

Department of Public Works
ANNUAL REPORT
2009/2010



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA



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**SOUTH
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Chapter 1 | General Information



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA

Chapter 1

General Information

1. GENERAL INFORMATION

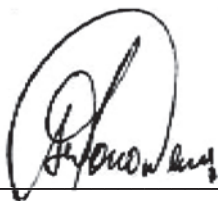
1.1. SUBMISSION OF THE ANNUAL REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY

The Honourable

Mr G.Q.M. Doidge

Minister of Public Works

I have the honour of submitting the Annual Report of the Department of Public Works for the period: 1 April 2009 to 31 March 2010



SIVIWE X.A DONGWANA
DIRECTOR-GENERAL
DEPARTMENT OF PUBLIC WORKS

DATE: 29 SEPTEMBER 2010



1.2 MINISTER'S FOREWORD

In his maiden State of the Nation Address following the General Elections of April 2009, the President, Mr. Jacob Zuma amplified the renewed mandate given to the ANC-led government when he committed the government to creating 500 000 work opportunities by the end of 2009, through the second phase of the Expanded Public Works Programme. As a coordinating Department, Public Works embraced the challenge and set out to embark on the biggest mobilization ever to deliver on the targets, albeit at the height of the global economic meltdown. Inherent in the EPWP II and perhaps a first for government, was the new incentive scheme with cash pay-outs to implementing agents in return for them exceeding employment targets on their infrastructure commitments.

Armed with this muscle, the Department embarked on a nation wide tour for political support, single-mindedly targeting the Premiers and their Provincial Executive Committees while demonstrating resolve by incentivizing those implementing agents on the cutting edge of concrete deliveries. The strategy worked and by the end of the reporting period, the Programme with the commitment of an able team, had created 625 859 job opportunities, far exceeding the set year target of 550 000, with both the social and the non-state sectors recording runaway successes in job creation.

The Department of Public Works together with all EPWP II implementing agents and government department across the country is actively working to achieve the creation of four million work opportunities by 2014.

The EPWP experience has indicated that it is indeed possible for the Department to turn itself around by cost-effectively and swiftly delivering quality services and goods, all within specifications and budgets. This has laid the nucleus for the turn-around strategy which was adopted at the management Lekgotla at the end of the review period. At its centre, the strategy calls for:

- a) the alignment of the structure to meet service delivery obligations;
- b) generating and retaining a core competent and skilled workforce;
- c) As well as engendering the competitiveness of the Department, making Public Works the last word in state's immovable assets management, provision of physical accommodation and the leader of national public works programmes to alleviate poverty and create jobs.

The department has begun to change its business model to place greater focus on asset management, client relations, construction development and property management.

To reduce the high vacancy rate in the organization, priority has been given to the critical and scarce skills, identifying them and putting programmes in place to respond to the challenge. Our artisan and internship initiatives are bearing fruit with the latter recruiting the core talent and feeding it into the Young Professional programme where the incumbents are assisted with the acquisition of professional registration.

In our urgency to capacitate the Department, we have not lost sight of the necessity to promote equity. Informed by the vision of our new Disability Policy, we have ring-fenced about 2% of the current vacant positions on our establishment for the benefit of the disabled people as we have publicly committed in 2009 to mainstream both the gender and disability indicators in all the core business areas of the organization.

The aim is to create an organization that is technically apt, economically efficient, with high value- yielding impact on the mandates of its clients while responding to the outcomes targets of government and promoting a culture of doing things differently. It also seeks to contribute to the development of a competitive built environment industry in South Africa while galvanizing the Department to become a centre of excellence in asset management, property & construction development and the coordination of government job creation initiatives.

Buoyed by this experience, the Department committed to raise the bar in its approach to the execution of its core mandate which is the management of the state's immovable stock in order to maximize its contribution to the outcomes based approach to government performance.

To that end, a dedicated Asset Register Management Unit has been set up to exclusively ensure the completeness and functionality of the state's asset register to meet compliance. The work of the Unit will build on the success achieved with the Asset Register Enhancement Programme (AREP) of 2008 which defined its scope as the enhancement of the data integrity for the initial lot of 33 555 immovable assets; measuring the extent of their improvements, linking these (i.e. improvements) to the land parcels, verifying ownership of properties while capturing rights against state properties.

Also in conjunction with the provincial departments, a National Vesting Master Plan has been developed complete with the timeframes for the finalization of the vesting process which is a critical step in the process towards achieving a fully functional asset register. The final product will be delivered in 2013. Furthermore, appropriate valuation models for the state's immovable assets are being finalized to strengthen our accounting regime.

In fulfillment of the requirements of the Government Immovable Asset Management Act (GIAMA), the Department for the period under review collaborated with the user departments (clients) to complete their Asset Management Plans. Once completed the step will allow for appropriate budgeting and enhanced accountability.

The build up to the kick-off of the FIFA 2010 World Cup Soccer Tournament has heightened the excitement borne of the knowledge that the Department has played its significant part in the story of its success. The transfer of land on which the Soccer City Stadium stands in 2009 confirmed the status of the Department of Public Works as indeed the "landlord" of the nation. It was a culmination of a series of milestones reflective of the leadership role of the Department in matters of construction development, procurement and lease management, associated with South Africa's successful hosting of the event.

In support of government's assertion that 2010 was an African moment, the Department for the year under review put final touches to a few land ports of entry. Projects at border posts of Lebombo, Golela, and Violsdrif & Skilpadhek were expedited in anticipation of increased human and commercial traffic during the soccer spectacle. The Waterkloof Airforce Base (Tshwane) was completed in time to host world leaders expected to descend on South Africa's shores once the tournament started. In Uganda, the Oliver Tambo Military Leadership Precinct was handed over to the people of that country by President Zuma in March 2010, bringing to a close the three-year engagement of Public Works in that project. Also successfully delivered were the South African embassy and the South African High Commission constructed in Ethiopia and Lesotho respectively.

Improved client relationship management has been identified as one of the strategic thrusts to be relentlessly pursued and as such remains a yardstick in measuring our delivery record. In support of government priorities for safety, security and justice, the Department handed over the completed Augrabies Community Safety Centre and the Kimberly New Generation Prison to the Police and Correctional Services, respectively. Also delivered was the Class-A office accommodation in the form of the Civitas building, renovated and rehabilitated by the Department of Public Works on behalf of the Department of Health.

In response to the President's call to aggressively promote the culture of prompt payment by government to Small, Medium and Micro Enterprises, the Department established the Re Ya Patala (We Pay) initiative in the Office of the Chief Financial Officer in 2009 thereby committing to ensuring that there is strict adherence to the 30 days payment policy, as provided for in Public Finance Management Act for services rendered. Launched at the same time as the Presidential Reporting Hotline, this has helped the Department to track concerns raised by the discontent members of the public plus the business associates of the Department. We shall continue to encourage such public engagements and regularly monitor their management in terms of customer satisfaction. Of essence it will be the management of the information sharing and information transfer between the Department and its publics.



According to the Risk Management Framework, the management of communications and information in the department has been identified as a security risk with the potential to compromise the security and the reputation of the organization. Informed by the essentials of building a developmental state, there exists a need to seek to build the new communications and information handling processes which will make the department responsive to the citizens without putting its reputation at risk. Left unchecked the tendency might blight the image of the Department and fuel the incorrect perceptions of DPW as a den of corruption.

Since April 2009, the new administration has targeted corruption as the enemy of the state and together with mismanagement and maladministration; no efforts will be spared in their routing. Adamant to promote good corporate governance and clean business practices, the Department in 2009 appointed the Special Investigating Unit to assess the business environment under which the business of the organization was conducted and satisfy themselves that the business processes were above board and not open to abuse.

The Department looks to the New Year with hope and excitement fuelled by the amount of ground already covered in the year under review. History has taught us lessons to help prepare for the future characterized by improved service delivery, good corporate governance and capacity building. It is on these virtues that a future competitive and competent Public Works will be built upon.

G.Q.M DOIDGE (MP)
MINISTER
DEPARTMENT OF PUBLIC WORKS

DATE: 29 SEPTEMBER 2010

1.3 DIRECTOR GENERAL'S OVERVIEW

As mandated by the Constitution of the Republic of South Africa and other relevant legislations, the Department of Public Works is the custodian of all national government's immovable assets, is responsible for promoting economic growth and transformation in the Construction and Property industries, is the provider of comprehensive accommodation services to national government departments and provides coordination and strategic leadership in the implementation of Expanded Public Works Programme (EPWP). In its efforts to make a significant contribution towards the implementation of key policy priorities of government using this mandate, the Department developed its corporate plan for the 2009/10 to 2011/12 medium term expenditure framework period guided by the following:

- Medium-term strategic framework;
- Development Indicators for 2008;
- Scenario Planning;
- Fifteen Year Review of government; and
- 2009 – 12 government cluster programme of action.

During the period under review the implementation of all departmental programmes was informed and guided by the following strategic priorities of government:

- Speeding up growth and transforming the economy to create decent work and sustainable livelihoods.
- Massive programme to build social and economic infrastructure.
- Comprehensive development strategy linked to land and agrarian reform and food security.
- Strengthen our skills and human resource base (major renewal of our skills and education system).
- Intensifying the fight against crime and corruption.
- 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.

The following programmes, outlined in the Strategic Plan of the Department, were selected as leading programmes:

- The Expanded Public Works Programmes (EPWP).
- Energy efficiency in government buildings.
- Accessibility of state owned buildings for disabled people.
- Rehabilitation of unused and under-utilised government buildings.
- 2010 FIFA World Cup – Land ports of entry.
- Inner-city regeneration.
- Dolomite projects.
- Enhancing the asset register.
- Implementation of the Government-wide Immovable Asset Management Act (GIAMA) in the local government sphere.
- Implementation of the Property Management Trading Entity (PMTE).
- Leasing.
- Training and Development: scarce skills capacity interventions.
- Black Economic Empowerment with respect to the transformation of the Construction and Property sectors



Programme performance indicators

To respond adequately to the policy priorities of government and to implement the programmes mentioned above, the following indicators, amongst others, guided the planning:

- Number of state-owned buildings prioritised to be made accessible to people with disability.
- Percentage of state-owned buildings rehabilitated.
- Total number of immovable assets valued.
- Total number of immovable assets in the Department's register that comply with the generally recognised accounting practice (GRAP) requirements.
- Percentage reduction in electricity consumption on state-owned buildings due to retrofitting.

Other than the performance indicators mentioned above, there are those that are directly linked to the implementation of EPWP. As a direct contribution by the Department to the EPWP, all regional offices are required to identify and implement labour-intensive projects. This is to ensure support for the programme, using the Department's maintenance and capital budgets. The following performance indicators were used to guide EPWP planning:

- Number of youth participating in the National Youth Service.
- Number of learners participating in the Vuk'uphile Learnership.
- Total number of municipalities reporting on the EPWP targets.
- Number of EPWP work opportunities created on provincial access roads.

Towards improving service delivery to users

In giving effect to DPW's mandate, and towards improving its delivery of accommodation services to national government departments, Service Delivery Standards (SDS) and Service Level Agreements (SLAs) were finalised and forwarded to 41 national departments as the basis on which to deliver on requirements. The progress in concluding the SLAs has been very slow primarily due to negotiations on the details of the roles and responsibilities between DPW and client departments.

Implementation programs for Capital and Planned Maintenance projects were signed-off with user departments for the year under review and projects were managed in accordance with agreed deliverables by internal executing units. For the 2009/10 financial year 509 projects were completed.

Support to land reform and rural development and the development of human settlement

The Department has prioritised the release of land parcels for social gain and to support the processes of land reform, the promotion of rural development and human settlement programs to assist with the eradication of poverty.

The Expanded Public Works Programme

The target of **550 000** work opportunities by March 2010 has been exceeded. This contributed substantially towards poverty alleviation. The EPWP was also extended to the non-state sector for the first time in the period under review.

Other critical leading programmes

Inner-city regeneration

The Department is committed to supporting inner-city regeneration programmes through the refurbishment of state-owned buildings. The Department's Inner-city regeneration programme comprised the Re Kgabisa Tshwane programme as its key initiative. As part of the Department's contribution to the regeneration of the City of Tshwane, the refurbishment of the Civitas building to an A-grade building as the Head Office for the Department of Health was completed.

The precinct development and the defining of the spatial requirements in the newly acquired Salvokop site and six (6) other precincts within the Pretoria inner city was prioritised in a joint initiative with the City of Tshwane. This is to pave the way for the construction of future head offices for national departments through macro and micro level planning, and determining the development density for each precinct.

The Department also participated in the design and construction processes of the Freedom Park development, which is nearing completion. This complex is the anchor tenant on the newly acquired Salvokop site. The Salvokop site will be fenced off in the coming year to enhance security and control.

The demand for national government head office accommodation continued to exceed the supply of suitable accommodation during the year owing to the growth in the number and size of user departments. Agreements will be reached with a number of user departments in the coming year on the nature and location of their requirements so that these may be prioritized as projects. As funding for these large developments remains a challenge, the Department will seek to identify other forms of funding methodologies in conjunction with National Treasury.

Immovable asset management

Towards entrenching good practice in immovable asset management within government as prescribed by the GIAMA legislation the focus during the year was to assist user departments complete user asset management templates that would inform comprehensive User Asset Management Plans (UAMPs). These would assist the compilation of the Custodian Asset Management Plans (CAMPs) so as to ensure maximum utilisation of the custodian portfolio. To this end, UAMP templates for 41 user departments were completed along with 11 CAMPs. These will facilitate life-cycle planning, maintenance and management.

National Treasury has been engaged to assist entrench a uniform practice for the timely submission of UAMPs by user departments to ensure improved strategic planning and budget alignment moving forwards.

The Department's Immovable Asset Register is a critical tool for efficient and effective life-cycle asset management. During the period under review great emphasis was placed on enhancing the integrity of data contained in this tool, review of systems and enhancements and the creation of dedicated unit to oversee its management moving forwards.

Equal emphasis has also been placed on fast-tracking the vesting of all state land, and a Vesting Master Plan was finalised within the year in conjunction with the Department of Rural Development and Land Reform (DRDLR) and provincial custodians. The envisaged time to complete vesting of state land continues to be a challenge owing to the vast number of land parcels to be surveyed as well as the inadequacy of funding required.



Pending approval of the Department's accounting valuation model which seeks to address the magnitude of valuing its immovable asset portfolio, assets were valued at R1 as agreed with National Treasury, whilst 190 market valuations were conducted for acquisition and disposal purposes. 15 properties were disposed during the year mainly for purposes of socio-economic development.

Asset Management programs on Energy Efficiency (to optimize energy spend) and Accessibility (to make buildings accessible for people with disability) received priority attention and were implemented in phases, and in accordance with allocated funding.

Property leases

In order to meet the requirement for suitable accommodation for user departments, an amount of R2.3 billion was spent on private sector leases countrywide.

Going forward and subject to availability of funds, emphasis will be placed on the rehabilitation of unused state-owned assets to optimise the state's portfolio and assist reduce lease spend progressively.

Interaction with user departments on future accommodation requirements will be intensified to provide more robust information for the identification of optimum asset solutions.

Land ports of entry

Two key border posts, Lebombo and Violsdrift, were practically completed as at 31 March 2010. The finished border posts will enable seamless movement of goods and people between South Africa and the neighbouring countries.

The site identified for the housing development at the Golela Border Post is state land south of the existing Golela town. The land for the housing facilities has been incorporated in the uPongolo Municipality's Rural Spatial Development Framework for the Golela town. The site was cleared and ready for construction in 2009. However, due to a lack of funding, the project was held back. The Procurement Instruction for the construction of the housing was issued in 2010. The detailed designs have since been completed with the approval of the DPW Sketch Plan Committee. A service provider will be appointed before the end of the 2010 calendar year for the construction of 150 residential units (bachelor, single, two and three bedrooms).

A suitable site has been identified for the construction of the residential accommodation for Skilpadshek Border Post. A mining stability assessment and a Dolomite investigation were conducted on the site to ensure that the site was free of these factors. The land is located on the Remainder of Farm Moilos Location No. 37-JO and the Remainder of Farm Moilos No 413-JO. The Mmabatho Regional Office is in the process of acquiring a total of 64.723 hectares for the housing development from the Gopane Tribe. Following the acquisition a full site clearance (rezoning, full EIA) will be undertaken for the construction of 411 residential units.

International projects

Two (2) key projects namely, the OR Tambo School of Leadership in Kaweweta, Uganda and the South African Embassy in Lesotho were completed during the year under review. The construction of a new chancery and official residence in Abuja, Nigeria is currently in progress and envisaged for completion in early 2011.

Construction and property policy regulation

The department fully participates in the Construction Transformation Charter Group (CTCG) and the Property Sector Charter Council (PSCC) in order to adopt Codes of Good Practice for both industries. The Construction Charter has been gazetted in terms of Section 9 of the BBBEE Act. The PSCC, supported by the Minister applied to the Department of Trade & Industry for the finalisation of a Property Sector Code in terms of Section 9 of the BBBEE Act.

Public entities reporting to the Minister of Public Works

The following four public entities report to the Minister of Public Works:

ASA	: Agrément South Africa
CIDB	: Construction Industry Development Board
CBE	: Council for the Built Environment
IDT	: Independent Development Trust

These entities deliver a host of programmes in the built environment, social development and construction sectors. The IDT is supporting the Department to eradicate mud schools and other inappropriate structures by building new schools. The CBE is playing a critical role in the regulation of the built environment industry across all professions with a view to contribute to the scarce skills replenishment efforts. ASA promotes innovation by assessing the “fit-for-purpose” quality of non-standard construction products. The CIDB continues to play a critical role in the regulation, compliance on quality in the built environment and transformation of the construction industry through, amongst others, the National Contractor Development programme.

Corporate governance and controls improvements

The Department is committed to ensuring that its activities are underpinned by sound governance structures and the implementation of effective internal controls in all areas of operations. The Internal Audit and Risk Management units continuously strive to ensure that there is consistent improvement in the internal controls and risk management at implementation and strategic levels.

The audit committee continues to provide invaluable support and direction throughout the year and ensuring that the Department remains focused on maintaining sound financial, internal controls and risk management systems.

As captured in chapter 4 of this annual report under the Accounting Officer's report, the Department has stepped up controls within financial management and the bid adjudication committees at regional and head office levels to enable better informed decision making on long term commitments and huge projects.

The above initiatives have contributed significantly towards the improved audit report of the Department's Property Management Trading Entity (PMTE) as evidenced by the shift from an adverse to a qualified report.

The Department has also made significant improvements with regard to the DPW audit report as evidenced by the clearing of some of the audit findings around movable assets and compliance with the Division of Revenue Act.

We remain committed to continuously implementing effective strategies that will result in the Department obtaining an unqualified audit report.



1.4. MINISTRY INFORMATION

1.4.1 Institutions reporting to the Executive Authority

- Council for the Built Environment
- Construction Industry Development Board
- Agrément South Africa
- Independent Development Trust

In terms of the PFMA, these institutions are held accountable through their strategic plans that are reviewed annually as well as their in-year reporting through quarterly and annual reports.

1.4.2 Bills submitted to the legislature during the financial year

None

1.4.3 International visits undertaken by the Minister

Date	Place	Purpose
07-12 April 2009	Turkey	Minister invited to address the International Conference on Civil Constitution
5-10 December 2009	United Kingdom	Minister attended a meeting with the International Health Group with the view of exploring health centres in the UK
24-26 March 2010	Uganda	Attended the opening of OR Tambo School of leadership during President Jacob Zuma's state visit in Uganda

1.4.4 International visits undertaken by the Deputy Minister

Date	Place	Purpose
22-23 October 2009	Sweden	Attended the High-level Round Table discussion for Global Health Challenges
30 November - 04 December 2009	Uganda	Attended the International Labour Organisation Regional Seminar for Labour-based Practitioners
06-12 December 2009	Vietnam	Attended the Inter-Parliamentary Union Advisory Group Meeting on HIV/AIDS
08-13 March 2010	Uganda	Travelled to Uganda to conduct pre-opening site inspection of the Kaweweta project (OR Tambo School of Leadership)
26- 30 March 2010	Thailand	Attended the Multi-Stakeholder Consultation on Implementation of the Recommendation of the Second Independent Evaluation of UNAIDS

1.5. VISION, MISSION, VALUES AND LEGISLATIVE MANDATE

1.5.1 Vision

“To be a world-class Public Works Department”

1.5.2 Mission

The Department of Public Works aims to promote the government's objectives of economic development, good governance and rising living standards and prosperity by providing and managing the accommodation, housing, land and infrastructure needs of national departments, by promoting the national Expanded Public Works Programme (EPWP) and by encouraging the transformation of the construction and property industries. In pursuance of this objective, the Department will endeavour to:

- Efficiently manage the asset life cycle of immovable assets under the Department's custodianship;
- Provide expert advice to all three spheres of government and parastatals on immovable assets;
- Contribute to the national goals of job creation and poverty alleviation through programme management, leading and directing of public works programmes nationally, of which the Expanded Public Works Programme (EPWP) forms an integral part and
- Provide strategic leadership to the construction and property industries.

1.5.3 Values

- *Open Communication:* Regular, frank and open communication is encouraged within DPW and with its external publics.
- *Urgency:* All tasks are attended to timeously and diligently.
- *Commitment:* All employees demonstrate unwavering dedication to their work and perform tasks purposefully within available resources.
- *Integrity:* DPW rejects any form of corruption and/or maladministration and all employees vow to expose any actions undermining principles of good corporate governance.
- *Decisiveness:* No time is wasted nor resources spared to expedite decision making and effect problem-solving actions.
- *Client Focus:* All aspects of our work are guided by the need to improve service delivery to clients, internally and externally.
- *Team Work:* Every employee has a specific task/role to perform and the sum of all our actions defines our destiny (success or failure).

1.5.4 Legislative mandate

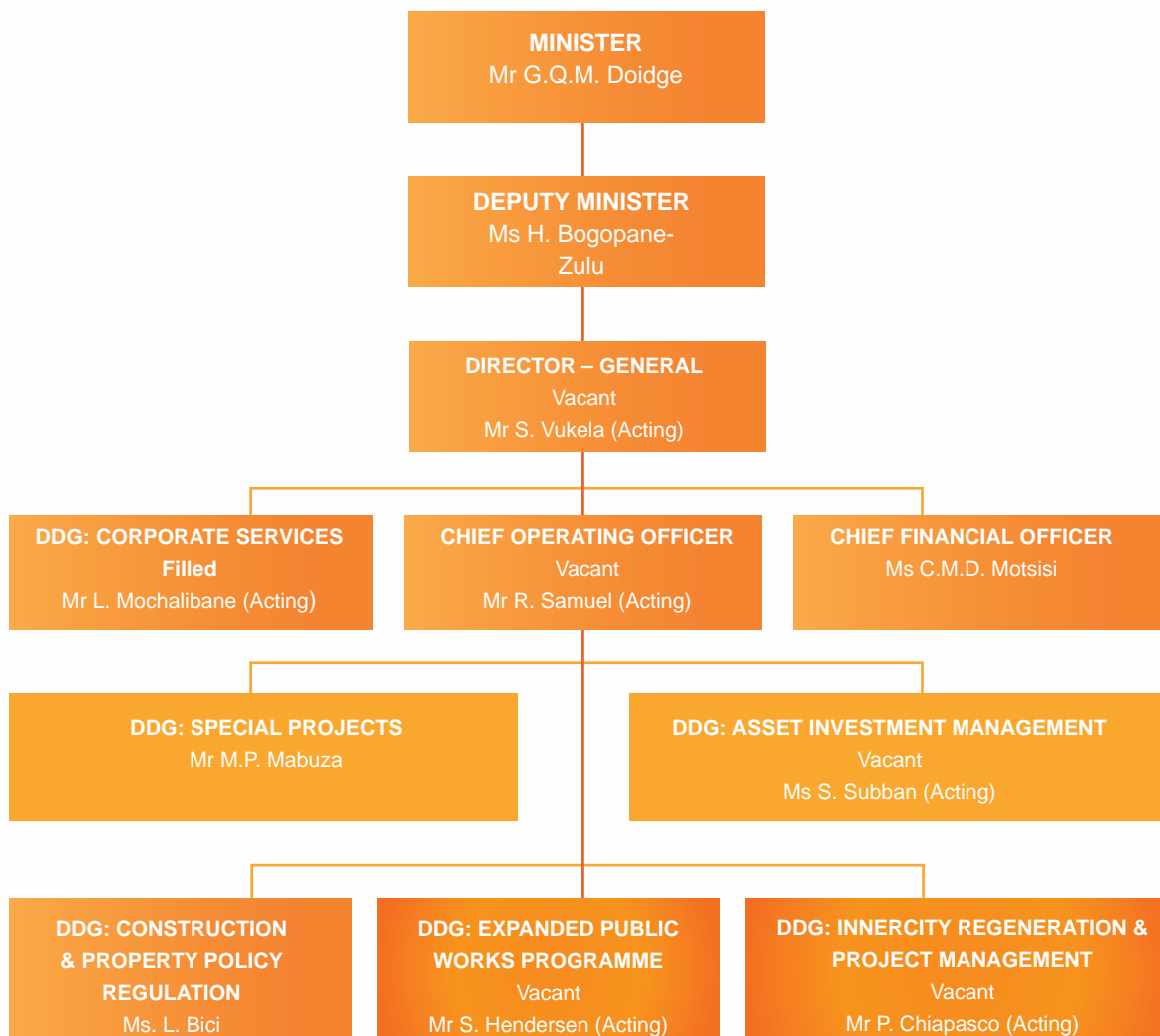
In terms of the Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996) and other relevant legislation, DPW's mandate is the custodianship and manager of national government's immovable assets. This includes the provision of accommodation requirements; rendering expert built environment services to user departments and the acquisition, management, maintenance and disposal of such assets.



