The Department renders a confidential service via the Employee Assistance Programme for employees. The EAP would engage labour relations if any discriminatory behavior is experienced so that remedial action may be taken.</p>
<p>7. Does the department encourage its employees to undergo Voluntary Counseling and Testing? If so, list the results that you have achieved.</p>	<p>Yes</p>	<p>Staff are encouraged to undergo testing during the wellness consultations. Educational material distributed throughout the Department also encourages testing. There has been an</p>

			increase in the number of staff attending such wellness consultations coupled with an increase in those undergoing tests and disclosing their status.
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	Yes		Regular follow-ups are conducted with the staff who receive the immune supplements and those who have undergone counseling. The service provider responsible for on-site testing and health consultations provides feedback each quarter on the problematic health issues and trends within the department.

COMMITTEE MEMBERS	STAKEHOLDERS - REPRESENTED AT DIRECTORATE LEVEL	COMMITTEE MEMBERS	STAKEHOLDERS - REPRESENTED AT DIRECTORATE LEVEL
Mr A Mkhize	ADMINISTRATIVE SERVICES	Mrs GNB Mhlongo	LOCAL GOVERNMENT
Ms N Madela	LOCAL GOVERNMENT	Mrs M Khumalo	HUMAN RESOURCE MANAGEMENT
Ms J Lascelles	SUPPLY CHAIN MANAGEMENT	Miss B T Mchunu	URBAN AND RURAL DEVELOPMENT
Ms N Shaw	OFFICE OF THE HEAD OF DEPARTMENT	Miss D L Zungu	URBAN AND RURAL DEVELOPMENT

Mrs L Shaik Mahomed	LOCAL GOVERNMENT	Ms P S Ndlovu	FINANCIAL MANAGEMENT
Mr B C Mntungwa	FINANCIAL MANAGEMENT	Ms B Q Ngcobo	LAND UTILISATION TRADITIONAL AFFAIRS
Ms N Bhikshu	ADMINISTRATIVE SERVICES	Ms W McLean	DEVELOPMENT ADMINISTRATION
Mr P Duma	SURVEY SERVICES	Ms B Mthembu	DEVELOPMENT ADMINISTRATION
Mr P Buthelezi	URBAN AND RURAL DEVELOPMENT	Ms O Cele	DEVELOPMENT ADMINISTRATION
Mrs R Bester	LOCAL GOVERNMENT	Ms L Mpanza	ADMINISTRATIVE SERVICES
Mrs R Luthuli	URBAN AND RURAL DEVELOPMENT	Ms N Ngidi	TRADITIONAL CONSTITUTIONAL AFFAIRS
Mrs R Seaward	HUMAN RESOURCE MANAGEMENT	Mr D Ntuli	SURVEY SERVICES
Miss S Smith	HUMAN RESOURCE MANAGEMENT	Mr M Mduduzi	TRADITIONAL AFFAIRS
Ms M J Mthembu	URBAN AND RURAL DEVELOPMENT	Ms T Kunene	LAND UTILISATION TRADITIONAL AFFAIRS
Ms S Cele	URBAN AND RURAL DEVELOPMENT	Mr M Mahlambi	DEVELOPMENT ADMINISTRATION
Ms T O Dube	URBAN AND RURAL DEVELOPMENT	Ms S Pillay	DEVELOPMENT ADMINISTRATION
Mrs F V Mbongwa	LOCAL GOVERNMENT	Ms L Russel	DEVELOPMENT ADMINISTRATION

5.11 LABOUR RELATIONS

TABLE 11.1 - Collective Agreements	
Subject Matter	Date
No Agreements concluded for this period.	

TABLE 11.2 - Misconduct and Discipline Hearings Finalised 1 April 2005 to 31 March 2006			
Outcomes of disciplinary hearings	Number	Percentage of Total	Total
Dismissal	2	6.06	2
Demotion	0	0	0
Counselling	6	18.18	6
Final Written Warning	14	42.42	14
Suspension Without Pay (1 to 3 Months)	2	6.06	2
Written warning	4	12.12	4
Verbal Warning	1	3.03	1
Not Sustained	4	12.12	4
TOTAL	33	100	33

TABLE 11.3 - Types of Misconduct Addressed at Disciplinary Hearings			
Type of misconduct	Number	% of Total	Total
Breach of Public Service Code of Conduct	3	9.09	3
Convicted of an offence	2	6.06	2
Failed to comply with instructions	0	0	0
Abscondment	2	6.06	2
Medical Certificate Discrepancy	1	3.03	1
Negligence in executing duties	1	3.03	1
Poor performance	5	15.15	5
Poor timekeeping	0	0	0
Theft	1	3.03	1
Unauthorised Absences	3	9.09	3
Unauthorised Possession of State Property	0	0	0
Unauthorised use of state property	1	3.03	1
Under Influence of alcohol / drug while on duty	1	3.03	1
Vehicle abuse	12	36.37	12
Sexual Harassment	0	0	0
Disrespectful Behaviour	1	3.03	1
Fraud	0	0	0
Total	33	100	33

TABLE 11.4 - Grievances Lodged			
Number of grievances addressed	Number	% of total	Total
Total	12	100	12

TABLE 11.5 - Disputes Lodged		
Number of disputes addressed	Number	% of total
Upheld	0	0
Dismissed	1	100
Total	1	100

TABLE 11.6 - Strike Actions	
Strike actions	
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	

TABLE 11.7 - Precautionary Suspensions	
Precautionary Suspensions	
Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	87
Cost (R'000) of suspensions	42.681

TABLE 12.1 - Training Needs identified -						
Occupational Categories	Gender	Employment	Learnership	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	11	0	2	0	2
	Male	22	0	6	0	6
Professionals	Female	40	0	110	0	110
	Male	35	0	96	0	96
Technicians and associate professionals	Female	56	0	36	0	36
	Male	89	0	52	0	52
Clerks	Female	437	0	82	0	82
	Male	274	0	22	0	22
Service and sales workers	Female	1	0	0	0	0
	Male	15	0	7	0	7
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	1	0	0	0	0

	Male	16	0	1	0	1
Plant and machine operators and assembler	Female	2	0	1	0	1
	Male	25	0	2	0	2
Elementary occupations	Female	82	0	20	0	20
	Male	61	0	12	0	12
Gender sub totals	Female	631	0	0	0	0
	Male	538	0	0	0	0
Total		1169	0	449	0	449

TABLE 12.2 - Training Provided						
Occupational Categories	Gender	Employment	Learnership	Skills Programmes & other short courses	Other forms of training	Total training
Legislators, senior officials and managers	Female	9	0	7	0	7
	Male	24	0	16	0	16

Professionals	Female	277	3	23	0	23
	Male	205	2	28	0	28
Technicians and associate professionals	Female	72	2	21	0	21
	Male	124	5	32	0	32
Clerks	Female	181	0	292	0	292
	Male	78	1	202	0	202
Service and sales workers	Female	0	0	0	0	0
	Male	16	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	1	0	0	0	0
	Male	18	0	0	0	0
Plant and machine operators and assemblers	Female	1	0	1	0	1
	Male	27	0	1	0	1
Elementary occupations	Female	88	0	12	0	12

	Male	66	0	2	0	2
Interns	Female		0	22	0	22
	Male		0	7	0	7
Temps	Female		0	8	0	8
	Male		0	4	0	4
Gender sub totals	Female	628	0	358	0	358
	Male	540	0	292	0	292
Total		1169	13	650	0	650

5.12 INJURY ON DUTY

TABLE 13.1 - Injury on Duty		
Nature of injury on duty	Number	
Required basic medical attention only	4	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	4	