1.6 DPW ORGANIZATIONAL STRUCTURE

As at the end of the year under review five vacancies within the top management organizational structure of the department were in the process of being filled. These posts included: the Director General, Chief Operations Officer, Deputy Director General – Asset Investment Management, Deputy Director General – Expanded Public Works Programme and Deputy Director General – Inner City Regeneration & Project Management. The process of filling these posts was at a very advanced stage by the end of the reporting period.

The following diagram provides the top management organizational structure of the department as at the end of the 2009/10 financial year reflecting the acting arrangements implemented whilst the vacancies were in the process of being filled:



1.7 KEY STRATEGIC GOALS

- Provide strategic leadership for effective and efficient asset management.
- Establish an enabling environment for the creation of both short and sustainable work opportunities for the unemployed.
- Contribute to the national goal of job creation and poverty alleviation.
- Transformation and regulation of the construction and property industries to ensure economic growth and development.
- Ensure effective and efficient implementation of project management in the construction and property management environments.
- Effective stakeholder management for enhanced implementation of the department's mandate.
- Ensure effective corporate governance processes and sound resource management.
- Improve service delivery to meet client expectations.

1.8 KEY POLICY DEVELOPMENTS

The department focused on the following policy thrusts during the period under review:

- Transformation of the Construction and Property Sectors:
 - Review of the Contractor Incubator Programme (CIP) Strategy for alignment with National Contractor Development Programme (NCDP);
 - Finalized the Constitution of the Construction Sector Charter Council;
- Skills Development;
- Review of Expropriation Act, 1975;
- Review of Agrément SA mandate;
- Poverty alleviation and job creation.

Development of the following policies was also initiated during the period under review:

- Disposal;
- Outdoor Advertising; and
- Letting of non-core space on state-owned properties.



Chapter 2 | Programme Performance



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA

Chapter 2

Programme Performance

2.1 AIM OF THE VOTE

The aim of the Department of Public Works is to provide and manage the accommodation, housing, land and infrastructure needs of national departments; lead and direct the implementation of the national Expanded Public Works Programme, and promote growth, job creation and transformation in the Construction and Property sectors.

2.2 PROGRAMME 1: ADMINISTRATION

The purpose of this programme is to provide strategic leadership and support services, including accommodation needs, and overall management of the department.

Sub-programmes:

- *Minister*: This sub-programme makes provision for the remuneration package for the Minister.
- *Deputy Minister*: This sub-programme makes provision for the remuneration package for the Deputy Minister.
- *Management*: This sub-programme makes provision for all top management support functions within the department.
- *Corporate Services*: The sub-programme makes provision for all support services to the line/core businesses within the Department.
- *Property Management*: The sub-programme caters for the allocation of property management funds in line with the devolution of budgets.

2.2.1 PERFORMANCE INFORMATION PER BRANCH / BUSINESS UNIT

2.2.1.1 FINANCE AND SUPPLY CHAIN MANAGEMENT

Purpose:

The Finance Branch is primarily responsible for creating an enabling environment for improved service delivery by providing supply chain and financial management solutions to the core business. This enabling environment is created through the following key performance areas:

- Mobilizing adequate funds for DPW's core programmes through the MTEF and Adjustment Estimates processes.
- Providing effective, efficient and compliant supply chain management services for accelerated service delivery.
- Setting the financial strategy for DPW by designing and implementing adequate internal control systems, risk identification and management control over the safeguarding and protection of state assets under DPW's custody.
- Providing effective financial monitoring and expenditure trends analysis in order to provide accurate and timely financial information that will enable management to make informed decisions.
- Continuously provide guidance and support to the Accounting Officer, the Minister and all managers as well as ensuring that the finance staff is adequately capacitated.
- Participate in the strategy formulation and implementation on the Department's mandate.
- Provide training and support to all staff.



Strategic Objectives:

- Ensure effective corporate governance processes and sound resource management
- Establish an enabling environment for the creation of both short and sustainable work opportunities for the unemployed
- Contributing to the national goal of job creation and poverty alleviation

Achievements:

Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
Sound financial management within the department and its trading Account	Unqualified audit report	Percentage to completion	All AG issues on DPW (including Trading Account) 2007/08 annual report fully addressed	<p>Circulars no 07 & 08: Specimen signatures for BAS forms. The purpose of these circulars was to reduce possible fraudulent transactions on the BAS system.</p> <p>Circular no 19: The purpose of this circular was to enforce payment of creditors within 30 days as prescribed by the PFMA.</p> <p>Circular no 6: The purpose of the circular was to implement new measures regarding tracking and control of invoices to monitor the 30 day payments.</p> <p>A call centre dubbed "Operation Re Ya Patala" was established during the year under review. The purpose of the call centre was to keep track of all the outstanding invoices and facilitate payment or resolving of the issues. The office was fully operational during the year.</p> <p>Reporting of irregular expenditure, fruitless and wasteful expenditure and unauthorised expenditure in line with the PFMA was complied with during the year.</p> <p>Property Management Trading Entity (PMTE)</p> <p>GAAP COMPLIANCE</p> <p>A comprehensive action plan for GAAP compliance was developed during the year and is currently being implemented in phases.</p> <p>Significant progress has been made with regard to the reconciliation of the debtors, claims recoverable and suspense accounts as well as the interrogation of the lease contracts to correct unsigned leases, rental charges and escalations.</p> <p>The current systems used for immovable asset management (PMIS) and the project management system (WCS) are undergoing reconfiguration and integration through IE Works, to create a reliable business system that will support GAAP compliance.</p> <p>A financial system that will enable GAAP compliance has been budgeted for procurement in July 2010.</p>	



Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
Sound financial management within the department and its trading Account	Unqualified audit report	Percentage to completion	All AG issues on DPW (including Trading Account) 2007/08 annual report fully addressed	<p>REVENUE RECOVERABLE</p> <p>Significant progress has been achieved with regard to revenue collections and reconciliations. There is now a controlled process of authorizing journals and reconciling the pace report. There is continuous improvement in the PMTE to implement necessary internal controls for effective financial management.</p> <p>For this year under review we collected 98% of the claims submitted and also reduced the old outstanding balances of R459 million by 22%.</p> <p>The meetings with client department are yielding positive results.</p> <p>It should however be noted that the cash basis of accounting poses challenges as client department have already surrendered unspent funds which were supposed to be paid over to DPW.</p> <p>The planned meetings with the National Treasury will, amongst issues, try to resolve these challenges.</p>	
DPW key activities adequately funded	Success rate	National Treasury approves 30% of additional funds requested through MTEF and Adjusted Estimates	All AG issues on DPW (including Trading Account) 2007/08 annual report fully addressed	<p>Due to the commonly known economic plunge the department did not get additional funding requested through the MTEF, however, we were successful in getting all the prioritized funds approved through the adjusted estimates. The approved funds enabled the department to address the over expenditure under the compensation of employees as well as to accommodate the filling of new posts in the department. procurement in July 2010.</p>	
Work opportunities created	Align the Preferential targets to benefit targeted groups	Reports on spending under goods and services	80% spending on BEE, SMME and disabled people	71% achieved against the 80%	
Improved skills base for DPW Finance and Supply Chain	Competent interns developed	Number of trained interns	20 interns trained	22 interns were trained	

Trading Account

Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
Ensure mobilization of sufficient funding to fulfill custodian role	Negotiate with NT to return the Capital funding to the TA	Budgets allocated to TA based on UAMPS	All related budgets centralized with TA	Not achieved	The output was deferred to the new year
	Negotiate with NT to retain proceeds from disposals	Proceeds raised from disposals given back to TA for capitalization	Full or portion of proceeds retained	Not achieved	The output was deferred to the new year

2.2.1.2 INTER-GOVERNMENTAL RELATIONS

Purpose:

- To render administrative and procedural support to the Department on matters related to Intergovernmental Relations and Parliamentary services.

Strategic objectives:

- Sound relations with spheres of government through relevant intergovernmental structures.
- Efficient and effective support to the Ministry and the Department on Parliamentary Services.
- To manage the relations between the Department and sector entities - Independent Development Trust (IDT), Construction Industry Development Board (CIDB), Council for the Built Environment (CBE) and Agrément SA.
- Functional committee system of the department.

Achievements:

For achievements under this unit, please refer to paragraph 2.2.1.6 (Corporate Services) below.

2.2.1.3 STRATEGIC MANAGEMENT UNIT

Purpose:

- To integrate Public Works programmes with government's policy priorities provided for in the Medium-Term Strategic Framework, through the strategic planning process.
- To implement department-wide Knowledge Management and Risk Management Strategies.
- To conduct socio-economic impact studies, based on the department's medium-term budget and economic reviews.



Strategic Objectives:

- Ensure effective corporate governance processes and sound resources management, through risk management and strategic planning.
- Implement an integrated knowledge management strategy.
- To operationalize DPW strategic plan through socio-economic analysis and reviews.

Achievements:

Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
Improved service delivery to client department	DPW strategic plan	Strategic plan presented to Parliament on time	Completed DPW strategic plan	Strategic Plan delivered to Parliament within the prescribed period	
Efficient use of the budget in line with PFMA prescripts and improvement in service delivery	Business Plans	Alignment of unit / region business plans to branch business plans and DPW strategic plan	All Head Office units and Regional Offices supported to prepare own business plans	Business planning support provided to all branches and business units and regions	
Increased understanding and awareness of the Risk Management concept and improved risk reporting	Integrated Risk Management Policy and Framework (IRMPF)	Approved IRMPF	IRMPF presented to all Regional offices	Approved IRMPF	
		ERM awareness workshops and meetings held	50% of workshops completed (50% of 11 Regional Offices)	80% of workshops completed	
	Business unit Risk Registers	Completed and updated risk registers	70% of Regional offices (11 Regional Offices in total)	80% of Regional offices	
	ERM Software Tool	Purchased and implemented/ rolled-out of the tool	Business case approved	Business case approved	Business case approved and the tool has been obtained from National Treasury. Risk information converted from CURA to Barn Owl
Software tool operationalized			Software tool operationalized	Risk assessments conducted for both H/O and Regions using Barn Owl	
Better alignment of Government programmes with policy priorities	Aligned DPW programmes	Aligned DPW programmes	4 Reports	One report done and submitted to Minister	

Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
Poverty alleviation through creating employment opportunities for emerging enterprises	Economic reports of strategic programmes	Strategic programmes: Asgi-SA, ISRDP/Nodes and URP	Economic reports twice a year	Two economic reports presented	
Accessible DPW corporate memory to enhance innovation & learning	Detailed project plan developed & implemented	% of Head office Body of Knowledge Identified and catalogued	50% Head office Body of Knowledge Identified and catalogued	50% of stock catalogued	

2.2.1.4 INTERNAL AUDIT AND INVESTIGATIONS SERVICES

Purpose:

The purpose of the Internal Audit and Investigation Services is to provide an independent, objective assurance and consulting service designed to add value and improve the Department's operations.

Strategic Objectives:

- To assist the Department to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of:
 - Risk Management;
 - Control, and
 - Governance Processes.
- To provide independent investigative and consulting services to effectively contribute to zero tolerance to fraud, theft, corruption and other unethical conduct in the department by:
 - Creating and promoting awareness on the prevention and detection of fraud and corruption,
 - Facilitating the fraud risk assessment,
 - Conducting investigations; and
 - Recommending institution of disciplinary, criminal and civil proceedings against identified individuals.
- To facilitate the functioning of the Audit & Risk Management Committee (ARM Committee) in the Department.



Achievements:

Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
Awareness on fraud prevention	Updated fraud prevention Strategy and Plan	Fraud risk assessment	Facilitation of updating of fraud prevention strategy Fraud awareness workshop in all regional offices	Publicizing of the fraud prevention strategy on DPW intranet; Fraud awareness article published on worx news; developed updated fraud awareness posters for publicizing in the department's four buildings (HO) – two buildings already covered	

2.2.1.5 MONITORING AND EVALUATION

Purpose

- Develop, manage, coordinate and implement overarching monitoring and evaluation activities within DPW;
- Institutionalize M&E within DPW;
- Manage and coordinate M&E processes within DPW;
- Develop and coordinate the implementation of M&E systems;
- Report compliance monitoring.

Strategic Objectives:

Effective corporate governance and sound resource management

Achievements:

Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
Operationalisation of M&E - creating understanding of the unit's functionality	M&E Policy/ strategy	Operationalisation of M&E - creating understanding of the unit's functionality	Milestones achieved in Development and implementation of M&E policy/ strategy (guided by the GWM&E Policy Framework and the nine constitutional values and principles)	The M&E policy is almost complete	
Monitor operations of business units for improved service delivery, evaluating programme/project performance and impact	Provide ongoing support and regular interaction with Managers and their respective business units on M&E related issues	Business Units	Improved buy-in and Compliance to reporting	Structured reporting template completed and implemented	
Determine measurable performance standards	Continued improvement of <i>qualitative</i> and <i>quantifiable</i> indicators and targets that serve as reliable means to measure achievements	Business Units	Reliable, relevant and verifiable economy, efficiency, effectiveness and equity indicators;	Aligned to the ENE and the strategic plan. 2009/10 performance reports reflect revised indicators and targets performance.	
Develop web-based system that is integrated into the existing systems	Functional web based M&E system	Business Units	An enabling system that complements the M&E Framework	Functional web-based system in development. In the interim, manual systems are in use	



Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
Effective use of data depicting performance trends of business units	Impact evaluation reports	Business Units	Assessment of programme/ project outcomes to measure the impact made	Programme performance monitoring tool developed and piloted. Quarterly reports rated and scored.	
Contribute towards economic growth and good governance thereby raising the standard of living of the citizens of SA	Mandatory periodic reports	Intergovernmental and Business Units	Monitor compliance to policies and legislative requirements to ensure improved service delivery	Research and analysis of the Cuban Technical Advisory Programme Report development	

2.2.1.6 CORPORATE SERVICES

Purpose:

- Provide robust and scalable information communication technology infrastructure to the department
- Improve relationship with sector entities and other relevant stakeholders
- Provide administrative support to top departmental committees for the enhancement of intra-departmental excellence and corporate governance
- Provide efficient, effective and economical legal support to the department and Ministry
- Management and coordination of international relations through optimization of bilateral and multilateral cooperation entered into with international partners
- Management of standardized physical security measures at Head Office and Regional Offices
- Efficient and effective human capital management of the department and Ministry
- Promote best internal and external communication practices ensuring desired and realistic placement of the department within government and other stakeholders
- Provide integrated and holistic business as well as operational systems for the department.
- Manage relationship between spheres of government relating to DPW mandate in terms of the relevant acts and existing procedures
- Mainstreaming gender through effective and efficient asset management, job creation and other programmes within the department.

Strategic Objectives:

- Ensure effective corporate governance processes and sound resource management.
- Transformation of the Construction and Property industries
- Provide strategic leadership to ensure effective and efficient asset management
- Manage international relations at bilateral and multilateral levels and determine opportunities for international strategic partnerships and engagements
- Lessen security breaches on Prestige projects

Achievements:

Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
Engendered Property & Construction DPW programmes	Developed Gender, Youth and Disability Frameworks Unit Communication Strategy Developed Gender Sensitive Indicators Gender Forum Disability Forum Engendered Departmental Strategic Plan Performance Reports	No of women, youth and people with disabilities participating in the CIP and PIP projects Upgrade of women and people with disabilities in the CIDB register Collaborated projects with NYS, Vukuphile, Human Capital Investments	25 Women in Construction 25 Women in Property 20 People with Disabilities 15 Youth in Construction 15 Youth in Property	Out of a total of 126 contractors participating in the programme 53 are women and 8 youth	
Effective management of relationship between DPW and other stakeholders	Other spheres of government and institutions engaged on issues pertinent to DPW business	Improvement on stakeholder relations	Implement 2014 programme	Two successful 2010 youth projects were held	



Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
Integrated Asset Management System	Strategic Immovable asset planning, immovable asset management acquisition, maintenance and management and disposal, and the financial information associated with these immovable asset lifecycle	<p>System developed within Immovable Assets Management guidelines and interoperable with related systems (WCS, PMIS,)</p> <p>Immovable Assets Financial Management interfaced to BAS and other Financial Systems</p> <p>Immovable Assets sub-system</p> <p>Geo-referencing of Immovable Assets (GIS interface) and Architectural drawings of Assets</p> <p>Water base system</p> <p>Upgrade of Dolomite system</p>	100% system development	<p>Asset Register Module is 100% complete accepted and approved.</p> <p>All Provinces and regional offices have been trained on iE Works active modules.</p> <p>A business case and user requirements specifications were completed for water based system.</p> <p>1 terabyte access was created to alleviate the slow network and insufficient space on the Dolomite system</p>	
Reduced litigation risks	Sound legal opinions provided	Number of working days within which a legal opinion is provided	14 working days from receipt of full and proper instructions	<p>Opinions: 919</p> <p>oral: 591</p> <p>written: 328</p>	

Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
Cooperation among the countries of the South to promote accelerated development	Cooperation with IBSA countries on job creation and skills development (e.g. Establishment of a Learning Academy in cooperation with IBSA member countries)	Possible increase in the training of qualified professionals in the built environment	DPW Public Entities	IBSA countries were contacted, India and Brazil expressed interest to work through bilaterals as opposed multi-lateral forums. DIRCO has been requested to provide advise on how to proceed with engagement with India and Brazilian counterparts	
Occupational Health and Safety	Development of a safe working environment for staff Emergency evacuation plans	Security awareness program 2 evacuation drills per year	staff	Regular security awareness was effected through internal communications mediums. Emergency contingency plans have been developed One evacuation drill was conducted at Ndinaye building	



Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
<p>Effective and efficient management of Learnerships, Artisan Trainees, Internships and Young Professionals (YP) programme</p>	<p>Creation of a skills bank; a pool of suitably qualified personnel</p> <p>Implementation of the Cuban Advisory Programme</p> <p>Promote national initiatives for talent search and career development</p>	<p>Number of trainees appointed and positions filled</p> <p>Number of appointees mentored</p> <p>National institutes under taken</p>	<p>269 Young Professionals (YP) @ av. SL9</p> <p>250 Interns @ av. SL5</p> <p>258 Learners</p> <p>147 Artisan Trainees</p> <p>Learnership Service Provider</p> <p>Talent database and calendar for planned events</p>	<p>The following are achievements for year 1 of the three year rolling targets:</p> <p>Interns contracts extended: 35; young professional contracts extended: 2; young professionals secured professional registration on Town Planning and Architecture: 2; Skills transfer guidelines for the CTA programme has been approved; 7 trainees deployed to consulting firms; Inducted interns appointed for internal audit: 7; Interns acquired national diploma: 1; young professionals appointed: 8; Artisan Trainees appointed: 27; interns externally absorbed: 6; interns internally absorbed: 2;</p> <p>The following have been absorbed in the programme:</p> <p>25 learners</p> <p>119 interns</p> <p>130 young professionals</p> <p>28 artisan trainees</p> <p>95 Cuban Technical Advisors</p>	

2.3 PROGRAMME 2: PROVISION OF LAND AND ACCOMMODATION

The provision of Land and Accommodation programme's main objective is to provide and manage state-owned immovable property, and accommodate all national departments and institutions in functional and operationally suitable accommodation to achieve their service delivery objectives. This programme provides for three core business branches of DPW, viz.: Asset Management, Operations and Inner City Regeneration Programme. The following are the key sub- programmes:

- *Asset Management* ensures life-cycle management of immovable assets owned by government. It further ensures that these properties yields functional, economical and social benefits to the state;
- *User and DPW Capital Works*, funds the acquisition and construction of infrastructure for national departments;
- Augmentation of Property Management Trading Entity provides for accommodation solutions that DPW implements on behalf of user departments through the user charge principle;

These sub-programmes are implemented in line with the broader departmental objectives of improving service delivery, complying with corporate governance requirements, promoting black economic empowerment and contributing to the transformation of the construction and property industries and the implementation of EPWP.

2.3.1 PERFORMANCE INFORMATION PER BRANCH / BUSINESS UNIT

2.3.1.1 ASSET INVESTMENT MANAGEMENT

Purpose:

The Asset Investment Management branch ensures that immovable assets owned and/or utilized for delivering various government services yield functional, economic and social benefits to the State for improved service delivery. In order to achieve this, the Asset Investment Management branch executes the following functions:-

- Efficient and effective strategic asset management
- Implementing GIAMA, contributing to goals of poverty alleviation and job creation
- Improve service delivery
- Complying with corporate governance requirements in a manner that promotes Broad Based Black Economic Empowerment (BBBEE); and
- Contribution to the transformation of the construction and property industries and the Expanded Public Works Programme (EPWP)

Strategic objectives:

- To ensure effective immovable asset management within government and to improve service delivery by providing accommodation that is functionally suitable for client's operational requirements.
- Asset Management responsibilities include acquisition, planning, maintenance management and disposal of immovable assets on behalf of the state.

Achievements

Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
Improved service delivery to meet clients expectation	Service Level Agreements signed with user departments	Signed SLA's	All user departments enter into SLA's with DPW by 31 March 2010	SLA finalized and submitted to all User Departments for signature	DPW compiled service delivery standards. The process is time consuming, could therefore not meet deadline of obtaining signed SLAs. The delays were necessitated by lack of capacity
Effective and efficient asset management and GIAMA implementation	Custodian Asset Management Plan (CAMP)	Approved CAMP document	100% completed CAMP 31 August 2009	C-AMP completed for 11 User Departments	Final completion of C-AMP is dependant on: Submission of U-AMPs by User Departments Funding for condition surveys Enhancement of the Asset Register
Improved Portfolio Performance	Energy Efficiency	Energy savings	10% reduced consumption (kwh) on Government Buildings by 31 March 2010	10% reduction achieved	
	Compliance of people with disabilities	Number of state buildings prioritized to be made accessible to people with disabilities	200 buildings rehabilitated to be made accessible to people with disabilities by 31 March 2010	114 are in construction. 38 buildings completed. 22 in design and procurement	The number was reduced due to some buildings being devolved to SAPS and others leased
Efficient and effective asset management	Financial analysis of state and leased portfolio (social, economic, functional)	Costed alternatives / enhancements in UAMPs	30% analysis concluded 31 March 2010	30% achieved. U-AMPs costed for 16 User Departments	
	Property performance standards (PPS)	Completed PPS and supporting pilot study in Pretoria completed and approved	100% complete 31 March 2010	20% achieved (strategy and terms of reference)	Capacity and funding constraints Complex project piloted in the department, much research and understanding needed to inform way forward on the project. Service providers will be appointed to expedite the process
Valuation of state property portfolio	Valued state assets to comply with accrual accounting	Assets values reflected on PMIS	Remaining 30% of portfolio valued by 31 March 2010	Valuation model deferred pending the cleaning of the asset register Valuations currently reflected on the asset register as R1 or at cost.	Book value valuation model under review



2.3.1.1 (a) Progress report on selected performance and operations indicators as per Table 5.1 of the 2009 ENE

Performance Indicator	Actual Performance Against Target		
	Target	Progress Report	Reasons for Deviation
Number of state owned buildings prioritized to be made accessible to people with disability each year	200	114 are in construction. 38 buildings completed. 22 in design and procurement	The number was reduced due to some buildings being devolved to SAPS and others leased
Percentage of state owned buildings rehabilitated each year (out of 1 053 earmarked for rehabilitation)	5% (526)	2 Services completed (Civitas, Merebank and Bluff). 5 services are in construction 37 in planning	Planning aligned to availability of funding
Total number of immovable assets valuated (total of 136 089)	122 480	108 562 valued at R 1.00	Deviation in number of assets due to continuous enhancements to Asset Register
Total number of immovable assets (out of 136 089) on the department's register that comply with GRAP requirements	108 871	81 421 (75% of 108 562) complies with minimum accounting requirements	Deviation in number of assets due to continuous enhancements to Asset Register
Percentage reduction in electricity consumption on state owned buildings due to retrofitting	10	100% committed of R 35 million allocated and 90% paid by 31 March 2010	R 3.5 million will be paid during the 2010/11 financial year

2.3.1.2 REGIONAL OPERATIONS

Purpose

The Operations branch is tasked with the execution of various programmes that support the mandate of the National Department of Public Works. At its core, the mandate of the branch is to provide accommodation for client departments in the most efficient and economical manner. The branch provides the following core property related services on behalf of client departments:

- Acquisition of accommodation for client departments
- Facilities management (cleaning, security and horticulture services)
- Executing maintenance on all national government owned properties
- Capital works programme
- Compliance to OHSA
- Management of state owned properties in terms of GIAMA and related policies

Strategic Objectives

The branch has identified the following objectives:-

- Transformation of the property and construction industry
- Implementation of GIAMA
- Statutory compliance
- Develop, maintain accurate and reliable data
- Effective rental debtors management
- Ensure effective corporate governance and sound resource management

Achievements

Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
Transformed Construction Industry	Construction projects implemented to effect transformation in the Construction Industry	Percentage of construction budget spent on transformation of the Construction sector	30% of construction Budget spent on transformation of the Construction Industry by 31 March 2010	List of 128 CIPs submitted with an expenditure of R66m	
	Project above R100m sub-contracted to BEE contractors	All projects above R100m	30% of tender on projects above R100m must be sub-contracted to BEE contractors by 31 March 2010	Two projects identified – Johannesburg and H/O, (both are BEE projects)	
Transformed property Industry	An increased number of BEE entities which would actively participate in the property industry to acquire the necessary skills and benefit from the growth and subsequent returns	Percentage increase on the number of BEE entities participating in Property Industry	10% Increase year on year on the number of BEE entities (especially women, youth and disabled) participating in the Property Industry by 31 March 2010	Total leases= 3 028 Based on the 2008/09 baseline of 30%. The achievement for the current financial year is reflected below:- Total leases towards BEE= 686 the value of R73 048 753 31.47% of the value went towards BEE entities in terms of total leases 10% increase for 2009/10 is based on the % increase from the previous reporting period (i.e. 20%). Hence target for period under review is 30%	
	Efficient management of all state-owned properties	Data integrity maintained in immovable asset register	80% of 136 089 state-owned properties to be updated on asset register as per AG's requirements by 31 March 2010	Asset Register Enhancement Programme is work in progress	



Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
Improved debtors management	Strategy on debt collection implemented	Reduction in DPW receivables	90% reduction in debt outstanding (debts 60 days and older worth R2.7 million) by 31 March 2010	Not achieved	Data integrity exercise has been completed and the reconciliation process is under review
Statutory Compliance improved service delivery	Rehabilitation of 200 state-owned buildings	Buildings that comply with OHSA and NBRBS	53 state-owned buildings complying with OHSA and NBRBS by 31 March 2010	53 state-owned buildings rehabilitated. 100% achieved against target.	
	State-owned buildings accessible to people with disabilities	Compliance to standard requirements	156 state buildings rehabilitated to ensure accessibility to people with disabilities by 31 March 2010	114 are in construction. 38 buildings completed. 22 in design and procurement	Number of buildings complete (38) is below target due to financial constraints
Cost effective and environmentally friendly building	Energy efficient building, environmentally friendly, Law maintenance const, less carbon foot print	Business plans submitted to DG and Minister end of February	Green star rating by August 2010	The project has been put on hold	The project is on hold as the result of the discovery of wetland due to environmental challenges encountered during bulk earthworks. Recommendations from DPW and Dept of Environmental Affairs awaited on mitigating factors to remedy the situation



Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
100 permanent and 200 temporary job creation 45 jobs EPWP and 25 NYS	Project reports during construction phase	Measurable number of jobs created	One report per month on progress of project and employment report indicating % of employed as in the outcome by Feb 2010	Construction of the PAP building has not started due to site challenges and design reviews. No jobs were created as a result	Construction delays The project is on hold as the result of the discovery of wetland due to environmental challenges encountered during bulk earthworks.
Developed plans and programme	DPW to appoint consultants	Strategic plan and building programme presented departmental executive management	Completed plans and programmes adaptable to all key client buildings by Sept 2010	Non appointment of outstanding consultants	The project is on hold as the result of the discovery of wetland due to environmental challenges encountered during bulk earthworks.
Developed project within budget	Meet priority project deadline and budget	Handover of the project on time or less than two months beyond targeted completion date	Satisfactory project completion	Bulk earthworks completed on time as planned except main building	The project is on hold as the result of the discovery of wetland due to environmental challenges encountered during bulk earthworks.
Developed processes, plans, procedures, policies, project templates	Project QMS documents	Number of documents developed	One policy, process, procedure and template per month (3 years)	Deferred as construction of the PAP building has not started due to site challenges and design reviews.	The project is on hold as the result of the discovery of wetland due to environmental challenges encountered during bulk earthworks.

2.3.1.3 INNER-CITY REGENERATION

Purpose:

- Improve standards of accommodation to acceptable norms and improve the environment around the workplace
- Jointly develop individual accommodation solutions
- Promote BEE opportunities
- Provision of professional Architectural, Engineering, Quantity Surveying and Town Planning services

Strategic objectives:

- To rejuvenate inner towns and cities through the provision of improved physical working environment to 40 national government departments/agencies in the various inner cities.
- To create a centre of excellence for project management through planning, execution, monitoring and training.
- Transformation and regulation of the construction and property industries to ensure economic growth and development
- Efficient and effective strategic asset management
- Job creation
- Service Delivery
- Corporate Governance

Achievements

Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
Improved service delivery to meet clients expectation	Integrated Development Plans incorporating National Government Needs	IDPs covering National Accommodation needs	Client needs in 6 towns/cities in 3 Provinces incorporated into municipal IDPs by Nov 2009	Preliminary investigations for IDPs in Umhata, Matatiele, and Cape Town, in addition to an IDP for Tshwane	Serious capacity constraints prevented further activities and full targets being met
Efficiency and effectiveness in provision of services to clients	Feasibility studies conducted on preferred sites	Sites cleared for development	60 % of sites should be State-owned and 40 % private-owned by 31 March 2010	No new sites purchased in the year under review, clearance in process for sites acquired at Berea Park and Salvokop. Feasibility studies concluded for the Stats SA Head Office	
Improved service delivery	Precincts created to cater for government accommodation needs in three spheres of government	Planned and approved government precincts	At least 6 Government precincts in 3 cities and 3 towns by 31 March 2010	There is a joint tender with the CoT to appoint consultants to assist with detailed precinct planning for the Salvokop / Church Square / Marabastad and Civitas Precincts.	Full targets could not be achieved due to capacity constraints (capital and human)
Efficient provision of accommodation to clients	Development plans for implementation at precincts completed and implemented	Approval of development plans Projects completed according to clients needs	Six development plans for three towns and three cities by 31 March 2010 Projects executed within specified timeframes and costs to satisfaction of clients by 31 March 2010	There is a joint tender with the CoT to appoint consultants to assist with detailed precinct planning for the Salvokop/Church Square/Marabastad and Civitas Precincts. RAMP Projects completed. Three foreign projects completed. Civitas HO for DoH completed, and phase one of the Waterkloof Air force Runway. Three year lift management and maintenance programme on all state owned properties completed.	Full targets could not be achieved due to capacity constraints (capital and human)
Transformed construction industry	Youth, women, the disabled participating in execution of Inner City Regeneration projects	Number of NYS and EPWP beneficiaries Budget allocation spent on CIP	200 EPWP and 500 NYS beneficiaries 20 % of construction expenditure to CIP contractors by 31 March 2010	Total 486 beneficiaries appointed on 2010 Ports of Entry Projects. 200 learners appointed at Waterkloof Air Force Base – Runway Project	
Improved service delivery	Project managers empowered	Efficient and knowledgeable project management staff	All Regions and H/O by 31 March 2010	HO workshop with regions held on project management processes and procedures SWOT performance on the DPW project management competency with the view to develop centres of expertise	

2.4 PROGRAMME 3: NATIONAL PUBLIC WORKS PROGRAMME

Purpose: Promote the growth and transformation of the construction and property industries. Promote uniformity and best practice in construction and immovable asset management in the public sector. Ensure the creation of work opportunities coupled with training for the unskilled, marginalized and unemployed people in South Africa by coordinating the implementation of the expanded public works programme

Key sub-programmes:

- *Construction Industry Development Programme* creates an enabling environment for transforming, regulating and developing the construction industry.
- *Expanded Public Works Programme* promotes the use of government expenditure to create additional employment opportunities by introducing labour intensive delivery methods and additional employment and skills programmes for the participation of the unemployed in the delivery of needed services. Funds for the performance based incentive to municipalities and provinces are distributed on the basis of their ability to absorb unskilled labour in expanded public works programme projects.
- *Property Industry Development Programme* provides leadership and guidance on the transformation of the property industry, and promotes uniformity and best practice on immovable asset management in the public sector. It also sets best practice for the compilation and maintenance of immovable assets registers and the administration of rights over state and private land.

2.4.1 PERFORMANCE INFORMATION PER BRANCH / BUSINESS UNIT

2.4.1.1 EXPANDED PUBLIC WORKS PROGRAMME

Purpose:

The goal of EPWP phase 2 is to create 2 million full time equivalent (FTE) jobs for poor and unemployed people in South Africa so as to contribute to halving unemployment by 2014, through the delivery of public and community services. This will scale up from 210,000 FTE jobs per year in 2009/10 to 610 000 FTE jobs in 2013/14. This translates to 4, 5 million WO over the 5 years.

Public bodies from all spheres of government (in terms of their normal mandates and budgets) and the Non-state sector (supported by government incentives), deliberately optimize the creation of work opportunities for unemployed and poor people in South Africa through the delivery of public and community services. Training and enterprise development will be implemented in sub-programmes to enhance service and beneficiary well being

Strategic objectives:

- Increase the Department of Public Work's participation in the implementation of the expanded public work programme by:
 - training 6 000 youth in artisan trades of the built environment by 2014
 - facilitating the exit of youth trained through the National Youth Service programme by ensuring that at least 15 per cent of the youth trained are placed annually.



- Increase the number of public bodies reporting on the implementation of the expanded public works programme by ensuring that at least 200 municipalities are reporting on the expanded public works programme by March 2013.
- Support different public bodies to implement the expanded public works programme in different sectors to contribute the following work opportunities and full-time equivalents by March 2014:
 - 2 374 000 work opportunities (903 478 full-time equivalents) in the infrastructure sector
 - 1 156 000 work opportunities (325 652 full-time equivalents) in the environment sector
 - 750 000 work opportunities (513 043 full-time equivalents) in the social sector
 - 640 000 work opportunities (278 261 full-time equivalents) in the non-state sector.

Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
EPWP marketed and communicated	<p>1. Changed goal and focus of the EPWP communicated</p> <p>2. Overall communication strategy developed</p> <p>3. Compliance against visibility requirements promoted and monitored</p> <p>4. Specific campaigns developed for each sector</p> <p>5. Communications campaign to profile successes implemented</p> <p>6. Constructive critical debate around the EPWP promoted including labour intensive methodologies</p> <p>7. Beneficiary awareness increased</p> <p>8. Information on progress of the EPWP against target communicated widely to the public</p> <p>9. EPWP established as a endorsement brand for non state contributors</p> <p>10. Compliance against visibility requirements promoted and monitored</p>	<p>1. Workshops and briefing meetings to communicate changed goal of EPWP</p> <p>2. Signed boards with EPWP logo</p> <p>3. EPWP established as an endorsement brand</p> <p>4. Sector projects, awareness material branded according to the Corporate Identity Value of positive stories</p>	<p>1. Nine provincial Workshops held to communicate changed goal by 31 March 2010</p> <p>2. 50% of EPWP projects visited well branded</p> <p>3. 90% of sector projects branded by 31 March 2010</p> <p>4. Kamoso awards held August 2009</p> <p>5. ILO seminar August 2009</p> <p>7. Non State Sector – 9 provinces</p> <p>8. Quarterly</p> <p>10. Randomly by March 2010</p>	<p>1. Provincial workshops held with all Provinces on the Social Sector grant. Roles and Responsibilities were clarified at the EPWP National Coordinating Committee where all provinces were represented and also at the existing PSC meetings. Provincial Steering Committee (PSC) minutes provided, attended by all sectors</p> <p>2. At least 50% of the EPWP projects visited were branded</p> <p>3. 50% of Sector projects visited were branded.</p> <p>4. Kamoso Awards were held in November 2009</p> <p>5&6. EPWP participated in the ILO seminar that was successfully held in Uganda</p> <p>7. Beneficiaries (awareness created in all provinces)</p> <p>8. Media briefings per quarter</p> <p>9. Sector launch scheduled for April 2010.</p> <p>10. Visibility through media achieved.</p>	<p>Insufficient branding budget</p> <p>Report (4-10) responding to indicator 4</p> <p>The launch was planned for Feb 2010, due to unavailability of the Minister had to be postponed</p>



Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
<p>EPWP programme management roles and responsibilities between EPWP Unit, sectors, and spheres clarified and agreed</p>	<p>1. Programme management arrangements refined [taking into account inputs from PM workshops and Steering Committee]</p> <p>2. Roles and responsibilities work shopped and agreed</p> <p>3. Programme management structures, roles and functions reviewed and aligned</p>	<p>1. Roles and responsibilities document showing developed and workshops held to clarify roles.</p>	<p>1. 9 workshops (1 per province) by June 2009</p> <p>2. Quarterly</p> <p>3. 7/9 agreed to cross sector targets</p>	<p>1. Signed protocols with 8 of the 9 provinces. Protocols specify roles and relationships and agreed targets.</p> <p>2. Quarterly National Coordinators Meetings held to clarify roles and responsibilities of implementing and coordinating bodies per programme</p> <p>3. Provincial Sector Committees functional in 7 provinces. (minutes provided)</p>	<p>2 protocol agreements provided and 7 in the Ministers office</p>
<p>Training funds, courses and service providers are accessible</p>	<p>1. Training funding strategy developed with DoL, SETAs, other funders and National Treasury or the Implementer</p> <p>2. Prioritised training providers accreditation across sector</p> <p>3. Training supply strategy [including review of existing strategy] developed as requested [with DoL/SETA]</p> <p>4. Engage with DoL undertaken to pursue the implementation of the training supply strategy</p> <p>5. Generic training policy finalised and made available to sectors</p>	<p>1. Training funds for EPWP secured</p> <p>1.2. Training protocol finalised with DoL</p> <p>2. No. of Training Providers accredited and registered with DoL</p> <p>3. Training Strategy developed</p> <p>3.2 Operational manuals in place</p> <p>3.3 Monthly Reports on the New DoL Procurement procedure</p> <p>5. Training framework policy in place</p>	<p>1. Funds secured from DoL by April 2009</p> <p>2. MoA and service level agreements with DoL & other funders by Dec 2009</p> <p>3. Six providers accredited per province by March 2010</p> <p>4. All training staff in Head Office & provinces</p> <p>5. All head office training staff</p>	<p>1. Funding received as follows:</p> <ul style="list-style-type: none"> - R26 million committed through CETA. - R231 million (09/10) approved from the Social Development Funding Window of DoL. - Due diligence underway for a further R52 million from the NSF for strategic projects. - R7 million from DOE-NC for apprenticeships <p>2. Subject to the finalization of the NSF approval process.</p>	

Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
Training funds, courses and service providers are accessible				<p>3. 18 Training Providers accredited through Training Provider Capacity Programme. A further 72 training providers in the process of accreditation across the infrastructure, social, environment and enterprise units. First graduations are in June 2010. Efforts in all provinces. Sound collaboration with several SETAs.</p> <p>4. Training of staff occurred at Head Office and in provinces.</p> <p>5. Training policy in place and staff trained</p>	
SME development supported	<p>1 Support the review and creation of Enterprise development models at sub-programme level</p> <p>2. Secure resources for enterprise development from relevant agencies</p> <p>3. A forum of EPWP enterprise support maintained and managed which sub-programmes can access (In collaboration with DTI, DWAF, IDT)</p>	<p>1. Models developed</p> <p>2. Resources secured</p> <p>3. Functional forum maintained</p>	<p>1. Vuk'uphile, WFW, NDPW coops; WFWet, Jobs for Growth 3 out of the 5 Programmes</p> <p>2. Four progress reports by March 2010 Quarterly</p>	<p>1. Models developed for:</p> <ul style="list-style-type: none"> Enterprise Development Concept Document Developed NDPW Cooperative Development Model Working for Wetlands Model Subcontractor development model (Moretele) <p>2. Resources secured for:</p> <ul style="list-style-type: none"> Training funds for cooperatives Learnership funding for Vuk'uphile Nedbank financial service provider appointed Section 28 apprenticeship pre-assessment and trade test funding Grant funding NDA for cooperatives (R1,1 m) <p>3. DTI and NDPW forum maintained. Fully functional with quarterly meetings. Oversaw expensing of R9,4 million</p>	



Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
Non-state sector programme implemented	<ol style="list-style-type: none"> Pilot initiated and monitored Pilot assessed for impact, efficiency and effectiveness [potential to create work opportunities assessed] Arrangements for wider roll out developed [including target setting] 	<ol style="list-style-type: none"> No of pilots completed Effectiveness and efficiency assessed Roll out arrangements finalized 	<ol style="list-style-type: none"> 4 pilots by August 2009 Implementation of Land Care programmes as part of the community work programme 	<ol style="list-style-type: none"> 4 pilots completed, 17 additional sites started. Land Care programme in Sekhukhune, 100 beneficiaries. Capacity building programme developed & finalized for beneficiaries. The Programme is reporting quarterly and the targets are met. The Programme has been institutionalized in CoGTA in April 2010. CoGTA and DPW have agreed on targets. MoU drafted. The NGO component achieved 13 000 work opportunities against a target of 10 000 work opportunities. For the CWP, achieved its target of 50 000 work opportunities. Budget for CWP increased by R200m for next financial year 	
Technical, training, employment conditions, enterprise development and exit strategy support to Implementers provided.	<ol style="list-style-type: none"> Support for sub-programmes provided [training, enterprise development, conditions of employment, technical support, exits etc] Support interventions monitored to ensure implementation 	<ol style="list-style-type: none"> Support strategies for infrastructure sub-programmes put in place Support for infrastructure sub-programmes implemented Monthly infrastructure sub-programme is produced. 	<ol style="list-style-type: none"> Support strategies for sub-programmes put in place by April 2009 Support for sub-programmes implemented Monthly infrastructure sub-programmes are produced and analyzed 	<ol style="list-style-type: none"> Support strategies for infrastructure sub-programmes have been put in place. All infrastructure sub-programmes have been supported with specific technical support strategies developed. Monthly infrastructure sector reports for the different sub-programmes are produced. 	

Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
EPWP outputs reporting managed	1. Sub-programme outputs are received from public bodies	1. Sub- programme outputs are received from Public Bodies	1. Sub-programme outputs are received from Public Bodies – 550 000	1. Quarterly reports have been produced for all sectors, over 625,859 work opportunities reported.	
	2. Data is reviewed and verified	2. Analysis reports showing targets and blockages are produced	2. Analysis reports for sub-programmes showing targets and blockages are produced quarterly	2. Analysis reports produced quarterly. Sector specific reports.	
	3. Target and blockage reports are produced	3. Infrastructure reports are submitted to M&E timeously every quarter	3. Infrastructure reports are submitted quarterly to M&E timeously.	3. Infrastructure reports submitted to M&E timeously	
	4. Infrastructure output reports by public body are submitted to M&E timeously [via developed interface]				
NYS programme implemented	1. Review and enhance existing NYS	1. Review report on existing NYS programme is produced	1. Proposals from review of NYS are implemented by June 2009	1. Report from Indlela institute on NYS trainees with the view to review training. 1 & 3. Projects available for training of youth on NYS.	
	2. Projects identified for NYS	2. NDPW Projects identified for the NYS programme	2. NDPW Projects to recruit 6,000 youth are identified by April 2009	2. NYS report reflects the list of projects	196 Contracts signed for HO
	3. Training funding secured	3. Training funds are available for training beneficiaries	3. 5% value of projects minimum value available for training of NYS youth by April 2009		
	4. Youth recruited and trained on identified projects	4. No. of youth recruited and trained	4. 12 reports on NYS monthly and number of youth recruited.	4. Monthly reports on NYS provided. 802 NYS work opportunities has been recruited. Funding provisions for Provincial NYS training have been made with DOL. Review of NYS training was done by the Indlela institute	
	5. Exit facilitated for NYS beneficiaries	5. % of NYS youth placed on exit	5. 10% of NYS youth successfully placed by March 2010	5.1 391 youth exited in 2009/10. 104 placed for National Certificate Vocational and apprenticeships	
	6. EPWP reporting managed	6. NYS reported in M&E reports	6. NYS work opportunities reported in quarterly reported	6. NYS work opportunities reported quarterly.	



Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation	
Vuk'uphile building programme implemented	1. Review framework documentation	1. Review framework developed	1. Framework developed by June 2009	1. Draft framework for the new Vuk'uphile learnerships has been completed. 30 Projects identified in NDPW. 50 projects identified in provinces.	The documents have been developed and workshops are planned with public bodies	
		2. No of projects and project budgets identified	2. 60 projects identified by June 2009	2. R1,3 million of the R16,159 million was allocated for training (Vuk'uphile buildings), which is for new 50 learnerships. Also currently funding 50 learnerships in the Eastern Cape. In total, 100 learnerships are being funded.		
	3. Vuk'uphile programme managed	3. Training funds secured	3. Sufficient Training funds secured for 60 SMMEs by June 2009			
		4. Appointment of learner contractors	4. Learner contractor appointed by May 2009	4. Learner contractors identified.	4. Awaiting the signing of the MOA with funding organization before informing learners of selection.	
	5. EPWP reporting managed	5. Appointment of mentors	5. Appointment of mentors	5. Mentors appointed Aug 2009	5. Mentors appointed for provincial projects.	
			6. Facilitate training provider appointments	6. Training providers appointed for all 60 SMMEs by June 2009	6. Training providers identified and selected for the 30 NDPW projects	6. Awaiting the signing of the MOA with funding organization
			7. Completed training and learner projects implemented	7. 60% of training completed. Project 1 completed by learner contractors by March 2010	7. The training process for 50 learners - contractors are estimated as 62% completed	

Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
Building services/ SMEs programme implemented (cleaning services and horticulture)	<ol style="list-style-type: none"> 1. Procurement strategy agreed 2. Contracts identified for building services/SME 3. Training funding secured 4. Existing and new SMEs (including cooperatives) recruited and trained 5. Contract implementation monitored and developmental support provided 	<ol style="list-style-type: none"> 1. Finalized procurement strategy that supports SMME development 2. No of contracts identified 3. Training funds secured 4. No of SMEs recruited and trained 5. % of Contracts executed against contractual requirements 	<ol style="list-style-type: none"> 1. Procurement strategy by June 2009 2. 20 contracts identified by June 2009 3. Training funds secured by June 2009 4. 20 SMEs (including cooperatives) recruited and trained by Aug 2009 5. 70% of contracts implemented as required by March 2010 	<ol style="list-style-type: none"> 1. Procurement strategy agreed with SCM. Procurement strategy implemented 2. 98 contracts identified 3. Training funds secured from SEDA and NDPW 4. 83 SMEs recruited. 6 trained. 14 contracts awarded to 12 cooperatives 5. Longest contract 15 months in execution. Service delivery – 100% compliant. 	
New areas of expansion identified	<ol style="list-style-type: none"> 1. Public bodies where there is potential for new areas for expansion investigated 2. Significant backlogs in service delivery identified as expansion for the EPWP 3. Scoping of new initiatives supported and access to funding facilitated 4. ABET strategy developed and implemented in collaboration with relevant stakeholders 	<ol style="list-style-type: none"> 1. Public Bodies with potential for new areas identified 2. New initiatives scopped and supported 3. Opportunities in the Health Systems Trust report reviewed and the relevant departments consulted 4. ABET Strategy in place 	<ol style="list-style-type: none"> 1. Work opportunities from new areas of Expansion are reported by March 2010 	<p>Engagement with Eskom, CSIR and Department of Water Affairs on possible areas of implementation of EPWP</p> <p>3. Expansion summit held to bring on board HST to scope opportunities in the social sector. Consultations ongoing with identified departments</p>	The ABET strategy was not developed due to capacity limitations in the training



2.4.1.1 (a) Progress report on selected performance and operations indicators as included in the 2009 Estimates of National Expenditure

Performance Indicator	Actual Performance Against Target		
	Target	Progress Report	Reasons for Deviation
Number of youths participating in the national youth services programme	6 000	2 500	Some projects identified for youth to be recruited on were delayed.
Number of learners participating in the Vukuphile Learnership	1 000	511	There was a delay by CETA and Department of Higher Education in awarding new learnerships
Total number of municipalities reporting on EPWP targets	85	130	
Total number of provincial access roads provided	85 000	82 967	Projects implemented were not as labour-intensive as required. Some provincial projects were delayed
Number of new job opportunities created through eradication of mud and inappropriate structures	2 100	2 033	Some provinces only reported on the number of schools under construction and omitted number of workers employed

2.4.1.2 CONSTRUCTION AND PROPERTY POLICY REGULATION

Purpose:

- Develop policies and guidelines,
- Undertake research,
- Monitor and report on the implementation and impact of DPW policies, and
- Provide policy advise and make recommendations.

Strategic objectives:

- Transformation and regulation of the Construction and Property industries to ensure economic growth and development;
- Provide strategic leadership for effective and efficient asset management; and
- Contribute to the national goal of job creation and poverty alleviation.

Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
Improved performance, growth and development of the construction and property sectors	Series of research reports that indicates intervention points to effect growth, development and transformation of both industries	Research reports accepted by management	Comprehensive analysis reflecting DPW interventions by March 2010.	Databases on skills supply and construction sector macro data developed. TORs approved to conduct research on: socio-economic model on DPW construction spend; environmental impact of construction activity; and DPW's potential socio-economic contribution.	
Increased participation of black people, particularly women and youth in the construction and property sectors	Increased number of BEE enterprises, especially women and youth owned enterprises, in the construction and property industries.	Achievement of set targets	15% year-on-year increase by March 2010.	Revised the CIP Strategy and guidelines developed to be aligned with the NCDP. PIP guidelines have been developed and are under consideration by management. First phase of CIP and PIP database developed and finalized. Second phase of the database, to monitor the socio-economic impact of the CIP and PIP, initiated. The Construction Charter gazetted in terms of Section 9 of BBEE Act. The Property Charter Council established. The application for Section 9 of BBEE Act has been submitted to DTI.	
Adequately capacitated industries	Increased government procurement spend on BEE companies Skills development strategy that addresses the challenges in the skills pipeline.	Monitoring of the implementation of BEE strategies in DPW's activities. Implementation of the skills development strategy by DPW and its Entities.	Achievement of set targets by March 2010 Finalization and approval of the Skills Development Strategy by March 2010.	Process of development of M&E system is underway, in order to monitor and report on DPW achievements against its BEE spend The skills development strategy has been approved.	Capacity constraints



Outcome	Output	Indicator	Target	Progress Report	Reasons for deviation
Effective legislative framework for DPW's Public Entities to ensure achievement of DPW's objectives	Review of legislation governing DPW's public entities and consideration of founding legislation where necessary.	Proposed interventions approved by management	Effective legislative environment for Public Entities to achieve DPW's objectives by 31 March 2010	Expropriation Bill under review Agrément SA business case under development	The Bill will be introduced to Parliament in the 2010/11 financial year
Effective management of Government's Immovable Assets	GIAMA Implementation Plan, including planning, custodian and operations guidelines GIAMA guidelines on immovable assets	Comprehensive Implementation plan GIAMA guidelines approved by DPW management.	Publication of GIAMA Implementation Plan by the Minister by March 2010. GIAMA guidelines by 31 March 2010 on: Immovable Asset Register; Vesting and Valuations.	GIAMA implementation plan developed. Immovable Asset Register guidelines submitted to National Treasury for consideration. Valuation model developed and submitted to NT for consideration. Vesting guidelines are being developed in conjunction with DRDLR	President signed a proclamation to bring GIAMA into operation at provincial level with effect from 1 April 2010 Awaiting NT response to the DPW proposal Collaborative process underway, will be concluded in 2010/11 Consultation with stakeholders can only take place once the Bill has been approved by the Minister and Parliament
Increased contribution to government's social objectives	Consultation of key stakeholders on the Expropriation policy and draft Bill Research to supplement current government initiatives that contribute to the principles of NPWP	Extensive consultation Harnessing existing research efforts that will contribute to the principles of NPWP	All key stakeholders consulted and their comments taken into account in the amendment of the draft Bill by March 2010 Research reports by March 2010	Output deferred pending the Expropriation Bill under review. This output was withdrawn pending the outcome of the socio-economic research by SMU.	Research reports by Policy unit would have duplicated socio economic research outputs by SMU

2.5 PROGRAMME 4: AUXILIARY AND ASSOCIATED SERVICES

Purpose: Provide for various services, including: compensation for losses on the government assisted housing scheme; assistance to organizations for the preservation of national memorials; managing grants for the Parliamentary Villages Management Board; and meeting protocol responsibilities for state functions.

Sub-programme:

Compensation for Losses provides compensation for losses in the state housing guarantee scheme when public servants fail to fulfill their obligations.

Assistance to Organizations for Preservation of National Memorials provides funding to the Commonwealth War Graves Commission and to the United Nations for maintaining national memorials.

Parliamentary Villages Management Board provides financial assistance to the board.

State Functions provides for the acquisition of logistical facilities for state functions.

2.5.1 Broad performance.

Activities under this programme are seasonal and executed by Finance and Supply Chain Management as well as some of the regional offices (Regional Operations).



Chapter 3 | Audit & Risk Management



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA

Chapter 3

Audit And Risk Management Committee Statement

We are pleased to present our report for the financial year ended 31 March 2010.

Audit & Risk Management Committee Members and Attendance as at 31 March 2010

The Committee consists of the members listed hereunder and meets at least three times per annum as per its approved terms of reference. During the financial year ended 31 March 2010, seven meetings were held of which two were special meetings and the other two were closed meetings with the Executive Authority.

Name of Member	Number of Meetings Attended
1. Mr. T.P. Nchocho: Chairman	6
2. Ms. V. Zitumane	5
3. Ms. V.F. Memani-Sedile	5
4. Advocate O.C. Mabaso	5
5. Commissioner B. Seruwe	7
6. Ms. N. Noxaka	7

The Department appointed additional members to the Committee to fill vacant positions with effect from 28 May 2009. The new appointments were done to ensure that the Committee meets the required quorum and is fully functional, in order to effectively deliberate on matters tabled during its meetings.

The Director General and his Executive Management Team attend all the Committee meetings and are in a position to respond to pertinent questions raised by the Committee in its deliberations. The Chief Audit Executive for the Department and the Office of the Auditor General attend all the meetings. Observers from National Treasury and the Ministry's Office of the Department have permanent invitation to the Committee meetings.

Audit and Risk Management Committee Responsibilities

The Committee reports that it has complied with its responsibilities arising from section 38 (1) (a) of the PFMA, and Treasury Regulation 3.1.13. The Committee further reports that it adopted appropriate formal terms of reference in its Committee Charter, effective from 28 May 2009 and has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of Internal Control Environment

The system of internal controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the PFMA requirements, Internal Audit Activity provided the Audit and Risk Management Committee and Management with assurance as to whether the internal controls are appropriate and effective or not. This was achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.



During the year under review, a Risk Management Strategy, inclusive of a framework and an implementation plan, was adopted and put into implementation by the Management team of the Department. Subject to diligent implementation by Management, the committee is positive that this strategy should contribute to improving the control environment and effective mitigation of risks.

From the various reports of the Department's Internal Auditors, the report of the Auditor General on the Annual Financial Statements with Emphasis of Matters, and Management Letters of the Auditor General, it was noted that the systems of internal control were not entirely effective for the year under review, as compliance with prescribed policies and procedures fell short in certain instances. The committee however acknowledges that some measures of improvement over last year's problem areas have been achieved, but there is still room for the Department's Management team to do better. Control weaknesses that are considered significant have been reported by the Auditor General in the Department's audit report and in Management Letters. The report of the Accounting Officer further provides a perspective on progress made and/or issues still outstanding regarding instances that needed special management attention that were previously reported.

The Committee has consistently, throughout the year under review, emphasised to Management the need for improved control systems, compliance with rules and regulations. This is necessary not only in the Financial Management Branch, but in all the Branches of the Department where projects and transactions are actually initiated and executed. A further area that has been strongly emphasised by the Committee is for the Department to effectively hold officials to account for non-compliance and to execute the necessary corrective disciplinary actions. It is this Committee's strongly held view that strong actions should ensure and improve accountability.

Management has been requested to develop an action plan to address the audit findings and report progress regularly to the Committee for monitoring purposes. Internal Audit Unit will also report independently to the Committee on the progress made by Management in implementing the action plan.

The Committee however, acknowledges Management's effort in addressing material weaknesses in the systems of controls especially the PMTE which required GAAP compliance as well as the improved management of the Asset Register. Improvement has been noticed albeit the qualified opinion of the Department. The PMTE audit opinion moved from an adverse one in the previous financial year, to a qualified one in the year under review.

The Committee has noted the progress the Department has made in addressing the vesting of immovable assets (Immovable Asset Register) where other stakeholders/ Departments are being engaged. Management has been requested to engage with National Treasury at the highest level in addressing this matter. The Committee will continue to monitor progress on the action plan that Management has developed and started to implement.

The Quality of in year management and monthly/quarterly reports submitted in terms of the PFMA.

The Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review.

Evaluation of Financial Statements

The Audit and Risk Management Committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor General and the Accounting Officer,
- Reviewed the Auditor General's management letter and management's response thereto,
- Reviewed changes in accounting policies and practices, and
- Reviewed significant adjustments resulting from the audit.

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

In view of the significant issues raised in the audit report, the Committee has noted the commitment of management of the Department towards developing an action plan to comprehensively address the issues raised by the Auditor General and Internal Auditors. The Committee will closely monitor progress.



TSHOKOLO T. P. NCHOCHO
COMMITTEE CHAIRMAN, ON BEHALF OF
THE AUDIT AND RISK MANAGEMENT COMMITTEE

DATE: 31 AUGUST 2010



Chapter 4 | Financial Statements



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA

Chapter 4

Financial Statements

4.1 REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA FOR THE YEAR ENDED 31 MARCH 2010

GENERAL REVIEW OF THE STATE OF AFFAIRS

Important policy decisions and strategic issues facing the department

The National Department of Public Works is mandated to provide office, functional and residential accommodation to National Departments and Political office bearers. It is also responsible for the transformation of the property and construction industries in the country as well the facilitation and coordination of the Expanded Public Works programme for the creation of job opportunities in the infrastructure, social, environmental sectors and non-state sectors.

The Department is managing a massive property portfolio that comprises of more than 108 562 properties countrywide of which 72 816 is buildings and improvements. The recent devolution of the infrastructure and accommodation budgets has brought unintended consequences leading to the eroding of the mandate of Public Works. This observation has naturally forced the department to revisit its strategic objectives and service delivery improvement plans in order to swiftly reclaim the mandate. Therefore as we forge ahead to reclaim our mandate, the department has started with the reviewing of the business model, realigning of the organizational structure of the department and the fast tracking of the implementation of the Property Management Trading Entity of the department that will certainly provide the vehicle for making South Africa to work through Public Works.

The department is also reviewing strategic policies and legislation affecting its strategic objectives. In this regard, the department is drafting the Expropriation Bill and is intending tabling the Bill in Parliament during the financial year ending 31st March 2011. In addition the White Paper on Public Works is also undergoing a review. The department continues to work closely with the Department of Rural Development and Land Reform and the department of Human Settlement to facilitate the expeditious resolution of land claims on state land under its control, as well as the identification of surplus state land under its control that is suitable for land reform and housing purposes.

The department through the Inner City Regeneration Programme has established the basis for expansion of this programme into other cities and towns. The department is currently investigating opportunities for involvement in the rebuilding of Umtata, Service Delivery Improvement in Matatiele, and participating in the Cape Town Urban Regeneration programme with a specific interest being the Parliament Precinct. Through Joint DPW / COT project (Tshwane Inner City Renewal Initiative (TICRI)), a DPW has pledged R37 million over two years to fund appointment of consultants to develop macro and micro policies for the development of various precincts. The consultants will prioritize the detailed planning of the Salvokop precinct (infrastructure, environment, transport, etc) to enable project development as soon as possible thereafter. This shall give effect and momentum to the development of Head Offices for the following departments:

- Department of Arts & Culture
- Department of Correctional Services
- Department of Statistics South Africa.

Other strategic issues facing the department include the following:

- Aligning the Contractor Incubator Programme and Emerging Contractor Development Programme with the National Contractor Development Programme
- A comprehensive Black Economic Empowerment strategy with targets was developed and adopted by the department and with the gazetting of the Construction Charter, the focus will be on developing a system to monitor and evaluate compliance with these targets.



Significant events that have taken place during the year

Up-scaling of the Expanded Public Works Programme (EPWP)

The goal of EPWP PHASE II is to create two million Full Time Equivalent (FTE) work opportunities for poor and unemployed people in South Africa so as to contribute to reducing unemployment by 2014, through the delivery of public and community services.

The EPWP is one of the key strategic interventions by government in the second economy. This was demonstrated by the achievement of 625 859 job opportunities against a set target of 550 000 for the year under review.

Below is a table depicting the commendable performance of the EPWP II:

Sector	Target work opportunities	Actual achieved target	% achieved
Infrastructure	300,000	263,457	88%
Environmental	150,000	95,942	64%
Social Sector	80,000	206,421	258%
Non- State	20,000	60,039	300%
Total	550,000	625,859	114%

Enhancement of the asset register

As previously reported the updating of the immovable asset register is a high priority of the Department. We have successfully completed the Asset Register Enhancement Programme (AREP) in 2008 to enhance data integrity. The scope of the project focused on 33 555 immovable assets and included the:

- Linking of improvements to land parcels;
- Measuring extents of improvements;
- Verifying of ownership of properties; and capturing rights against state properties.

The project of improving the asset register will further be enhanced by the planned migration to iEWorks which is currently in progress. A team of contract workers will be employed to assist in data capturing onto the register.

Planning for Accommodation Programme: Development and Implementation of User Asset Management Plans (UAMP) and Custodian Asset Management Plans (CAMP)

The completion of the UAMP templates for the 2009/10 financial year was a collaborative exercise between the custodian (DPW) and the client departments. This entailed the completion of templates designed to facilitate standardisation of the plans. The department provided training on the UAMP's to all the DPW Regional Offices, and client departments. The exercise proved fruitful as DPW managed to furnish 30 National Departments and 8 entities with the completed templates, inclusive of the Options Analysis Reports.

The client departments had the opportunity of compiling improved UAMPs which will not only help achieve service delivery objectives but also afford the possibility to budget for both capital and current expenditure in line with each department's strategic objectives. In order to comply with the requirements of Government Immovable Asset Management Act (GIAMA), a cost analysis model was developed in the previous financial year to list and cost the accommodation requirements of the client departments.

The developed model was implemented and used to cost accommodation requirements and generate best options for nineteen client departments.

Devolving of the rates & taxes budgets

During the year under review the department received R1 486 billion as conditional grants to provinces for the payment of rates & taxes to municipalities. This amount was adjusted during the adjustment estimates to augment the shortfall experienced by some of the provinces. The full amount was transferred to the respective provinces as agreed through the Division of Revenue Act framework. As at the end of the financial year only 79% of the transferred amount was paid to the municipalities. The remaining (unspent) balance of 21% was largely attributable to the systemic issues emanating from the late or incorrect billing and capacity issues from the municipalities. Reporting was duly done to National Treasury in line with the framework. The department has also satisfied itself through reports received from provinces that the amounts were used for the intended purposes. Below is a table showing the analysis of expenditure per province

Devolution of Property Rates – Year on Year Comparison

Province	Amounts Transferred R'000	Amount Paid to Municipalities 31 March 2010 R'000	% Spent	Amount Transferred R'000	Amount Paid to Municipalities 31 March 2009 R'000	% Spent
Eastern Cape	210,334	108,577	52%	119,638	60,332	50%
Free State	185,104	185,094	100%	125,066	70,199	56%
Gauteng	401,099	228,134	57%	155,265	84,118	54%
KwaZulu Natal	237,382	237,205	100%	210,846	209,728	100%
Limpopo	19,217	7,237	38%	12,294	6,853	56%
Mpumalanga	60,337	51,761	86%	36,000	36,000	100%
Northern Cape	37,298	37,298	100%	24,094	24,047	100%
North West	66,776	66,776	100%	58,995	58,326	98%
Western Cape	268,864	250,286	93%	147,127	147,093	100%
Total	1,486,411	1,178,922	79%	889,324	696,696	78%

Major projects undertaken or completed during the year

The construction of the freight by-pass road at the Lebombo Border Post was completed and handed over to the client departments. The project was to improve the management of traffic at the border post by separating passenger vehicles and Freight Vehicles. The project was completed on time for the 2010 Soccer World Cup.

A total of 42 BCOCC RAMP projects at various Border Posts are underway with an annual expenditure of R220 million.



Client Capital Projects:

Due to the reduction of capital investment by many national departments only the projects of the following departments were implemented:

- Department of Correctional Services
- Department of Defence
- Department of Home Affairs
- Department of Government Printing Works.

During the year under review the department completed Phase 1 Upgrading of Runway 0119AT at the Waterkloof Air force Base in October 2009: Phase 2 will be started during the 2010/11 financial year.

The Tzaneen Prison and Government Printing Works was also handed over to the contractors for construction in January 2010, Under the rehabilitation and planned maintenance program the department completed the Civitas Building which was handed over to the Department of Health for occupation in March 2010.

The department also completed the three year lift management and maintenance programme in all State Owned Properties. A follow-on contract will be issued from various Regional Offices in the new financial year for a further three year term.

International Projects:

During the year under review the department completed the following projects:

- OR Tambo School of Leadership in Uganda (Kawaweta),
- SA embassy in Ethiopia,
- SA embassy on Lesotho,

Budget Allocation 2009/2010

The department's approved budget including adjustment estimates was R6,04 billion (2008/09:R4,30 billion) an increase of 41% from the previous year's adjusted budget. Of the allocated amount, 73% is allocated to Programme Two which is the core of the business of the department and 14% allocated to Programme Three the Expanded Public Works Programme. The budget allocation for Programme Two included the following:

- R1,350 billion earmarked for Devolution of Property Rates Funds to Provinces Grant.
- R1,462 billion allocated for Infrastructure for capital projects relating to buildings and other fixed structures.
- R 588 million for the augmentation of the self funding Property Management Trading Entity.

Expenditure Analysis

The financial performance of the department showed spending of R5,6 billion representing 94% of the actual allocation. A year on year comparison shows a decrease of 4%, however, when compared with the increased baseline by 41%, real expenditure has increased by 30%. The improved cash flow and expenditure management has yielded positive results as the department did not incur any overspending for the year under review.

A synopsis of the overall departmental performance is provided in the table below.

Department of Public Works

	2009/10 R'million	2008/09 R'million
Budget allocation	6,049	4,302
Actual Expenditure	5,688	4,197
Actual: Budget %	94%	98%
Unspent funds	361	105
Actual: Budget %	6%	2%

Spending per economic classification

Economic Classification	Current Financial Year (2009/10)			Previous Financial Year (2008/09)		
	Final Budget Allocated (R'000)	Expenditure (R'000)	% Budget Spent	Final Budget Allocated (R'000)	Expenditure (R'000)	% Budget Spent
Compensation of Employees	988,158	976,101	99%	868,261	917,099	106%
Goods & Services	899,923	894,397	99%	736,614	735,914	100%
Interest and rent on land	2,962	2,962	100%	-	-	-
Financial transactions in assets and liabilities	40,341	40,341	100%	7,220	7,220	100%
Transfers & Subsidies	2,607,897	2,478,282	95%	1,512,705	1,510,718	100%
Payment for Capital Assets	1,509,849	1,295,976	86%	1,177,192	1,026,036	87%
Total	6,049,130	5,688,149	94%	4,301,992	4,196,987	98%

The under spending in buildings and other fixed structures is due to the timing difference between the preparation and compilation of the Programme on Accelerated Capital Expenditure (PACE) report from PMTE to DPW. The unspent amount has been requested as a rollover for payment in April 2010.

Virement

A virement amount of R85,3 million was made from Programme Two and Three respectively to defray over spending on current payments and capital assets in Programme One. Another virement of R2,1million was shifted within the same classification of transfers and subsidies from Programme Four to Programme Two under transfers and subsidies to offset overspending under household (Leave gratuities). The virements were done in accordance with the Public Finance Management Act of 1999 (PMFA) and Treasury Regulations. The purpose of the virements was to defray overspending in programmes and to use unspent funds for write-offs. An amount of R40,3 million not spent under current payments was used to write off old debts at the end of the current financial year.



2010 World Cup Expenditure by Departments

The department has spent R165,000 on the acquisition of the Bafana Bafana t-shirts for senior managers in support of the 2010 World Cup hosted by the country in June . There was no soccer tickets purchased.

SERVICES RENDERED BY DPW

Services Rendered

- Provide and manage the accommodation, housing, land and infrastructure needs of national government departments
- Lead and direct the implementation of the Expanded Public Works Programme
- Promote growth, job creation and transformation in the Construction and Property industries

Tariff structure of the department's services – PMTE

State owned accommodation

Different tariffs are used for different facility types. The average tariff is R8.11 per square metre which represents about 25% of the full cost of ownership of these facilities. This amount is increased by 15% on an annual basis and should reach the level of self-sustainability by 2017.

Municipal Services

A 5% management fee is charged on all invoices paid and claimed from clients departments.

Free Services

The department does not offer any free service. All activities are done in line with the mandate of the department.

Inventories

The consumable inventory of the department consists mainly of stationery and printing material. The total value of the closing balance as at the 31 March 2010 was R22,947 million (2008/09:R1,3million).

CAPACITY CONSTRAINTS

The department continues to experience serious challenges around capacity issues. To date the compensation line has been increased through reprioritization initiatives internally. This approach will ultimately put a strain on the goods & services budget as most funds were shifted from that allocation.

There is an urgent need to create adequate capacity under the Asset Management branch and PMTE to enable improved development of the asset register and immovable asset management in general and the implementation of a turnaround strategy for effective revenue management.

During the year under review the department conducted a comprehensive costing of the establishment. This exercise enabled the department to make informed decisions with regards to the prioritization of the filling of vacant posts and to cut down on the intake of learnership and interns.

Funds will be prioritized in the new financial year to address the possible filling of the remaining vacant posts. In some instances contract workers will have to be employed to reduce the burden of overloading the compensation baseline.

A comprehensive review of the structure of the department will be undertaken in the new financial year. This initiative will provide a more scientific solution of the ideal structure that is aligned to the strategic plan of the department.

UTILISATION OF DONOR FUNDS

For the year under review the department did not utilise donor funds.

TRADING ENTITIES AND PUBLIC ENTITIES

Property Management Trading Entity

The department has managed for the first time to report the PMTE financial statements in line with Generally Accepted Accounting Principles as directed by the PFMA. The transition from modified cash basis to GAAP came with some challenges relating to compliance with the International Accounting Standards on receivables and payables.

Notwithstanding the above, measures are in place to ensure that compliance is reached by the 2010/11 financial year.

Statement of Comprehensive Income

	2010 R'000	2009 R'000
Revenue	3,916,496	3,073,877
Operating Expenses	(3,974,119)	(3,172,090)
Deficit Before Tax	(57,620)	(98,215)
DEFICIT FOR THE YEAR	(57,620)	(98,215)

The Construction Industry Development Board (CIDB)

The main objective of the board is to provide strategic direction for sustainable growth, reform and improvement of the construction sector and its role in the economy. It seeks to promote an enabling regulatory and development framework for effective infrastructure delivery, improved industry performance, sustainable growth and transformation.

CIDB was established in terms of Act No.38 of 2000. During the year under review the total allocated amount of R59, 269 million was transferred to the Public Entity.



The Council for the Built Environment (CBE)

CBE's main role is to oversee the six built environment professional councils who regulate the professions of Architects, Engineers, Landscape Architects, Quantity Surveyors, Project and Construction Managers as well as Property Valuers.

CBE was established in terms of Act No.43 of 2000. During the year under review the total allocated amount of R24,155 million was transferred to the Public Entity.

Agrément South Africa

The main objective of Agrément S.A. is to support and promote the process of integrated socio-economic development in South Africa as it relates to the construction industry by facilitating the introduction, application and utilization of satisfactory innovation and technology development in a manner which will add value to the process of assessment and certification.

It was established by the Minister of Public Works in 1969 as an independent organization to bring impartial judgment to the evaluation of innovative construction products and systems in the interest of the consumer.

During the year under review the department transferred R8,554 million to the entity as financial assistance to their operations. This amount is budgeted annually under the goods and services budget, however in the next financial year these funds will be moved to transfers in line with the accounting standards and the PFMA.

The Independent Development Trust

The IDT was established in 1990 as an independent, temporary grant – making agency with a R2 billion government grant. In March 1997 Cabinet endorsed a recommendation on the redefinition of the role of the IDT: *“The IDT must be transformed into a government development agency that will implement projects which are commissioned by government departments. It must cease to be a civil society organization, an independent agency or a funding agency”*. Hence the Deed of Trust was amended in 1998. The trust has been listed as a schedule 2 Public Entity since 1998/99.

Although the department does not provide any financial assistance to the entity, there is an urgent need for the recapitalization of the Trust for its operations and sustainability. The department has already started the discussion around recapitalization of the entity with the National Treasury.

ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

The Construction Industry Development Board

The total amount transferred to the CIDB during the year under review was R59,3 million. This transfer was made based on the funding requirements of its business plan to enable it to carry out its activities efficiently and effectively.

The Council for the Built Environment

The total amount transferred to the CBE was R24,2 million. This transfer was also made to the CBE based on its funding requirements to carry out its activities efficiently and effectively.

The Agrément South Africa

The total amount transferred to the Agreement South Africa was R8,6 million. This transfer was also made to the entity based on its funding requirements to carry out its activities efficiently and effectively.

PUBLIC PRIVATE PARTNERSHIPS (PPP)

The Department has not to this date undertaken or entered into any Public/ Private Partnership Project or Contract.

CORPORATE GOVERNANCE ARRANGEMENTS

The Department has a fully functional Audit & Risk Management Committee which provides oversight on governance, risk management and control activities. The Department also has a Risk Management Policy and Terms of Reference for the Executive Risk Management Committee (ERMC) which was both approved by the Acting Accounting Officer/Director General on 3 August 2009. It also has a risk management strategy which comprises a comprehensive risk management plan and a fraud prevention plan, which are revised annually and used by the Department's business units to manage and control the impact of risks to the achievement of their objectives. They are also used to focus the efforts of internal audit function of the Department.

The following activities are undertaken in the Department to promote compliance to good corporate governance as well as internal controls in the Department;

- Facilitation of annual risk assessments;
- Internal Audits (regions and head office) based on the risk based plans approved by the Audit and Risk Management Committee;
- Fraud Awareness Workshops in the Department, and
- Investigations on reported allegations to ensure accountability.

The activities of the department are underpinned by clear policies and delegations approved by the Accounting Officer.

As part of enhancing the internal controls, delegations for approving all procurement above the R20 million was rescinded from the Regional Managers to the Special Bid Adjudication Committee (NSBAC). This committee is largely comprised of the senior executive managers of the department. The functions of the department including the budgeting structure were also realigned during the year to provide effective governance and improved performance. The changes will be implemented in the new financial year.

ASSET MANAGEMENT

Immovable Assets

The immovable assets of the department are captured on the departmental Asset Register known as Property Management Information System (PMIS). The updating of the system is a continuous process as DPW executes its mandate as a custodian of national immovable assets.

Significant progress has been made with regards to the implementation of a new asset register using iEWorks. The iEWorks system has been designed and developed to provide enhanced functionalities that are compliant with GIAMA as well providing proper recording and accounting for immovable asset.



The migration of data took place during the year under review. The system is still being improved and upgraded with other modules to provide complete asset management.

The department in partnership with the Department of Rural Development and Land Reform has completed the development of a comprehensive Vesting Master Plan which will enable both departments and provincial custodians to fast track the vesting of all properties to the responsible custodian departments and thereby contributing significantly to the completeness of the immovable assets of the National and Provincial governments.

Movable assets

The movable assets of the department are managed through the LOGIS asset register. Major strides have been made in ensuring that assets are correctly captured in the register.

Physical verification for all the movable assets was conducted during the year and the asset register was updated accordingly. A draft movable asset management policy has already been developed. It will be implemented in the new financial year.

The department is currently reviewing capacity at Head Office and Regions to ensure that the work done in cleaning the movable asset register is sustained.

PERFORMANCE INFORMATION

Although challenges with performance information were not significantly reduced during the year under review, notable improvement has been made with regards to the alignment of the 2010/11 strategic plan to approved framework to ensure that the indicators and targets are clearly articulated.

Quarterly performance reporting was not always done on time during the financial year 2009/10, however, controls have been improved to ensure compliance throughout the year.

Capacity in the M&E unit will also be improved to enable effective monitoring. Due to the timing differences, the improvements will be visible in the audit of the 2010/11 financial year.

PRIOR MODIFICATIONS TO AUDIT REPORTS

Department of Public Works

Movable tangible capital assets and minor assets

Finding by the Auditor General

The balances as disclosed in note 30 to the annual financial statements could not be supported by a complete asset register.

Progress to date

All assets have been verified and reconciled to the financial system. The exercise revealed weaknesses in controls and capacity issues. Some of the weaknesses related to prior years where redundant assets disposed through auctions or donations were not taken off the system and bar coding which was not properly and consistently done. The system has now been corrected and aligned to existing furniture per location. Disposal of redundant furniture in the store rooms will be undertaken in the new financial year.

Intangible Assets

Finding by the Auditor General

The adjustments to the prior year balance of intangible assets as disclosed in note 31 to the annual financial statements consisted of software to the value of R40.3 million purchased and paid for in advance during 2005-06 financial year. Up to the completion of this report the software was not yet utilised by the DPW. A project charter has been compiled after year-end to manage the project. As a result I could not verify existence of the software at year end.

Progress to date

The statement of work has been outlined. The service provider is implementing the system in the department without any further financial implications. The initial scope which included PMIS and WCS only has been changed to include iEWorks and exclude PMIS and WCS as these systems are being incorporated into iEWorks.

To date the system has been implemented for the production EPWP reports. 9 officials from the EPWP programme have already received training on the system functionalities. The system will be rolled to other sections of the department in the new financial year.

Immovable Tangible Assets

Finding by the Auditor General

Not all assets owned by the DPW were accounted for in the asset register that supports the financial statements. Title deeds and stand numbers for some of the assets were not indicated on the asset register and therefore the DPW's rights and obligation to these properties could not be verified, and DPW, in conjunction with the Department of Rural Development and Land Reform and all provincial departments' custodians, was tasked with leading a government-wide initiative to complete the vesting of ownership of state-owned land. This initiative is still in progress.

Progress to date

During the year under review the Department established a new Asset Register Management unit to provide a focused attention to the immovable asset register and all its activities. Owing to the magnitude of the Vesting exercise and its challenges a National Vesting Task Team (NVTT) was established to help coordinate the formulation of the National Vesting Strategy. The NVTT convened Provincial Vesting Workshops in order to establish factual information regarding challenges from the perspective of provincial custodians and simultaneously work towards common solutions. The National Vesting Master Plan is completed and requires a series of sub-activities by all custodians including the surveying of State land by DRDLR. The completion date for the vesting of State land is March 2014 as per the Master Plan.

With regard to enhancing of the immovable asset register system the department has made significant progress with the linking of all WCS projects with the unique property code used by PMIS. This will enable the linking of expenditure to specific immovable assets. The platform to link WCS & PMIS has been completed and is live in the form of the iEWorks platform (Total Integrated Asset Management System). The manual linking of projects to individual property codes on the Asset register is 90% completed.



Property Management Trading Entity

Basis of Accounting

Finding by the Auditor General

The required accounting framework in terms of TR 18.2 for the PMTE is SA Statements of GAAP, as stated in accounting policy note 1.1 the National Treasury granted conditional approval to the PMTE to apply the modified cash basis of accounting. However, the PMTE did not comply with the conditions as set out by the National Treasury and as a result the exemption is no longer valid and the PMTE had to revert to the required accounting framework which is SA Statements of GAAP. The financial statements are therefore not compliant with required framework.

Progress to date

The adverse report has been reversed. The department has duly complied with GAAP for reporting in the year under review.

Entity Revenue

Audit Finding

Various discrepancies in respect of process of revenue collected from clients department were noted including lack of proper reconciliation and reviews, unauthorised manual journals, misallocation between the regions.

Progress

Significant progress has been achieved with regard to revenue collections and reconciliations. There is now a controlled process of authorizing journals and reconciling the PACE report. There is continuous improvement in the PMTE to implement necessary internal controls for effective financial management. For this year under review we collected 98% of the claims submitted and also reduced the old outstanding balances of R459 million by 25%. The on going exercise of cleaning accounts has revealed that in some instances we had actually under claimed. This revelation impacted negatively on the collected revenue as some debt accounts had to be increased.

The meetings with client department are yielding positive results. It should however be noted that the cash basis of accounting poses challenges as client department have already surrendered unspent funds which were supposed to be paid over to DPW. The planned meetings with the National Treasury will amongst issues try to resolve these challenges.

EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

The department was not granted an approval to deviate from compliance with GAAP for reporting on the financial statement of the PMTE.

OTHER

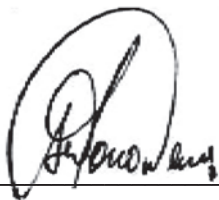
As previously reported, the debt of R67 million arising from a Repairs and Maintenance Project (RAMP) which was done on behalf of Marine Living Resources Fund by the department between 2002 and 2005 is still reflecting in the books of the department. This project was funded through the Department of Environmental Affairs (DEAT). Over the years DEAT experienced budgetary constraints which impacted on the implementation of the RAMP. It was agreed during 2004/05 that NDPW will carry the costs

while DEAT was negotiating additional funding through the MTEF of 2005/08. Unfortunately DEAT could not secure the funds from National Treasury, and the department remained with the debt. The MLR has also confirmed that it is not able to pay the department for the remaining debt of R67 million.

Although the department has exhausted all possible means of recouping the money, it is not possible to write off the amount due to inadequate limited savings. The MLRF has been requested to continue showing this liability in their books until such time the department is able to resolve the matter. The department is in the process of engaging the National Treasury to agree on possible write off solutions.

APPROVAL

The Annual Financial Statements set out on pages 73 to 125 and 149 to 170 have been approved by the Accounting Officer.

A handwritten signature in black ink, appearing to read 'Siviwe X.A. Dongwana', is written over a horizontal line.

SIVIWE X.A DONGWANA
DIRECTOR GENERAL
DATE: 31 August 2010



4.2 REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO. 5: DEPARTMENT OF PUBLIC WORKS FOR THE YEAR ENDED 31 MARCH 2010

REPORT ON THE FINANCIAL STATEMENTS

Introduction

I have audited the accompanying financial statements of the Department of Public Works, which comprise the appropriation statement, the statement of financial position as at 31 March 2010, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 73 to 125.

Accounting officer's responsibility for the financial statements

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 note 1.1 to the financial statements and in the manner required by the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the 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

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), my responsibility is to express an opinion on the financial statements based on my audit.

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.

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.

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

Basis for qualified opinion

Immovable tangible capital assets

The department did not have a complete asset register of all immovable properties belonging to the national government under the custodianship of the Department of Public Works, as disclosed at R1 in note 31.3. The department, in conjunction with the Department of Rural Development and Land Reform and all provincial department custodians, has been tasked to lead a government-wide initiative to complete the vesting of state-owned land by 2014. I will only be able to express an opinion on the existence, valuation, completeness, rights and obligations once this initiative has been completed. I was unable to perform alternative procedures to confirm the existence, valuation, completeness and rights and obligations of immovable tangible capital assets disclosed in the financial statements. Consequently, I did not obtain sufficient and appropriate audit evidence to determine the existence, valuation, completeness and right and obligations of immovable tangible capital assets.

Irregular expenditure

Section 38(1)(a)(ii) of the PFMA requires the entity to implement and maintain an appropriate procurement and provisioning system that is fair, equitable, transparent, competitive and cost-effective. The department did not follow the proper procurement process for all procurement which resulted in irregular expenditure. The department did not have adequate systems and procedures to

identify and record irregular expenditure. Due to the inadequacy of these records, I was unable to perform alternative procedures to confirm the completeness of irregular expenditure disclosed in the financial statements. I was unable to obtain sufficient and appropriate audit evidence to determine the completeness of the irregular expenditure disclosed at R30,8 million in note 24 to the financial statements.

Qualified opinion

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

Emphasis of matter

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

Basis of accounting

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

Fruitless and wasteful

As disclosed in note 25 to the financial statements, fruitless and wasteful expenditure to the amount of R389 000 was incurred.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the PAA and *General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009*, I include below my findings on the report on predetermined objectives, compliance with the PFMA and PSR, and financial management (internal control).

Findings

Predetermined objectives

Non-compliance with regulatory requirements

- ***Lack of effective, efficient and transparent systems and internal controls regarding performance management (applicable at an overall performance management level)***

The accounting officer did not ensure that the department had and maintained an effective, efficient and transparent system and internal controls regarding performance management, which described and represented how the institution's processes of performance planning, monitoring, measurement, review and reporting would be conducted, organised and managed, as required in terms of section 38(1)(a)(i) and (b) of the PFMA.

- ***Inadequate content of strategic plan***

The strategic plan of the department did not include the indicators (measures) and targets for all of the department's programmes as required by Treasury Regulation 5.2.3(d).

Presentation of reported performance information

- ***Reasons for major variances between planned and actual targets not explained***

Adequate explanations for major variances between the planned and actual reported targets for the selected programmes were not reported as required in terms of the reporting guidance. In total, 28% and 38% of the reported targets with major variances in programme 2: provision of land and accommodation and programme 3: national public works programme, respectively, had no explanations.



Usefulness of reported performance information

The following criteria were used to assess the usefulness of the planned and reported performance:

- **Consistency:** Has the department reported on its performance with regard to its objectives, indicators and targets in its approved strategic plan, i.e. are the objectives, indicators and targets consistent between planning and reporting documents?
- **Relevance:** Is there a clear and logical link between the objectives, outcomes, outputs, indicators and performance targets?
- **Measurability:** Are objectives made measurable by means of indicators and targets? Are indicators well defined and verifiable, and are targets specific, measurable and time bound?

The following audit findings relate to the above criteria:

Planned and reported performance targets not specific, measurable and time bound

- 54% and 64% of the planned and reported targets in programme 2: provision of land and accommodation and programme 3: national public works programme, respectively, were not specific in clearly identifying the nature and the required level of performance.
- 46% and 59% of the planned and reported targets in programme 2: provision of land and accommodation and programme 3: national public works programme, respectively, were not measurable in identifying the required performance.
- 42% of the planned and reported targets in programme 3: national public works programme were not time bound in specifying the time period or deadline for delivery.

Planned and reported indicators or measures not well defined

For programme 2: provision of land and accommodation and programme 3: national public works programme, 42% of the planned and reported indicators or measures were not clear, with an unambiguous definition to allow for data to be collected consistently.

Planned and reported indicators or measures not verifiable

For programme 2: provision of land and accommodation and programme 3: national public works programme, 42% and 34%, respectively, of the planned and reported indicators or measures were not verifiable, as it was not possible to adequately validate the processes and systems that produced the indicators.

Compliance with laws and regulations

Public Finance Management Act No. 1 of 1999 and Treasury Regulations of 2005

Non-adherence to requirements

- Contrary to the requirements of Treasury Regulation 8.2.3 and section 38(1)(f) of the PFMA, the accounting officer did not in all instances pay creditors within 30 days from receipt of an invoice.
- Contrary to the requirements of Treasury Regulation 16A.7.4, the department did not obtain approval from the relevant treasury for letting immovable state property at tariffs lower than market-related rates.

Public Service Regulations, 2001 (PSR)

- Contrary to the requirements of PSR 1/III/B2(d), an approved human resource plan for the 2009-10 medium-term expenditure framework was not in place.

INTERNAL CONTROL

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

Leadership

The accounting officer does not exercise oversight responsibility over reporting and compliance with laws and regulations and internal control and furthermore, the internal policies and procedures pertaining to the monitoring and reporting of compliance with laws and regulations were not always aligned to the applicable laws and regulations, resulting in numerous instances of non-compliance with laws and regulations.

Financial and performance management

The department did not have documented and approved internal policies and procedures to address planning, implementation, monitoring and reporting processes and events pertaining to performance management and reporting.

OTHER REPORTS

Investigations

Investigations in progress

Several investigations are currently being carried out within the department relating to matters of fronting, the misuse of state vehicles, conducting business while employed by the public service, the unauthorised sale of government houses, allegations of overpayments, delay of payments and irregular awarding of tenders. The investigations were still ongoing at the reporting date.



Pretoria

31 July 2010



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

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

4.3 ANNUAL FINANCIAL STATEMENTS: DEPARTMENT OF PUBLIC WORKS (DPW)

Appropriation Statement	Appropriation per programme									
	2009/10					2008/09				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000	
1. Administration										
Current payment	683,935	-	84,882	768,817	768,725	92	100.0%	733,377	782,215	
Transfers & subsidies	1,100	-	-	1,100	453	647	41.2%	1,100	452	
Payment for capital assets	3,937	-	374	4,311	4,250	61	98.6%	11,665	11,665	
2. Provision of Land and Accommodation										
Current payment	981,328	-	(37,088)	944,240	942,413	1,827	99.8%	705,595	705,594	
Transfers and subsidies	1,940,355	-	2,112	1,942,467	1,942,467	-	100.0%	1,420,454	1,420,454	
Payment for capital assets	1,504,535	-	(648)	1,503,887	1,290,172	213,715	85.8%	1,164,157	1,013,002	
3. National Public Works										
Programme										
Current payment	242,317	-	(47,794)	194,523	178,725	15,798	91.9%	165,070	165,070	
Transfers and subsidies	641,091	-	-	641,091	513,184	127,907	80.0%	68,199	68,199	
Payment for capital assets	1,289	-	274	1,563	1,553	10	99.4%	1,370	1,370	
4. Auxiliary and Associated Services										
Current payment	23,943	-	-	23,943	23,939	4	100.0%	833	133	
Transfers and subsidies	25,300	-	(2,112)	23,188	22,268	920	96.0%	22,952	21,613	
Payment for capital assets	-	-	-	-	-	-	-	-	-	
Total	6,049,130	-	-	6,049,130	5,688,149	360,981	94.0%	4,301,992	4,196,987	

	2009/10		2008/09	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)	-		-	
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	39,592		28,510	
Actual amounts per statement of financial performance (total revenue)	6,088,722		4,330,502	
Actual amounts per statement of financial performance (total expenditure)		5,688,149		4,196,987

APPROPRIATION STATEMENT for the year ended 31 march 2010

	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	1,012,237	(4,466)	(19,613)	988,158	976,101	12,057	98.8%	868,261	917,099
Goods and services	919,147	(1,390)	(17,834)	899,923	894,397	5,526	99.4%	736,614	735,914
Interest and rent on land	-	2,962	-	2,962	2,962	-	100.0%	-	-
Financial transactions in assets and liabilities	-	7,738	32,603	40,341	40,341	-	100.00%	14,440	14,440
Transfers and subsidies									
Provinces and municipalities	1,702,905	(8,554)	1	1,694,352	1,566,445	127,907	92.5%	889,330	889,330
Departmental agencies and accounts	680,657	-	(408)	680,249	679,329	920	99.9%	604,634	604,121
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	16,478	-	(1,704)	14,774	14,774	-	100.0%	14,495	13,669
Public corporations and private enterprises	14,550	-	293	14,843	14,793	50	99.7%	102	53
Non-profit institutions	190,000	8,554	-	198,554	198,554	-	100.0%	-	-
Households	3,307	-	1,728	5,035	4,387	648	87.1%	4,144	3,545
Payments for capital assets									
Buildings and other fixed structures	1,462,325	-	-	1,462,325	1,253,581	208,744	85.7%	1,139,529	988,373
Machinery and equipment	46,387	(163)	-	46,224	41,105	5,119	88.9%	37,521	37,521
Biological assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1,137	163	-	1,300	1,290	10	99.2%	142	142
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total	6,049,130	4,844	(4,844)	6,049,130	5,688,149	360,981	94.0%	4,309,212	4,204,207

APPROPRIATION STATEMENT
for the year ended 31 March 2010

Programme 1: Details 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
1.1 Corporate Services									
Current payment	274,543	-	4,857	279,400	279,308	92	100.0%	403,959	403,959
Transfers and subsidies	1,000	-	-	1,000	362	638	36.2%	1,050	451
Payment for capital assets	3,537	(1,196)	-	2,341	2,280	61	97.4%	9,295	9,295
1.2 Deputy Minister									
Current payment	1,407	(131)	-	1,276	1,276	-	100.0%	1,307	1,307
1.3 Management									
Current payment	88,797	(13,584)	-	75,213	75,213	-	100.0%	108,204	157,042
Transfers and subsidies	100	-	-	100	91	9	91.0%	50	1
Payment for capital assets	400	1,196	374	1,970	1,970	-	100.0%	2,370	2,370
1.4 Minister									
Current payment	1,709	16	-	1,725	1,725	-	100.0%	2,536	2,536
1.5 Property Management									
Current payment	317,479	13,699	80,025	411,203	411,203	-	100.0%	217,371	217,371
Total	688,972	-	85,256	774,228	773,428	800	99.9%	746,142	794,332

APPROPRIATION STATEMENT
for the year ended 31 March 2010

Program 1: Details per economic classification	2009/10						2008/09		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	158,652	(4,466)	-	154,186	154,186	-	100.0%	230,217	279,055
Goods and services	525,282	1,090	52,279	578,651	578,560	92	100.0%	503,160	503,160
Interest and rent on land	-	482	-	482	482	-	100.0%	-	-
Financial transactions in assets and liabilities	-	2,894	32,603	35,497	35,497	-	100.0%	-	-
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	1	1
Public corporations and private enterprises	50	-	-	50	-	50	0.0%	49	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1,100	-	(90)	1,010	363	647	35.9%	1,050	451
Payments for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2,888	959	374	4,221	4,221	-	100.0%	11,665	11,665
Biological assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1,000	(959)	-	41	30	10	75.6%	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total	688,972	-	85,256	774,228	773,429	799	99.9%	746,142	794,332

APPROPRIATION STATEMENT
for the year ended 31 March 2010

Programme 2: Details 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 Asset Management									
Current payment	147,276	-	(10,292)	136,984	136,984	-	100.0%	150,702	150,701
Transfers and subsidies	200	(90)	-	110	110	-	100.0%	324	324
Payment for capital assets	2,500	-	-	2,500	1,741	759	69.6%	1,884	1,884
2.2 Augmentation of the Property Management Trading Entity									
Transfers and subsidies	588,411	-	-	588,411	588,411	-	100.0%	528,000	528,000
2.3 Infrastructure (Public Works)									
Current payment	1,462,325	-	-	1,462,325	1,253,581	208,744	85.7%	1,139,528	988,373
2.4 Property Management									
Current payment	834,052	-	(26,796)	807,256	805,429	1,827	99.8%	554,893	554,893
Transfers and subsidies	1,351,744	90	2,112	1,353,946	1,353,946	-	100.0%	892,130	892,130
Payment for capital assets	39,710	-	(648)	39,062	34,850	4,212	89.2%	22,745	22,745
Total	4,426,218	-	(35,624)	4,390,594	4,175,052	215,542	95.1%	3,290,206	3,139,050

APPROPRIATION STATEMENT
for the year ended 31 March 2010

Programme 2: Details per economic classification	2009/10					2008/09			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	779,889	-	(18,633)	761,256	761,245	11	100.0%	580,379	580,379
Goods and services	201,302	(2,363)	(23,309)	175,630	173,961	1,669	99.0%	125,216	125,216
Interest and rent on land	-	2,363	-	2,363	2,363	-	100.0%	-	-
Financial transactions in assets and liabilities	-	4,844	-	4,844	4,844	-	100.00%	-	-
Transfers and subsidies									
Provinces and municipalities	1,349,738	-	1	1,349,739	1,349,739	-	100.0%	889,329	889,329
Departmental agencies and accounts	588,411	-	-	588,411	588,411	-	100.0%	528,000	528,000
Public corporations and private enterprises	-	-	293	293	293	-	100.0%	33	33
Households	2,206	-	1,818	4,024	4,024	-	100.0%	3,092	3,092
Payments for capital assets									
Buildings and other fixed structures	1,462,325	-	-	1,462,325	1,253,581	208,744	85.7%	1,139,529	988,373
Machinery and equipment	42,210	(1122)	(638)	40,450	35,331	5,119	87.3%	24,486	24,486
Biological assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	137	1122	-	1,259	1,259	-	100.00%	142	142
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total	4,426,218	4,844	(40,468)	4,390,594	4,175,051	215,543	95.1%	3,290,206	3,139,050

APPROPRIATION STATEMENT
for the year ended 31 March 2010

Programme 3: Details per sub-programme 3	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
3.1 Construction Industry Development Programme									
Current payment	24,038	(23)	(5,918)	18,097	6,061	12,036	33.5%	20,608	20,608
Transfers and subsidies	83,424	8,554	-	91,978	91,978	-	100.0%	68,199	68,199
Payment for capital assets	50	(8)	-	42	42	-	100.0%	102	102
3.2 Expanded Public Works Programme									
Current payment	206,971	-	(41,876)	165,095	161,333	3,762	97.7%	131,889	131,889
Transfers and subsidies	557,667	(8,554)	-	549,113	421,206	127,907	76.7%	-	-
Payment for capital assets	1,229	11	274	1,514	1,504	10	99.3%	1,149	1,149
3.3 Property Industry Development Programme									
Current payment	11,308	23	-	11,331	11,331	-	100.0%	12,573	12,573
Payment for capital assets	10	(3)	-	7	7	-	100.0%	119	119
Total	884,697	-	(47,520)	837,177	693,462	143,715	82.8%	234,639	234,639

APPROPRIATION STATEMENT
for the year ended 31 March 2010

Programme 3: Details per economic classification	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	73,696	-	(980)	72,716	60,670	12,046	83.4%	57,665	57,665
Goods and services	168,621	(117)	(46,804)	121,700	117,938	3,762	96.9%	107,405	107,405
Interest and rent on land	-	117	-	117	117	-	100.0%	-	-
Transfers and subsidies									
Provinces and municipalities	353,167	(8,554)	-	344,613	216,706	127,907	62.9%	-	-
Departmental agencies and accounts	83,424	-	-	83,424	83,424	-	100.0%	68,177	68,177
Public corporations and private enterprises	14,500	-	-	14,500	14,500	-	100.0%	20	20
Non-profit institutions	190,000	8,554	-	198,554	198,554	-	100.0%	-	-
Households	-	-	-	-	-	-	-	2	2
Payments for capital assets									
Machinery and equipment	1,289	-	264	1,553	1,553	-	100.0%	1,370	1,370
Total	884,697	-	(47,520)	837,177	693,462	143,715	82.8%	234,639	234,639

APPROPRIATION STATEMENT
for the year ended 31 March 2010

Programme 4: Details 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 Compensation for Losses									
Current payment	1,835	(1,834)	-	1	-	1	0.0%	698	-
4.2 Distress Relief									
Current payment	1	-	-	1	-	1	0.0%	1	-
4.3 Loskop Settlement									
Current payment	1	-	-	1	-	1	0.0%	1	-
4.4 Assistance to Organisations for Preservation of National Memorials									
Transfers and subsidies	16,478	-	(1,704)	14,774	14,774	-	100.0%	14,404	13,669
4.5 Parliamentary Villages Management Board									
Transfers and subsidies	6,607	-	-	6,607	6,607	-	100.0%	6,337	6,337
Payment for capital assets									
4.6 SETA									
Transfers and subsidies	2,215	-	(408)	1,807	887	920	49.1%	2,211	1,607
4.7 State Functions									
Current payment	22,106	1,834	-	23,940	23,939	1	100.0%	133	133
Total	49,243	-	(2,112)	47,131	46,207	924	98.0%	23,785	21,746

APPROPRIATION STATEMENT
for the year ended 31 March 2010

		2009/10						2008/09	
Programme 4 Details per economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Goods and services	23,942	-	-	23,942	23,939	3	100.0%	833	133
Transfers and subsidies									
Departmental agencies and accounts	8,822	-	(408)	8,414	7,494	920	89.1%	8,457	7,944
Foreign governments and international organisations	16,478	-	(1,704)	14,774	14,774	-	100.0%	14,495	13,669
Households	-1	-	-	1	-	1	0.0%	-	-
Total	49,243	-	(2,112)	47,131	46,207	924	98.0%	23,785	21,746



APPROPRIATION STATEMENT
for the year ended 31 March 2010

2009/10								2008/09	
Programme 5: Details per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments									
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	7,220	7,220
Total	-	-	-	-	-	-	-	7,220	7,220

2009/10								2008/09	
Programme 5: Details per economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments									
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	7,220	7,220
Total	-	-	-	-	-	-	-	7,220	7,220



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

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

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

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

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

3. Detail on financial transactions in assets and liabilities

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

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

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Administration	774,228	773,428	798	0%
Provision of Land and Accommodation	4,390,594	4,175,052	215,396	4.9%
Variance is due to unspent funds under infrastructure				
National Public Works Programme	837,177	693,462	143,715	17.2%
Variance is due to unspent funds under transfers and subsidies. Funds were allocated for Expanded Public Works Programme Phase Two Conditional Grant Incentives				
Auxiliary and Associated Services	47,131	46,207	924	2%

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

4.2 Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments:				
Compensation of employees	988,158	976,101	12,057	1%
Goods and services	899,923	894,397	5,526	0%
Interest and rent on land	2,962	2,962	-	0%
Financial transactions in assets and liabilities	40,341	40,341	-	0%
Unauthorised expenditure approved				
Transfers and subsidies:				
Provinces and municipalities	1,694,352	1,566,445	127,907	8%
Departmental agencies and accounts	680,249	679,329	920	0%
Universities and technikons				
Public corporations and private enterprises	14,774	14,774	-	0%
Foreign governments and international organisations	14,843	14,793	50	0%
Non-profit institutions	198,554	198,554	-	0%
Households	5,035	4,387	648	12.9%
Gifts and Donations	90	90	-	0%
Payments for capital assets:				
Buildings and other fixed structures	1,462,325	1,253,581	208,744	14%
Machinery and equipment	46,224	41,105	5,119	11.5%
Heritage assets				
Biological assets				
Software and other intangible assets	1,300	1,290	10	1%
Land and subsoil assets				



STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2010

	Note	2009/10 R'000	2008/09 R'000
REVENUE			
Annual appropriation	<u>1</u>	6,049,130	4,301,992
Departmental revenue	<u>2</u>	39,592	28,510
TOTAL REVENUE		6,088,722	4,330,502
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>3</u>	976,101	917,105
Goods and services	<u>4</u>	894,397	740,067
Interest and rent on land	<u>5</u>	2,962	-
Financial transactions in assets and liabilities	<u>6</u>	40,341	7,220
Total current expenditure		1,913,801	1,664,392
Transfers and subsidies		2,478,372	1,510,718
Transfers and subsidies	<u>7</u>	2,478,372	1,510,718
Expenditure for capital assets			
Tangible capital assets	<u>8</u>	1,294,686	1,021,735
Software and other intangible assets	<u>8</u>	1,290	142
Total expenditure for capital assets		1,295,976	1,021,877
TOTAL EXPENDITURE		5,688,149	4,196,987
SURPLUS/(DEFICIT) FOR THE YEAR		400,573	133,515
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		360,981	105,005
Departmental revenue	<u>15</u>	39,592	28,510
SURPLUS/(DEFICIT) FOR THE YEAR		400,573	133,515

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

	Note	2009/10 R'000	2008/09 R'000
ASSETS			
Current assets		610,741	522,315
Unauthorised expenditure	<u>9</u>	58,495	105,476
Fruitless and wasteful expenditure	<u>10</u>	389	30,700
Cash and cash equivalents	<u>11</u>	372,324	180,649
Prepayments and advances	<u>12</u>	5,113	5,068
Receivables	<u>13</u>	174,420	200,422
TOTAL ASSETS		610,741	522,315
LIABILITIES			
Current liabilities		609,331	519,553
Voted funds to be surrendered to the Revenue Fund	<u>14</u>	360,985	153,845
Departmental revenue to be surrendered to the Revenue Fund	<u>15</u>	4,542	1,691
Payables	<u>16</u>	243,804	364,017
TOTAL LIABILITIES		609,331	519,553
NET ASSETS		1,410	2,762
	Note	2009/10 R'000	2008/09 R'000
Represented by:			
Recoverable revenue		1,410	2,762
TOTAL		1,410	2,762



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

CASH FLOW	Note	2009/10 R'000	2008/09 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		6,085,660	4,329,562
Annual appropriated funds received	<u>1.1</u>	6,049,130	4,301,992
Departmental revenue received	<u>2</u>	36,530	27,570
Net (increase)/decrease in working capital		(16,964)	277,104
Surrendered to Revenue Fund		(190,582)	(396,550)
Current payments		(1,913,801)	(1,664,392)
Transfers and subsidies paid		(2,478,372)	(1,510,718)
Net cash flow available from operating activities	<u>17</u>	1,485,941	1,035,006
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>8</u>	(1,295,976)	(1,021,877)
Proceeds from sale of capital assets	<u>2.4</u>	3,062	940
Net cash flows from investing activities		(1,292,914)	(1,020,937)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(1,352)	2,762
Net cash flows from financing activities		(1,352)	2,762
Net increase/(decrease) in cash and cash equivalents		191,675	16,831
Cash and cash equivalents at beginning of period		180,649	163,818
Cash and cash equivalents at end of period	<u>18</u>	372,324	180,649

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2010

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

1. PRESENTATION OF THE FINANCIAL STATEMENTS

1.1 Basis of preparation

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

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

1.5 Comparative figures - Appropriation Statement

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

2. REVENUE

2.1 Appropriated funds

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

Appropriated funds are recognized in the financial records on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognized 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 recognized as payable in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is recognized 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 recognized as a payable in the statement of financial position.

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

2.3 Direct Exchequer receipts / payments

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

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

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

2.4 Aid assistance

Aids assistance is recognized as revenue when received

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

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

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

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

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the

year relating to CARA earmarked projects are recognized as expenditure in the statement of financial performance when final authorization for payments effected on the system (by no later than 31 March of each year).

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

3. EXPENDITURE

3.1 Compensation of employees

3.1.1 Short-term employee benefits

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

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

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

3.1.2 Post retirement benefits

Employer contribution (i.e. social contributions) is expensed in the statement of financial performance when the final authorization 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 recognized as an expense in the statement of financial performance as a transfer (to households) when the final authorization 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 recognized as an expense in the statement of financial performance as a transfer (to households) when the final authorization for payment is effected on the system (by no later than 31 March of each year).



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

3.2 Goods and services

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

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

3.3 Interest and rent on land

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

3.4 Financial transactions in assets and liabilities

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

3.5 Transfers and subsidies

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

3.6 Unauthorized expenditure

When confirmed unauthorized expenditure is recognized 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.

Unauthorized expenditure approved with funding is derecognized from the statement of financial position when the unauthorized expenditure is approved and the related funds are received.

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

3.7 Fruitless and wasteful expenditure

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

3.8 Irregular expenditure

Irregular expenditure is recognized 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 Other financial assets

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

4.3 Prepayments and advances

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

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

4.4 Receivables

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

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

4.5 Investments

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

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



4.6 Loans

Loans are recognized in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.7 Inventory

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

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

4.8 Capital assets

4.8.1 Movable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1. All assets acquired prior to 1 April 2002 are included in the register 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 capitalized 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 Contingent assets

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

5.4 Commitments

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

5.5 Accruals

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

5.6 Employee benefits

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

5.7 Lease commitments

Finance lease

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

Operating lease

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



5.8 Provisions

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. RECEIVABLES FOR DEPARTMENTAL REVENUE

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

7. NET ASSETS

7.1 Capitalization reserve

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

7.2 Recoverable revenue

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

8. RELATED PARTY TRANSACTIONS

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

9. KEY MANAGEMENT PERSONNEL

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

10. PUBLIC PRIVATE PARTNERSHIPS

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

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

1. ANNUAL APPROPRIATION

	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received 2008/09
	R'000	R'000	R'000	R'000
Administration	774,228	774,228	-	746,142
Provision of Land and Accommodation	4,390,594	4,390,594	-	3,290,206
National Public Works Programme	837,177	837,177	-	234,639
Auxiliary and Associated Services	47,131	47,131	-	23,785
Special Functions	-	-	-	7,220
Total	6,049,130	6,049,130	-	4,301,992

2. DEPARTMENTAL REVENUE

	Note	2009/10 R'000	2008/09 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	2.1	30,031	24,635
Fines, penalties and forfeits	2.2	4	1
Interest, dividends and rent on land	2.3	2,656	552
Sales of capital assets	2.4	3,062	940
Financial transactions in assets and liabilities	2.5	3,839	2,382
Departmental revenue collected		39,592	28,510

2.1 Sales of goods and services other than capital assets

	Note	2009/10 R'000	2008/09 R'000
Sales of goods and services produced by the department	<u>2</u>	30,018	24,614
Sales by market establishment		401	368
Other sales		29,617	24,246
Sales of scrap, waste and other used current goods		13	21
Total		30,031	24,635



2.2 Fines, penalties and forfeits

	Note	2009/10	2008/09
	<u>2</u>	R'000	R'000
Fines		4	1
Total		4	1

2.3 Interest, dividends and rent on land

	Note	2009/10	2008/09
	<u>2</u>	R'000	R'000
Interest		2,646	549
Rent on land		10	3
Total		2,656	552

2.4 Sale of capital assets

	Note	2009/10	2008/09
	<u>2</u>	R'000	R'000
Tangible capital assets		3,062	940
Buildings and other fixed structures		-	940
Machinery and equipment		3,062	-
Total		3,062	940

2.5 Financial transactions in assets and liabilities

	Note	2009/10	2008/09
	<u>2</u>	R'000	R'000
Receivables		362	351
Other Receipts including Recoverable Revenue		3,477	2,031
Total		3,839	2,382

3. COMPENSATION OF EMPLOYEES

3.1 Salaries and Wages

	Note	2009/10 R'000	2008/09 R'000
Basic salary		677,300	631,029
Performance award		14,004	15,307
Service Based		1,859	4,047
Compensative/circumstantial		9,760	13,456
Periodic payments		1,792	2,600
Other non-pensionable allowances		139,667	132,826
Total		844,382	799,265

3.2 Social contributions

	Note	2009/10 R'000	2008/09 R'000
Employer contributions			
Pension		83,097	76,555
Medical		48,463	41,117
Bargaining council		159	168
Total		131,719	117,840
Total compensation of employees		976,112	917,105
Average number of employees		5,026	5,429



4. GOODS AND SERVICES

	Note	2009/10 R'000	2008/09 R'000
Administrative fees		810	555
Advertising		14,920	44,545
Assets less than R5,000	<u>4.1</u>	8,251	13,407
Bursaries (employees)		4,975	5,824
Catering		2,218	3,687
Communication		34,975	33,024
Computer services	<u>4.2</u>	6,625	30,254
Consultants, contractors and agency/outsourced services	<u>4.3</u>	189,045	144,993
Entertainment		488	1,064
Audit cost – external	<u>4.4</u>	31,555	33,225
Government motor transport		-	127
Inventory	<u>4.5</u>	50,975	31,906
Operating leases		180,779	172,927
Owned and leasehold property expenditure	<u>4.6</u>	282,513	80,477
Transport provided as part of the departmental activities		-	31
Travel and subsistence	<u>4.7</u>	63,489	100,468
Venues and facilities		11,264	29,421
Training and staff development		8,598	6,359
Other operating expenditure	<u>4.8</u>	2,917	7,773
Total		894,397	740,067

4.1 Assets less than R5,000

	Note	2009/10 R'000	2008/09 R'000
Tangible assets	<u>4</u>	8,251	13,406
Buildings and other fixed structures		-	-
Machinery and equipment		8,251	13,406
Specialised military assets		-	-
Intangible assets		-	1
Total		8,251	13,407

4.2 Computer services

	Note	2009/10	2008/09
	<u>4</u>	R'000	R'000
SITA computer services		513	2,650
External computer service providers		6,112	27,604
Total		6,625	30,254

4.3 Consultants, contractors and agency /outsourced services

	Note	2009/10	2008/09
	<u>4</u>	R'000	R'000
Business and advisory services		34,173	16,822
Infrastructure and planning		73,342	14,322
Laboratory services		-	6
Legal costs		7,835	8,157
Contractors		28,194	16,789
Agency and support/outsourced services		45,501	88,897
Total		189,045	144,993

4.4 Audit cost – External

	Note	2009/10	2008/09
	<u>4</u>	R'000	R'000
Regularity audits		31,555	33,105
Forensic audits		-	120
Total		31,555	33,225

4.5 Inventory

	Note	2009/10	2008/09
	<u>4</u>	R'000	R'000
Medsas inventory interface		-	-
Learning and teaching support material		10	541
Food and food supplies		8	35
Fuel, oil and gas		26,189	8,470
Other consumable materials		11,962	9,846
Maintenance material		1,012	604
Stationery and printing		11,787	12,400
Medical supplies		7	10
Military stores		-	-
Total		50,975	31,906



4.6 Owned and leasehold property expenditure

	Note	2009/10	2008/09
	<u>4</u>	R'000	R'000
Municipal services		237,568	75,704
Other		44,945	4,773
Total		282,513	80,477

4.7 Travel and subsistence

	Note	2009/10	2008/09
	<u>4</u>		
Local		61,969	99,058
Foreign		1,520	1,410
Total		63,489	100,468

4.8 Other operating expenditure

	Note	2009/10	2008/09
	<u>4</u>	R'000	R'000
Learnerships		-	193
Professional bodies, membership and subscription fees		916	844
Resettlement costs		1,064	4,017
Other		937	2,719
Total		2,917	7,773

5. INTEREST AND RENT ON LAND

	Note	2009/10	2008/09
		R'000	R'000
Interest paid		2,962	-
Total		2,962	-

6. FINANCIAL TRANSACTIONS IN ASSETS AND LIABILITIES

	Note	2009/10	2008/09
		R'000	R'000
Other material losses written off	6.1	30,319	7,214
Debts written off	6.2	10,022	6
Total		40,341	7,220

6.1 Other material losses written off

	Note	2009/10	2008/09
	<u>6</u>	R'000	R'000
Nature of losses			
Fruitless expenditure written off-relating to prior years		30,319	7,214
Total		30,319	7,214

6.2 Debts written off

	Note 6	2009/10 R'000	2008/09 R'000
Nature of debts written off			
Transfer to debts written off			
Compensation for losses		-	6
Irregular expenditure		7,090	-
Irrecoverable debts		2,932	-
Total		10,022	6

7. TRANSFERS AND SUBSIDIES

	Note	2009/10 R'000	2008/09 R'000
Provinces and municipalities	<i>32, Annex 1A, Annex 1B</i>	1,566,445	889,329
Departmental agencies and accounts	<i>Annex 1C</i>	679,329	604,122
Foreign governments and international organisations	<i>Annex 1E</i>	14,774	13,669
Public corporations and private enterprises	<i>Annex 1D</i>	14,793	53
Non-profit institutions	<i>Annex 1F</i>	198,554	-
Households	<i>Annex 1G</i>	4,387	3,545
Gifts, Donations and sponsorship made		90	-
Total		2,478,372	1,510,718



8. EXPENDITURE FOR CAPITAL ASSETS

	Note	2009/10 R'000	2008/09 R'000
Tangible assets		1,294,686	1,021,735
Buildings and other fixed structures	31	1,253,584	988,374
Heritage assets	29	220	367
Machinery and equipment	29	40,882	32,994
Software and other intangible assets		1,290	142
Computer software	43	1,290	142
Total		1,295,976	1,021,877

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	1,294,686	-	1,294,686
Buildings and other fixed structures	1,253,584	-	1,253,584
Machinery and equipment	41,102	-	41,102
Software and other intangible assets	1,290	-	1,290
Other intangibles	1,290	-	1,290
Total	1,295,976	-	1,295,976

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	1,021,735	-	1,021,735
Buildings and other fixed structures	988,374	-	988,374
Machinery and equipment	32,994	-	32,994
Land and subsoil assets	367	-	367
Software and other intangible assets	142	-	142
Computer software	142	-	142
Total	1,021,877	-	1,021,877

9. UNAUTHORISED EXPENDITURE

9.1 Reconciliation of unauthorised expenditure

	Note	2009/10 R'000	2008/09 R'000
Opening balance		105,476	314,083
Unauthorised expenditure – discovered in current year	<u>14</u>	-	48,840
Less: Amounts approved by Parliament/Legislature with funding		(42,573)	(257,447)
Less: Amounts condoned		(4,408)	-
Unauthorised expenditure awaiting authorisation / written off		58,495	105,476
Analysis of awaiting authorisation per economic classification			
Current		58,495	105,476
Total		58,495	105,476

Included in the opening balance of R105m (2009/10) is an amount (R7m) of irregular expenditure which was cleared as follows: R4,4m condoned by the Accounting Officer and R2,6 is included in the amount approved by Parliament. The R7m was classified as unauthorised expenditure due to limitation of separate classification of irregular expenditure. The closing balance of R58m relates to unauthorised expenditure which is awaiting Parliamentary processes.

10. FRUITLESS AND WASTEFUL EXPENDITURE

10.1 Reconciliation of fruitless and wasteful expenditure

	Note	2009/10 R'000	2008/09 R'000
Opening balance		30,700	37,916
Less: Amounts condoned		(30,311)	(7,216)
Current		(30,311)	(7,216)
Fruitless and wasteful expenditure awaiting condonement		389	30,700
Analysis of awaiting condonement per economic classification			
Current		389	30,700
Total		389	30,700



11. CASH AND CASH EQUIVALENTS

	Note	2009/10 R'000	2008/09 R'000
Consolidated Paymaster General Account		372,158	180,489
Cash receipts		(67)	(2)
Disbursements		43	(37)
Cash on hand		190	199
Total		372,324	180,649

12. PREPAYMENTS AND ADVANCES

	Note	2009/10 R'000	2008/09 R'000
Staff advances		1	25
Travel and subsistence		922	867
Prepayments		4,190	4,176
Total		5,113	5,068

13. RECEIVABLES

	Note	2009/10			2008/09	
		Less than one year	One to three years	Older than three years	Total	Total
		R'000	R'000	R'000	R'000	R'000
Claims recoverable	<u>13.1</u> <i>Annex 3</i>	443	-	91,970	92,413	118,564
Recoverable expenditure	<u>13.2</u>	43,172	7,683	26,583	77,437	75,340
Staff debt	<u>13.3</u>	690	466	3,413	4,570	6,518
Total		44,305	8,149	121,966	174,420	200,422

Included in the amount of R174 million, is an amount of R121 million which is doubtful as disclosed in disclosure note 28.

13.1 Claims recoverable

	Note	2009/10 R'000	2008/09 R'000
National departments	13	92,336	118,517
Provincial departments		77	47
Total		92,413	118,564

13.2 Recoverable expenditure (disallowance accounts)

	Note	2009/10	2008/09
	13	R'000	R'000
(Group major categories, but list material items)			
Disallowance		75,238	72,223
Private telephone		17	-
Salary Accounts		2,182	3,117
Total		77,437	75,340

13.3 Staff debt

	Note	2009/10	2008/09
	13	R'000	R'000
Personal debt		4,570	6,518
Total		4,570	6,518

14. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2009/10	2008/09
		R'000	R'000
Opening balance		153,845	366,835
Transfer from statement of financial performance		360,981	105,005
Add: Unauthorised expenditure for current year	<u>9.1</u>	-	48,840
Paid during the year		(153,841)	(366,835)
Closing balance		360,985	153,845

15. DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE REVENUE FUND

	Note	2009/10	2008/09
		R'000	R'000
Opening balance		1,691	2,896
Transfer from Statement of Financial Performance		39,592	28,510
Paid during the year		(36,741)	(29,715)
Closing balance		4,542	1,691



16. PAYABLES – CURRENT

	Note	2009/10 R'000	2008/09 R'000
Advances received	16.1	221,154	335,709
Clearing accounts	16.2	860	2,863
Other payables	16.3	21,790	25,445
Total		243,804	364,017

16.1 Advances received

	Note	2009/10 R'000	2008/09 R'000
	16		
National department		210,666	312,146
Public Entities		10,488	23,563
Total		221,154	335,709

16.2 Clearing accounts

	Note	2009/10 R'000	2008/09 R'000
	16		
Salary Clearing Account		860	2,863
Total		860	2,863

16.3 Other payables

	Note	2009/10 R'000	2008/09 R'000
	16		
Claims and other payable		8,082	10,222
Tender deposit		13,708	15,222
Private telephone		-	1
Total		21,790	25,445

17. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

Note	2009/10 R'000	2008/09 R'000
Net surplus/(deficit) as per Statement of Financial Performance	400,573	133,515
Add back non cash/cash movements not deemed operating activities	1,085,368	901,491
(Increase)/decrease in receivables – current	26,002	(57,907)
(Increase)/decrease in prepayments and advances	(45)	(435)
(Increase)/decrease in other current assets	77,292	264,663
Increase/(decrease) in payables – current	(120,213)	70,783
Proceeds from sale of capital assets	(3,062)	(940)
Expenditure on capital assets	1,295,776	1,021,877
Surrenders to Revenue Fund	(190,582)	(396,550)
Net cash flow generated by operating activities	1,485,941	1,035,006

18. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

Note	2009/10 R'000	2008/09 R'000
Consolidated Paymaster General account	372,158	180,489
Cash receipts	(67)	(2)
Disbursements	43	(37)
Cash on hand	190	199
Total	372,324	180,649

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



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

19. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities

		Note	2009/10 R'000	2008/09 R'000
Liable to	Nature			
Motor vehicle guarantees	Employees	<i>Annex 2A</i>	979	979
Housing loan guarantees	Employees	<i>Annex 2A</i>	2,905	3,397
Other guarantees		<i>Annex 2A</i>	-	-
Claims against the department		<i>Annex 2B</i>	22,410	55,300
Other departments (interdepartmental unconfirmed balances)		<i>Annex 4</i>	61,822	6,132
Total			88,116	65,808

20. COMMITMENTS

	Note	2009/10 R'000	2008/09 R'000
Current expenditure			
Approved and contracted		2,724	6,724
Approved but not yet contracted		-	1,766
		2,724	8,490
Capital expenditure			
Approved and contracted		323	2,803
Approved but not yet contracted		-	145
		323	2,948
Total		3,047	11,438

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

21. ACCRUALS

			2009/10	2008/09
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	7,765	2,965	10,730	20,515
Interest and rent on land	496	204	700	-
Buildings and other fixed structures	-	-	-	-
Machinery and equipment	419	36	455	939
Biological assets	73	13	86	-
Other	-	-	-	-
Total	8,753	3,218	11,971	21,454

Listed by programme level

	Note	2009/10	2008/09
		R'000	R'000
Programme 1		2,795	11,454
Programme 2		8,704	7,074
Programme 3		455	2,340
Programme 4		17	586
Total		11,971	21,454
Confirmed balances with other departments	<i>Annex 4</i>	164,204	226,234
Total		164,204	226,234

22. EMPLOYEE BENEFITS

	Note	2009/10	2008/09
		R'000	R'000
Leave entitlement		34,784	29,945
Service bonus (Thirteenth cheque)		26,828	24,575
Performance awards		-	-
Capped leave commitments		64,682	62,393
Other		580	206
Total		126,874	117,119



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

23. FINANCE LEASES EXPENDITURE**

	Land	Buildings and other fixed structures	Machinery and equipment	Total
2009/10				
Not later than 1 year	-	-	12,949	12,949
Later than 1 year and not later than 5 years	-	-	8,869	8,869
Later than five years	-	-	-	-
Total lease commitments	-	-	21,818	21,818
LESS: finance costs	-	-	3,648	3,648
Total present value of lease liabilities	-	-	18,170	18,170

	Land	Buildings and other fixed structures	Machinery and equipment	Total
2008/09				
Not later than 1 year	-	-	11,161	11,161
Later than 1 year and not later than 5 years	-	-	16,931	16,931
Later than five years	-	-	-	-
Total lease commitments	-	-	28,092	28,092
LESS: finance costs	-	-	7,596	7,596
Total present value of lease liabilities	-	-	20,496	20,496

**This note excludes leases relating to public private partnership as they are separately disclosed to note no.39.

24. RECEIVABLES FOR DEPARTMENTAL REVENUE

	Note	2009/10 R'000	2008/09 R'000
Other (Rental debtors)		7,470	5,652
Total		7,470	5,652

24.1 Analysis of receivables for departmental revenue

	Note	2009/10 R'000	2008/09 R'000
Opening balance		5,652	5,618
Less: amounts received		(26,009)	(477)
Add: amounts recognised		27,827	511
Closing balance		7,470	5,652

23. IRREGULAR EXPENDITURE

24.1 Reconciliation of irregular expenditure

	Note	2009/10 R'000	2008/09 R'000
Opening balance		3,407	39,008
Add: Irregular expenditure relating to current year		27,402	-
Less: Amounts condoned		-	(35,601)
Irregular expenditure awaiting condonation		30,809	3,407

Analysis of awaiting condonation per age classification

Current year	27,402	3,407
Prior years	3,407	-
Total	30,809	3,407



Details of irregular expenditure-current year

Incident	Disciplinary steps taken/criminal proceedings	2009/10 R'000
Servcon	Payment processed on 31 March 2010. Still under investigations	7,605
Intersite	Payment processed on 31 March 2010. Still under investigations	2,861
No tax clearance certificate	Matter still under investigation	11,719
Amount in excess of quotation	Matter still under investigation	2,594
Three quotations not obtained	Matter still under investigation	1,221
Approver not independent	Matter still under investigation	150
Transactions not adequately authorised	Matter still under investigation	256
Procurement processes not followed	Matter still under investigation	10
Procurement processes not followed	Matter still under investigation	986
Total		<u>27,402</u>

24.2 Details of irregular expenditure under investigation

Incident	2009/10 R'000
Service provider appointed without proper procurement processes.	7,605
Service provider appointed without proper procurement processes.	2,861
Tax clearance certificate not attached to payments	11,719
Procurement processes not followed	5,217
Total	<u>27,402</u>

25. FRUITLESS AND WASTEFUL EXPENDITURE

25.1 Reconciliation of fruitless and wasteful expenditure

	Note	2009/10 R'000	2008/09 R'000
Opening balance		30,700	-
Fruitless and wasteful expenditure – relating to prior year		-	37,916
Fruitless and wasteful expenditure – relating to current year		-	-
Less: Amounts condoned		(30,311)	(7,216)
Less: Amounts transferred to receivables for recovery		-	-
Fruitless and wasteful expenditure awaiting condonation		389	30,700

Analysis of awaiting condonation per economic classification

Current	389	30,700
Capital	-	-
Transfers and subsidies	-	-
Total	389	30,700

26. RELATED PARTY TRANSACTIONS

Payments made	Note	2009/10 R'000	2008/09 R'000
Goods and services		311	8,040
Financial transactions in assets and liabilities		1,071	-
Transfers		-	50
Total		1,382	8,090

27. KEY MANAGEMENT PERSONNEL

	No. of Individuals	2009/10 R'000	2008/09 R'000
Political office bearers (provide detail below)	3	3,414	4,613
Officials:			
Level 15 to 16	8	5,977	8,257
Level 14	40	31,089	26,529
Total		40,480	39,399



28. PROVISIONS

	Note	2009/10 R'000	2008/09 R'000
Potential irrecoverable debts			
Private enterprises		-	4,571
Staff debtors		3,413	629
Other debtors		26,583	-
Claims recoverable		91,970	67,021
Total		121,966	72,221

29. MOVABLE TANGIBLE CAPITAL ASSETS

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

	Opening balance	Curr Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	367	5,658	207	-	6,232
Heritage assets	367	5,658	207	-	6,232
MACHINERY AND EQUIPMENT	221,554	(15,995)	44,559	763	249,355
Transport assets	1,767	-	488	-	2,256
Computer equipment	76,688	(25,246)	12,169	109	63,502
Furniture and office equipment	120,693	12,015	27,004	484	159,228
Other machinery and equipment	22,406	(2,764)	4,898	170	24,370
Total movable tangible capital assets	221,921	(10,337)	44,766	763	255,587

29.1 Additions

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

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	207	-	-	-	207
Heritage assets	207	-	-	-	207
MACHINERY AND EQUIPMENT	40,784	3,775	-	-	44,559
Transport assets	460	28	-	-	488
Specialised military assets	-	-	-	-	-
Computer equipment	11,187	982	-	-	12,169
Furniture and office equipment	24,884	2,120	-	-	27,004
Other machinery and equipment	4,253	645	-	-	4,898
Total additions to movable Tangible capital assets	40,991	3,775	-	-	44,766



29.2 Disposals

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

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received (Actual)
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	763	763	-
Computer equipment	-	109	109	-
Furniture and office equipment	-	484	484	-
Other machinery and equipment	-	170	170	-
Total disposal of movable Tangible capital assets	-	763	763	-

29.3 Movement for 2008/09

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

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	367	-	367
Heritage assets	-	367	-	367
MACHINERY AND EQUIPMENT	188,622	32,994	62	221,554
Transport assets	1,767	-	-	1,767
Computer equipment	61,971	14,717	-	76,688
Furniture and office equipment	107,001	13,754	62	120,693
Other machinery and equipment	17,883	4,523	-	22,406
Total movable tangible assets	188,622	33,361	62	221,921

29.4 Minor assets

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2010

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Minor assets	76	782	158,099	6	158,963
Total	76	782	158,099	6	158,963

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	21	-	21
Number of minor assets at cost	-	-	158	-	158
Total number of minor assets	-	-	179	-	179

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2009

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Minor assets	1	-	26,877	-	26,878
Total	1	-	26,877	-	26,878

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	19,324	-	19,324
Total number of minor assets	-	-	19,324	-	19,324



30. INTANGIBLE CAPITAL ASSETS

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

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Computer software	72,857	-	1,189	-	74,046
Total intangible capital assets	72,857	-	1,189	-	74,046

30.1 Additions

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

	Cash	Non-Cash	(Develop-ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
CAPITALISED DEVELOPMENT COSTS					
Computer software	1,189	-	-	-	1,189
Total additions to intangible capital assets	1,189	-	-	-	1,189

30.2 Movement for 2008/09

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

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Computer software	72,715	142	-	72,857
Total intangible capital assets	72,715	142	-	72,857

31. IMMOVABLE TANGIBLE CAPITAL ASSETS

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

	Opening balance	Curr Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	5,282,228	-	2,996,920	-	8,279,148
Dwellings	589,159	-	153,558	-	742,717
Non-residential buildings	4,692,968	-	2,843,362	-	7,536,330
Other fixed structures	101	-	-	-	101
HERITAGE ASSETS	2,743	-	-	-	2,743
Heritage assets	2,743	-	-	-	2,743
LAND AND SUBSOIL ASSETS	48,037	-	-	-	48,037
Land	48,037	-	-	-	48,037
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	5,333,008	-	2,996,920	-	8,329,928

Narrative on the status quo of DPW's Immovable Asset Register (AR): 2009/10 (31 May 2010)

- DPW's Immovable Asset Register (AR) comprises of 36 257 land parcels and 75 247 buildings & structures that vests in the national government and are under the custodianship of DPW, and those which are not vested in the name of the province or where custodial powers have not been assigned to another national department in terms of section 4 of GIAMA as at 31 March 2010. The Immovable Assets mentioned above include Defence Endowment Properties that are utilized by Department of Defence and Military Veterans and other user departments, where the department performs custodial functions. The disposal of endowment properties will be conducted in terms of section 3 of the Defence Endowment Property and Account Act.
- The variance between the opening and closing balances (Table A below) results from the continuous update of data on the AR as a result of the following:
 - The review of asset management reporting requirements in accordance with the latest immovable assets guideline which led to the inclusion of the land under the custodianship of either Provinces or the Department of Rural Development & Land Reform (DRDLR) where DPW performs custodial functions (barring the disposals thereof).
 - Inclusion of the newly acquired properties in 2009/10



- Information on State-owned buildings & structures reported in the 2008/09 Financial Statements (106 713) was extracted at tenancy level, whereas the current report (75 247) was extracted at property level.
- The transition phase towards systems enhancement impacts on accuracy of downloads which is in the processes of being addressed.

Table A

	Opening balance @ 01 Apr 2009	Adjust open balance	Additions	Closing balance @ 31 March 2010
Land parcels	31,987	-	4,270	36,257
Buildings and structures	106,713	(31,466)	-	75,247
Total	138,700	(31,466)	4,270	111,504

3. Properties in the Asset Register continue to be valued at R1.00 each. Furthermore, the R8 billion as per the disclosure above is based on the capital projects through acquisitions, maintenance and construction of buildings that the department has been spending on for the previous years. In order to comply with prescribed accounting standards, the Department together with the CSIR, investigated appropriate methodologies for valuing the immovable asset portfolio under its custodianship. Three methodologies were indentified, namely: Depreciated Replacement Cost, Income Capitalization, and Sales Comparison methods to be used in accordance with the nature of the immovable asset being evaluated. Further interrogation is being undertaken to determine acceptability, accessibility, user friendliness and integration with DPW's Asset Register.

The recommended methodology, once reviewed and approved, will be applied on an annual basis to determine the carrying value of immovable assets in the AR and be rolled out to provincial custodians.

4. DPW and the Department of Rural Development and Land Reform initiated bilaterals in 2009/10 financial year and established a National Vesting Task Team, including the provinces. Provincial Vesting Workshops were convened and the Provincial Vesting plans were consolidated into a National Vesting Master Plan. The National Vesting Master Plan is finalized and will be costed prior presenting to DPW National Intergovernmental Forum (MINMEC) as an adopted plan.
5. The Department is continuously working to improve the accuracy and completeness of information in its Asset Register. In addition, DPW and other custodians have revised the guideline on Asset Register to align with asset management best practice and comply with the latest financial reporting requirements. The revised guideline document will be presented to National Treasury for support.

The Department will operationalise the strategy on identifying state-owned immovable assets that are presumed to still be unaccounted for in 2010/11 financial year.

31.1 Additions

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

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	-	1,743,336	1,253,584	-	2,996,920
Dwellings	-	153,558	-	-	153,558
Non-residential buildings	-	1,589,778	1,253,584	-	2,843,362
Other fixed structures	-	-	-	-	-
Total additions to immovable tangible capital assets	-	1,743,336	1,253,584	-	2,996,960

31.2 Movement for 2008/09

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

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	2,872,580	2,409,648	-	5,282,228
Dwellings	302,338	286,821	-	589,159
Non-residential buildings	2,570,141	2,122,827	-	4,692,968
Other fixed structures	101	-	-	101
HERITAGE ASSETS	2,743	-	-	2,743
Heritage assets	2,743	-	-	2,743
LAND AND SUBSOIL ASSETS	-	48,037	-	48,037
Land	-	48,037	-	48,037
Total immovable tangible assets	2,875,323	2,457,685	-	5,333,008



31.3 Immovable assets valued at R1

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

	Buildings and other fixed structures	Heritage assets	Land and subsoil assets	Investment property	Total
	R'000	R'000	R'000	R'000	R'000
R1 Immovable assets	-	-	-	-	-
Total	-	-	-	-	-

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

	Buildings and other fixed structures	Heritage assets	Land and subsoil assets	Investment property	Total
	R'000	R'000	R'000	R'000	R'000
R1 Immovable assets	-	-	-	-	-
Total	-	-	-	-	-

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

32. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

NAME OF PROVINCE / GRANT	GRANT ALLOCATION			TRANSFER			SPENT			2008/09	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds With-held	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Gauteng	174,483	16,727	209,889	401,099	383,872	-	-	383,872	228,134	59%	155,265
Limpopo	14,276	5,441	-	19,717	13,776	-	-	13,776	7,237	53%	12,294
Northern Cape	27,498	45	10,255	37,798	37,253	-	-	37,253	37,298	100%	24,094
Mpumalanga	45,387	7,552	12,445	65,384	52,785	-	-	52,785	51,761	98%	36,000
North West	73,299	669	-	73,968	66,107	-	-	66,107	66,776	101%	58,995
Western Cape	165,365	33	103,966	269,364	283,100	-	-	283,100	250,286	93%	147,127
Free State	163,152	44,960	-	208,112	140,144	-	-	140,144	185,094	132%	125,066
Eastern Cape	164,053	59,628	16,645	240,326	167,801	-	-	167,801	113,495	68%	119,638
Kwa-Zulu Natal	320,444	1,118	-	321,562	321,120	-	-	321,120	237,205	74%	210,846
Total	1,147,957	136,173	353,200	1,637,330	1,465,958	-	-	1,465,958	1,177,286	-	889,325

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2008/09 Division of Revenue Act
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	
	R'000	R'000	R'000		R'000	R'000	R'000	R'000	R'000	%	R'000
AMATOLE DISTRICT MUNICIPALITY	8,301	-	-	8,301	1,605	-	-	-	1,605	-	-
TSOLWANE	1,486	-	-	1,486	-	-	-	-	-	-	-
LUKHANJI	333	-	-	333	66	-	-	66	-	-	-
INTSIKA YETHU	414	-	-	414	161	-	-	161	-	-	-
EMALAHLENI (EC)	738	-	-	738	722	-	-	722	-	-	-
CHRIS HANI DISTRICT MUNICIPALITY	7,949	-	-	7,949	2,758	-	-	2,758	-	-	-
UKHAHLAMBA DISTRICT MUNICIPALITY	3,878	-	-	3,878	1,019	-	-	1,019	-	-	-
ALFRED NZO DISTRICT MUNICIPALITY	28,798	-	-	28,798	1,449	-	-	1,449	-	-	-
MATJHABENG	869	-	-	869	127	-	-	127	-	-	-
MALUTI-A-PHOFUNG	4,692	-	-	4,692	1,391	-	-	1,391	-	-	-
THABO MOFUTSANYANA DIST MUNICIPALITY	334	-	-	334	437	-	-	437	-	-	-
EKURHULENI	333	-	-	333	-	-	-	-	-	-	-
CITY OF TSHWANE	333	-	-	333	777	-	-	777	-	-	-
CITY OF JOHANNESBURG	32,863	-	-	32,863	45,058	-	-	45,058	-	-	-
EMFULENI	856	-	-	856	990	-	-	990	-	-	-
WESTONARIA	497	-	-	497	62	-	-	62	-	-	-
ETHEKWINI	16,761	-	-	16,761	19,104	-	-	19,104	-	-	-
UTHUKELA DISTRICT MUNICIPALITY	1,904	-	-	1,904	2,228	-	-	2,228	-	-	-



NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2008/09
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000		R'000	R'000	R'000	R'000	R'000	%	R'000
UMZINYATHI DISTRICT MUNICIPALITY	2,222	-	-	2,222	1,860	-	-	1,860	-	-	-
UMKHANYAKUDE DISTRICT MUNICIPALITY	7,321	-	-	7,321	356	-	-	356	-	-	-
UTHUNGULU DISTRICT MUNICIPALITY	2,712	-	-	2,712	617	-	-	617	-	-	-
ILEMBE DISTRICT MUNICIPALITY	7,445	-	-	7,445	1,086	-	-	1,086	-	-	-
SISONKE DISTRICT MUNICIPALITY	386	-	-	386	-	-	-	-	-	-	-
GREATER SEKHUKHUNE DIST MUNICIPALITY	6,741	-	-	6,741	1,579	-	-	1,579	-	-	-
GREATER LETABA	333	-	-	333	317	-	-	317	-	-	-
MOPANI DISTRICT MUNICIPALITY	435	-	-	435	337	-	-	337	-	-	-
VHEMBE DISTRICT MUNICIPALITY	2,332	-	-	2,332	1,396	-	-	1,396	-	-	-
POLOKWANE	2,325	-	-	2,325	1,092	-	-	1,092	-	-	-
CAPRICORN DISTRICT MUNICIPALITY	4,830	-	-	4,830	883	-	-	883	-	-	-
LEPHALALE	333	-	-	333	315	-	-	315	-	-	-
MOGALAKWENA	333	-	-	333	200	-	-	200	-	-	-
WATERBERG DISTRICT MUNICIPALITY	333	-	-	333	-	-	-	0	-	-	-
GOVAN MBEKI	662	-	-	662	308	-	-	308	-	-	-
GERT SIBANDE DISTRICT MUNICIPALITY	2,214	-	-	2,214	335	-	-	335	-	-	-



NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2008/09
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000		R'000	R'000	R'000	R'000	R'000	%	R'000
EMALAHLENI (MP)	333	-	-	333	134	-	-	134	-	-	-
DR JS MOROKA	333	-	-	333	160	-	-	160	-	-	-
NKANGALA DISTRICT MUNICIPALITY	2,138	-	-	2,138	285	-	-	285	-	-	-
MBOMBELA	2,567	-	-	2,567	497	-	-	497	-	-	-
UMJINDI	333	-	-	333	114	-	-	114	-	-	-
BUSHBUCKRIDGE	794	-	-	794	538	-	-	538	-	-	-
JOHN TAOLO GAETSEWE DIST MUN (KGALKGADI)	2,334	-	-	2,334	21	-	-	21	-	-	-
NAMAKWA DISTRICT MUNICIPALITY	3,662	-	-	3,662	2	-	-	2	-	-	-
PIXLEY KA SEME DISTRICT MUN	4,080	-	-	4,080	83	-	-	83	-	-	-
SOL PLAATJE	3,523	-	-	3,523	5,728	-	-	5,728	-	-	-
RUSTENBURG	4,520	-	-	4,520	645	-	-	645	-	-	-
MOSES KOTANE	333	-	-	333	397	-	-	397	-	-	-
BOJANALA PLATINUM DISTRICT MUN	333	-	-	333	267	-	-	267	-	-	-
NGAKA MODIRI MOLEMA DIST MUN	-	-	-	-	276	-	-	276	-	-	-
BOPHIRIMA DISTRICT MUNICIPALITY (DR RUTH)	1,477	-	-	1,477	339	-	-	339	-	-	-
CITY OF MATLOSANA	1,904	-	-	1,904	481	-	-	481	-	-	-
MERAFONG CITY	794	-	-	794	613	-	-	613	-	-	-
THEEWATERSKLOOF	1,594	-	-	1,594	424	-	-	424	-	-	-
GEORGE	773	-	-	773	117	-	-	117	-	-	-

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2008/09 Division of Revenue Act
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	
	R'000	R'000	R'000		R'000	R'000	R'000	R'000	R'000	%	R'000
OUDTSHOORN	333	-	-	333	730	-	-	730	-	-	-
NELSON MANDELA	334	-	-	334	-	-	-	-	-	-	-
BUFFALO CITY	333	-	-	333	-	-	-	-	-	-	-
SAKHISIWE	662	-	-	662	-	-	-	-	-	-	-
QAUKENI	333	-	-	333	-	-	-	-	-	-	-
MANGAUNG	3,178	-	-	3,178	-	-	-	-	-	-	-
MSUNDUZI	333	-	-	333	-	-	-	-	-	-	-
ZULULAND DISTRICT MUNICIPALITY	890	-	-	890	-	-	-	-	-	-	-
MAKHADO	333	-	-	333	-	-	-	-	-	-	-
KGALAGADI DISTRICT MUNICIPALITY	2,334	-	-	2,334	-	-	-	-	-	-	-
NAMAKWA DISTRICT MUNICIPALITY	3,662	-	-	3,662	-	-	-	-	-	-	-
SIYANDA DISTRICT MUNICIPALITY	3,365	-	-	3,365	-	-	-	-	-	-	-
FRANCES BOARD DISTRICT MUNICIPALITY	2,612	-	-	2,612	-	-	-	-	-	-	-
CENTRAL DISTRICT MUNICIPALITY	333	-	-	333	-	-	-	-	-	-	-
CITY OF CAPE TOWN	3,423	-	-	3,423	-	-	-	-	-	-	-
MOSSEL BAY	333	-	-	333	-	-	-	-	-	-	-
KNYSNA	333	-	-	333	-	-	-	-	-	-	-
EDEN DISTRICT MUNICIPALITY	500	-	-	500	-	-	-	-	-	-	-
Total	207,745	-	-	207,745	100,486	-	-	100,486	-	-	-

**ANNEXURE 1B
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
Mangaung	-	-	-	-	1	-	1	1	-	1
City of Cape Town	-	-	-	-	-	-	-	-	-	3
Total	-	-	-	-	1	-	1	1	-	4



ANNEXURE 1C

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION					TRANSFER		2008/09
	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Appropriation Act	R'000
Construction Industry Development Board	59,269	-	-	59,269	59,269	100%	41,892	
Council for Built Environment	24,155	-	-	24,155	24,155	100%	26,286	
Property Management Trading Entity	588,411	-	-	588,411	588,411	100%	528,000	
Parliament Village Management Board	6,607	-	-	6,607	6,607	100%	6,337	
Construction SETA	2,215	-	(408)	1,807	887	49%	1,607	
Total	680,657	-	(408)	680,249	679,329	100%	604,122	

**ANNEXURE 1D
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2008/09
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Capital R'000	Current R'000	Appropriation Act R'000
Public Corporations									
Public Corporation and Private Enterprises	14,550	-	293	14,843	14,793	100%	-	14,793	102
Total	14,550	-	293	14,843	14,793	-	-	14,793	102



**ANNEXURE 1E
STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS**

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	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
Commonwealth War Graves	16,478	-	(1,704)	14,774	14,774	100%	13,669
Total	16,478	-	(1,704)	14,774	14,774	100%	13,669



**ANNEXURE 1F
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2008/09
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Non State Sector(IDT)	40,500	-	-	40,500	40,500	100%	-
Community Works Programme (IDT)	91,000	-	-	91,000	91,000	100%	-
Trade and Industrial Policy Strategy	58,500	-	-	58,500	58,500	100%	-
Agreement South Africa	-	-	8,554	8,554	8,554	100%	-
Total	190,000	-	8,554	198,554	198,554	-	-

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

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	3,307	-	1,818	5,125	4,387	86%	3,545
Total	3,307	-	1,818	5,125	4,387	-	3,545



**ANNEXURE 11
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2009/10	2008/09
		R'000	R'000
Received in cash			
MW	Sponsorship towards valentine Gala Dinner	-	5
Maunga Project	Sponsorship towards valentine Gala Dinner	-	3
Zama Zondo	Sponsorship towards valentine Gala Dinner	-	3
Treemanson	Sponsorship towards valentine Gala Dinner	-	2
Tavcon Construction	Sponsorship towards valentine Gala Dinner	-	3
Kailake Construction	Sponsorship towards valentine Gala Dinner	-	1
Samona Construction	Sponsorship towards valentine Gala Dinner	-	1
Sakhisizwe Civil & Building	Sponsorship towards valentine Gala Dinner	-	1
Don Civils	Sponsorship towards valentine Gala Dinner	-	1
Tylor & Associates	Sponsorship towards valentine Gala Dinner	-	1
Indwe Quatity Surveyors	Sponsorship towards valentine Gala Dinner	-	5
Vokon Afrika Consulting	Sponsorship towards valentine Gala Dinner	-	3
Various	Sponsorship towards year end function and team-building	-	13
Subtotal		-	42
Received in kind			
Demo Construction	Sponsorship towards valentine Gala Dinner	-	5
Lwandle Consulting	Sponsorship towards valentine Gala Dinner	-	5
LMAQS	Sponsorship towards valentine Gala Dinner	-	5
Bartsch Architects	Sponsorship towards valentine Gala Dinner	-	1
MNA Consultant	Sponsorship towards valentine Gala Dinner	-	5
S.Stock	Sponsorship towards valentine Gala Dinner	-	1
LAQS	Sponsorship towards valentine Gala Dinner	-	5
Subtotal			27
Total		-	69

ANNEXURE 1K
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS
MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2009/10	2008/09
	R'000	R'000
Paid in cash		
Sponsorship-Elliot High School-Bursary Competition	-	20
Donation-Gauteng Wheelchair Basketball Team	-	30
Sponsorship-CIDB (Women in construction excellence awards)	90	-
Total	90	50

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
STD Bank Vehicle	Motor vehicles	-	979	-	-	-	979	-	-
	Subtotal	-	979	-	-	-	979	-	-
	Housing								
Standard Bank		-	508	-	47	-	461	-	-
Nedbank (Cape)		-	36	-	-	-	36	-	-
Nedbank Limited		-	212	-	-	-	212	-	-
FirstRand Bank		-	484	-	35	-	449	-	-
ABSA		-	1,030	-	13	-	1,017	-	-
Unique Finance		-	11	-	-	-	11	-	-
Old Mutual		-	17	-	-	-	17	-	-
Peoples Bank		-	82	-	-	-	82	-	-
Nedbank LTD (NBS)		-	84	-	-	-	84	-	-
FNB-Former SA		-	167	-	86	-	81	-	-
Old Mut(Netbank)		-	435	-	32	-	403	-	-
Ithala Limited		-	18	-	-	-	18	-	-
VBS Mutual Bank		-	15	-	-	-	15	-	-
NHFC (Masikheni)		-	19	-	-	-	19	-	-
	Subtotal	-	3,118	-	213	-	2,905	-	-
	Total	-	4,097	-	213	-	3,884	-	-

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

Nature of Liability	Opening Balance 1 April 2009	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2010
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Ms De Kock-Summons increased to R150 000, recorded last year as R71 236,62	78	-	78	-	-
Phelane Electrical Contractors-Incorrectly recorded as R17 181.05. Should be R17 815.05	16	-	16	-	-
Era properties Payment for tenant installations	1,149	-	-	-	1,149
Augustino Banze Claims for damages-injuries	715	-	715	-	-
Buffalo City Municipality-Claim for rates, sewerage etc.	7	-	7	-	-
Gypsy Fire CC-Claim for damages - breach	32,000	-	32,000	-	-
New York International In. Payment for goods supplies	588	-	-	-	588
Old Mutual Properties (Pty) Ltd Claim for arrear rentals	11	-	11	-	-
TA Kousiakis Claims for damages - property	25	-	-	-	25
P G Roos Claim for damages: motor vehicle	6	-	-	-	6
John Roux-Rentals	82	-	82	-	-
Ertec (Pty) Ltd-Claim for services rendered & material supplied	369	-	-	-	369
African Contractors Finance-Claim for direct payment (bank not to proceed with claim. Matter finalized)	(197)	-	-	-	(197)
AJ Scheepers-Claim for arrear rentals	100	-	100	-	-
J van Litsenborgh-Claim for damages	1,305	-	1,305	-	-
W Prins-Damages	100	-	-	-	100
Scarlett Property-Wrongful application of penalties	665	-	-	-	665
Imperial Distribution-Claim for arrear rentals	123	-	123	-	-
F Chandley-Claim for injuries	100	-	100	-	-
Brenbar CC-Outstanding payment	98	-	-	-	98
M Jaffa-Claim for injuries	76	-	76	-	-
PJJ Odendaal-Claim for medical costs	28	-	28	-	-
Petronet-Damages claim	6,048	-	-	-	6,048
JH dela Rey-Claim for damages	2,865	-	2,865	-	-
Contradev CC-Repairs to residential units	2,398	-	-	-	2,398
Bal Krishnan-Claim for damages	810	-	-	-	810
Ms Ethwar-Services rendered	227	-	227	-	-



Nature of Liability	Opening Balance 1 April 2009	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2010
	R'000	R'000	R'000	R'000	R'000
GJ Elworthy-Claim for valuers fees	48	-	48	-	-
Bron Properties-Arrear rentals	2,201	-	2,201	-	-
Sub-Chemie Water-Services rendered	20	-	20	-	-
Temoso Trading-Breach of contract	495	-	495	-	-
Midvaal Local Municipality-Claim for arrear rates and taxes	1,062	-	-	-	1,062
Monica ntombifuthi Nishangase Short payment of remuneration	35	-	-	-	35
Ian Deetlefs: Non Payment of water and electricity	60	-	-	-	60
P S Maluteke Claim for defamation and pain and suffering	500	-	-	-	500
Merchant West Asset-Claim for arrears on lease of a photocopier	110	-	-	-	110
ME Ethwar-Services rendered	227	-	-	-	227
Norwegian Christian Church-Claim for unjust enrichment	750	-	750	-	-
J C Vander Goot: Claim foe services rendered	-	58	-	-	58
EAGLE VALLEY: Damages for holding over	-	32	-	-	32
GIRVE INVESTMENT: ARREAR RENTAL	-	30	-	-	30
KOVACS INVESTMENT : Arrear rental	-	112	-	-	112
JAVA CAPITALS: Arrear rentals	-	888	-	-	888
APEXHI PROPERTIES:ARREAR RENTALS	-	419	-	-	419
JOB MUNYAI: Claim for rental	-	55	-	-	55
GOVERNMRNT EMPLOYEE: Arrear rentals	-	1,153	-	-	1,153
PUBLIC INVESTMENT CORP:Arrear rentals	-	2,641	-	-	2,641
GOVERNMRNT EMPLOYEE: Arrear rentals	-	1,517	-	-	1,517
COMMUNITY PROPERTY: Arrear rentals	-	407	-	-	407
Grant McIntosh: Claim for services rendered valuation	-	45	-	-	45
CJ Coetzer: claim for damages caused by fire	-	17	-	-	17
Escom holdings: arrear rentals	-	80	-	-	80
New ERA Packing : electricity and rates	-	6	-	-	6
NEETHLING: arrear rentals	-	421	-	-	421
Aengus: arrear rental	-	478	-	-	478
Total	55,300	8,357	41,247	-	22,410

**ANNEXURE 4
CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Education	-	-	1,110	1,110	1,110	1,110
Environmental Affairs	-	67,022	67,287	-	67,287	67,022
Health	-	-	2,079	2,083	2,079	2,083
SAPS	-	-	-	64	-	64
Water Affairs	-	-	-	31	-	31
National Prosecuting Authority	-	-	266	367	266	367
Public Service and Administration	-	-	1	1	1	1
PMTE	-	21,687	-	-	-	21,687
Statistics South Africa	-	-	278	269	278	269
The Presidency	-	-	43	43	43	43
Trade and Industry	-	-	43	43	43	43
Other Claims: National Departments	-	-	20,838	22,827	20,838	22,827
Agriculture	-	-	-	798	-	798
Defence	-	-	-	1,848	-	1,848
Foreign Affairs	-	-	105	320	105	320
Provincial Department	-	-	353	47	353	47
Land Affairs	-	-	10	-	10	-
Total	-	88,709	92,413	29,851	92,413	118,560



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						
Palama	-	-	271	475	271	475
Justice and Constitutional Development	-	464	-	121	-	585
Environmental Affairs	-	-	-	310	-	310
Agriculture, Forestry and Fisheries	-	-	4,173	-	4,173	-
Eastern Cape Treasury	-	-	4	-	4	-
Transport, Roads Community Safety	-	-	-	1	-	1
Department of Health	-	-	2	-	2	-
Department Labour	-	-	12	16	12	16
Limpopo Provincial Government	-	-	-	10	-	10
PMTE	164,204	225,770	57,142	5,163	221,346	230,933
Eastern Cape Health	-	-	24	36	24	36
Rural Development and Land Reformed	-	-	49	-	49	-
Government Communication	-	-	129	-	129	-
South African Police Services	-	-	16	-	16	-
Total	164,204	226,234	61,822	6,132	226,026	232,366

**ANNEXURE 6
INVENTORY**

	Note	Quantity	2009/10 R'000
Inventory			
Opening balance		766	7,959
Add/(Less): Adjustments to prior year balance		(5)	90
Add: Additions/Purchases – Cash		1,011	41,719
Add: Additions - Non-cash		232	5,580
(Less): Disposals		-	-
(Less): Issues		(1,295)	(38,034)
Add/(Less): Adjustments		73	5,633
Closing balance		781	22,947



4.4. REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE PROPERTY MANAGEMENT TRADING ENTITY OF THE DEPARTMENT OF PUBLIC WORKS FOR THE YEAR ENDED 31 MARCH 2010

REPORT ON THE FINANCIAL STATEMENTS

Introduction

I have audited the accompanying financial statements of the Property Management Trading Entity (entity) of the Department of Public Works, which comprise the statement of financial position as at 31 March 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 149 to 170.

Accounting officer's responsibility for the financial statements

The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and in the manner required by the Public Finance Management Act, 1999 (Act No.1 of 1999). 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

As required by section 188 of the Constitution of South Africa and section 4 of the Public Audit Act (PAA) of South Africa, my responsibility is to express an opinion on these financial statements based on my audit.

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

Basis for qualified opinion

Revenue and receivables

I could not verify completeness, valuation, rights and obligations of the trade receivables due to the following:

The trade receivables balance of R2,38 billion (2009: R2,1 billion) and as disclosed in note 4 to the annual financial statements, does not agree to the total per the individual debtors accounts. The entity did not complete the process of reconciling the difference between the trade receivables at year-end with the underlying accounting records. The entity embarked on an extensive process of reconciling all debtor accounts going back three years to the inception date of entity.

South African Statements of Generally Accepted Accounting Practice, IAS:39 (AC133), *Financial instruments: Recognition and measurement*, requires that an entity shall, at the end of each reporting period, assess whether there is objective evidence that a financial asset is impaired. Due to lack of proper accounting systems in place for accounts receivable and unreconciled individual trade receivables accounts, the impairment loss of R296 million (2009: R130 million) in respect of trade receivables as disclosed in note 4.1 had not been recognised in accordance with South African Statements of Generally Accepted Accounting Practice, IAS:39 (AC133), *Financial instruments: Recognition and measurement*,

South African Statements of Generally Accepted Accounting Practice, IAS:39 (AC 133), *Financial instruments: Recognition and measurement* requires that when a financial asset is recognised initially, an entity shall measure it at fair value, plus transaction costs that are attributable to the issue of the financial asset. The time value of money was not taken into account when disclosing the fair value of receivables as disclosed in note 4 to the financial statements. I was unable to determine the effect of the time value of money, as the information supporting the individual trade receivables accounts could not be provided for audit purposes. Had the effect of time value of money been applied, the movement would have been recognised against the revenue. The entity's accounting records did not permit the application of alternative procedures to verify completeness, valuation, rights and obligations of the trade receivable balance.

Related parties

Due to lack of a proper accounting system in place for trade receivables and unreconciled individual trade receivables balances at year-end, I was unable to verify completeness, valuation, rights and obligations of related-party balances as disclosed in note 17.2 of the annual financial statements. The entity's accounting records did not permit the application of alternative procedures to verify related party balances.

Expenditure and payables

South African Statements of Generally Accepted Accounting Practice, IAS:39 (AC 133), *Financial instruments: Recognition and measurement* requires when a financial liability is recognised an entity shall measure it at fair value plus transactions costs that are attributable to the acquisition of the financial liability. The time value of money was not taken into account when disclosing the fair value of payables as disclosed at R930 million (2009: R722 million) in note 6 at year-end and the prior year. I was unable to determine the effect of the time value of money, as the information supporting the individual trade payables accounts could not be provided for audit purposes. Had the effect of time value of money been applied, the movement would have been recognised against the expenditure.

Irregular expenditure

Section 38(1)(a)(ii) of the PFMA requires the entity to implement and maintain an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective. The entity did not follow the proper procurement process for all procurement, which resulted in irregular expenditure. The entity does not have adequate systems and procedures in place to identify and record irregular expenditure. Due to inadequacy of the systems I was unable to obtain sufficient appropriate audit evidence to verify the completeness of the irregular expenditure disclosed at R264 million in note 12.2 of the annual financial statements. Consequently, the entity's accounting records and system did not permit the application of alternative procedures to verify the completeness of irregular expenditure.



Opinion

In my opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Property Management Trading Entity as at 31 March 2010 and its financial performance and its cash flows for the year then ended, in accordance with the SA Statements of GAAP and in the manner required by the Public Finance Management Act of South Africa.

Emphasis of matter

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

Restatement of corresponding figures

As disclosed in note 10 to the financial statements, the corresponding figures for 31 March 2009 have been restated as a result of the Property Management Trading Entity reporting in terms of South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) for the first time for the year ended 31 March 2010. In previous years' the entity obtained exemption from the National Treasury to report in terms of the modified cash basis of accounting determined by the National Treasury.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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 Public Finance Management Act of South Africa and financial management (internal control).

Findings

Compliance with laws and regulations

Public Finance Management Act No. 1 of 1999 and Treasury Regulations of 2005

Non-adherence to requirements

- Contrary to the requirements of TR15.12.3, a number of payments in excess of R2 000 were effected electronically without approval having been obtained from the relevant treasury.
- Contrary to the requirements of TR16A9.1(c), the accounting officer did not check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder nor any of its directors, are listed as companies or persons prohibited from doing business with the public sector.
- Contrary to the requirements of TR16A6.4, the accounting officer did not report within 10 working days to the relevant treasury and the Auditor-General, all cases where goods and services above the value of R1 million (VAT included) were procured.
- Contrary to the requirements of TR8.2.3, all payments due to creditors were not settled within 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgment.

Construction Industry Development Board Regulations, 2004

Non-adherence to requirements

- Contrary to the requirements of the CIDB regulation 18(1A)(1) and section 22(3) of the CIDB Act, the contracts awarded above R200 000, was not registered in the register of construction contracts with the CIDB within 21 working days.

INTERNAL CONTROL

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

Leadership

The accounting officer does not exercise oversight responsibility over reporting and compliance with laws and regulations and internal control and furthermore, the internal policies and procedures pertaining to the monitoring and reporting of compliance with laws and regulations were not always aligned to the applicable laws and regulations resulting in the numerous instances of non-compliance with laws and regulations and irregular expenditure.

Financial and performance management

Sufficient appropriate audit evidence with regard to individual accounts receivable balances of the entity could not be obtained, as the information system used for generating and reporting the said information was not appropriate to facilitate the preparation of accurate and complete financial statements.



Pretoria
04 August 2010



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



4.5. ANNUAL FINANCIAL STATEMENTS: PROPERTY MANAGEMENT TRADING ENTITY (PMTE)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 (Restated) R'000	01 April 2008 (Restated) R'000
ASSETS				
CURRENT ASSETS				
Trade and other receivables	4	2,377,833	2,095,975	923,994
Cash & cash equivalents	5	8,997	6,567	466,536
Prepayments and advances		-	-	1,475
TOTAL CURRENT ASSETS		2,386,830	2,102,542	1,392,005
TOTAL ASSETS		2,386,830	2,102,542	1,392,005
ACCUMULATED FUNDS AND LIABILITIES				
ACCUMULATED LOSS				
Accumulated Loss		(225,223)	(167,603)	(69,388)
CURRENT LIABILITIES				
Trade and other payables	6	930,581	722,196	253,244
Bank Overdraft	5	1,675,445	1,546,275	1,201,188
Deferred Income	7	6,027	1,674	6,961
Total current liabilities		2,612,053	2,270,145	1,461,393
Total liabilities		2,612,053	2,270,145	1,461,392
Total accumulated funds and liabilities		2,386,830	2,102,542	1,392,005

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010	31 March 2009 (Restated)
		R'000	R'000
Revenue	8	3,916,496	3,073,877
Operating Expenses		(3,974,116)	(3,172,092)
SURPLUS / (DEFICIT) FOR THE YEAR	9	(57,620)	(98,215)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		(57,620)	(98,215)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2010

	Notes	Accumulated Surplus/ (Deficit) R'000
Balance at 1 April 2008 as originally stated		(130,814)
Change in Accounting Policy	10	61,426
Balance at 1 April 2008		(69,388)
Surplus/(Deficit) for the year		(98,215)
Balance as at 31 March 2009		(167,603)
Surplus/(Deficit) for the year		(57,620)
Balance as at 31 March 2010		(225,223)



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010	31 March 2009 (Restated)
		R'000	R'000
Cash flows from operating activities			
Cash receipts and government grants		2,374,286	1,646,404
Cash paid to suppliers and employees		(2,501,027)	(1,985,682)
Cash utilised in ordinary activities	11	<u>(126,740)</u>	<u>(339,278)</u>
Net decrease in cash and cash equivalents		(126,740)	(339,278)
Cash and cash equivalents at beginning of year		<u>(1,539,708)</u>	<u>(1,200,430)</u>
Cash and cash equivalents at end of year		<u>(1,666,448)</u>	<u>(1,539,708)</u>

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2010

1. BASIS OF PREPARATION

The annual financial statements have been prepared on the going concern basis utilising the historical cost concept. The annual financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice and in the manner required by the Public Finance Management Act No. 1 of 1999, and the Division of Revenue Act, No. 2 of 2006.

2. ADOPTION OF NEW AND REVISED STANDARDS

2009 Annual Improvements Project: Amendments to AC142 - Non-current Assets Held for Sale and Discontinued Operations

The amendment specifies that disclosures of other Standards do not apply to non-current assets (or disposal groups) held for sale or discontinued operations, unless specifically required by other Standards or for measurement disclosures of assets and liabilities in a disposal group which are outside the measurement requirements of AC142 Non-current Assets Held for Sale and Discontinued Operations. The effective date of the amendment is for years beginning on or after 01 January 2010.

The Entity does not envisage the adoption of the standard until such time as it becomes applicable to the Entity's operations. The adoption of this amendment is not expected to impact on the results of the Entity, but may result in more disclosure than is currently provided in the financial statements.

2009 Annual Improvements Project: Amendments to AC101 - Presentation of Financial Statements

The amendment clarifies that a liability which could, at the option of the counterparty, result in its settlement by the issue of equity instruments, does not affect its classification as current or non-current. The effective date of the amendment is for years beginning on or after 01 January 2010. The Entity does not envisage the adoption of the standard until such time as it becomes applicable to the Entity's operations. It is unlikely that the amendment will have a material impact on the Entity's financial statements.

2009 Annual Improvements Project: Amendments to AC118 Statement of Cash Flows

The amendment provides that expenditure may only be classified as 'cash flows from investing activities' if it resulted in the recognition of an asset on the statement of financial position. The effective date of the amendment is for years beginning on or after 01 January 2010. The Entity does not envisage the adoption of the standard until such time as it becomes applicable to the Entity's operations. It is unlikely that the amendment will have a material impact on the Entity's financial statements.

2009 Annual Improvements Project: Amendments to AC111

The amendment provides additional guidance in the determination of whether an entity is acting as an agent or principal in a revenue transaction. The effective date of the amendment is for years beginning on or after 01 July 2009. The Entity does not envisage the adoption of the standard until such time as it becomes applicable to the Entity's operations. The adoption of this amendment is not expected to impact on the results of the Entity, but may result in more disclosure than is currently provided in the financial statements.



AC139 Share-based payment (effective 1 January 2010) (amended)

AC139 provides that an entity receiving goods or services in a share-based payment transaction that is settled by any other entity in the company or any shareholder of such an entity in cash or other assets is now required to recognise the goods or services received in its financial statements. This amendment is not expected to have a significant impact on the entity's financial statements as the entity does not apply AC139.

3. ACCOUNTING POLICIES

3.1 Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently at amortised cost. The carrying amount of trade receivables is net of the provision for impairment. The provision for impairment on receivables is calculated based on available information which indicate that the amount receivable are impaired, e.g. liquidation of the debtor. In addition, the amounts outstanding for longer than 3 years and longer are considered to be impaired and the whole amount greater than 3 years is considered as the provision. Receivables are assessed for impairment at each balance sheet date.

3.2 Trade and other payables

Trade and other payables are initially recorded at fair value and then subsequently recorded at amortised cost.

3.3 Cash and cash equivalents

Cash and cash equivalents are carried at fair value. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, and deposits held on call with banks and investments in money market instruments, net of bank overdrafts. Amounts held with Property Management Trading Entity bankers in favour of its service providers are also included in cash and cash equivalent.

3.4 Revenue recognition

Revenue represents the gross inflow of economic benefits during the period arising in the course of the ordinary activities when those inflows result in increase in equity/reserves. The following specific recognition criteria must also be met before revenue is recognised:

3.4.1 Management fees

Management fees are earned from the administrative services rendered on behalf client departments. The services entail the payment of municipal charges on behalf of client department. A management fee of 5% is computed on the municipal charge paid on behalf of client department. The management fee is recognised on payment of the municipal charges on behalf of client departments.

3.4.2 Government grant

Government grant is recognised at fair value when there is reasonable assurance that the Entity will comply with the conditions attached to the grants that will be received. The grant is income received from DPW to enable the Entity to deliver its mandate of property management.

3.4.3 Rental income

Rental income is collected on both government owned buildings rented to client departments and privately owned buildings rented on behalf of government departments from private landlords. Rental income is recognized when PMTE becomes entitled to the income in terms of the lease entered into between PMTE and the respective government departments.

3.5 Operating Leases

Lease where significant portion of the risk and rewards are retained by the lessor are classified as operating lease. Payments made under operating lease are charged to the income statement on a straight line basis over the period of the lease.

3.6 Irregular expenditure

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

3.7 Contingent liabilities

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

3.8 Contingent assets

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

3.9 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 financial statements as further disclosure.

3.10 Comparative figures

Comparative figures have been adjusted to conform to changes in presentation and classification in the current year. Comparatives were also adjusted as a result of the change from modified cash basis of accounting to use of the South African Statements of Generally Accepted Accounting Practice. The impact of the change is disclosed in note 10 below.

3.11. Functional currency

The company uses South African Rand as its functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.



Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss.

3.12 Finance cost

Finance cost comprises interest payable on borrowings and interest resulting from the unwinding of discount on liabilities. Borrowing costs which are not capitalised are recognised in profit or loss using the effective interest method.

3.13 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Entity's accounting policies, which are described in note 1, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods

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

4. TRADE AND OTHER RECEIVABLES

	2010	2009 (Restated)
	R'000	R'000
Claims recoverable	1,770,364	1,556,966
Recoverable expenditure	199,890	129,767
Debtor operating lease	119,224	180,338
Accommodation debtors	584,843	359,375
Total	2,674,321	2,226,446
Provisions for impairment	(296,488)	(130,471)
Carrying Amount	2,377,833	2,095,975

4.1 RECEIVABLES AGEING: 31 MARCH 2010

	Less than 1 year	1 to 3 years	Older than 3 years	Total
	R'000	R'000	R'000	R'000
Claims receivable	1,268,454	457,716	44,194	1,770,364
Recoverable expenditure	112,033	66,223	21,634	199,890
Debtors accommodation	584,843	-	-	584,843
Debtors operating lease	119,224	-	-	119,224
Provision for impairment	(199,890)	(30,770)	(65,828)	(296,488)
Total	1,884,664	493,169	-	2,377,833

RECEIVABLES AGEING: 31 MARCH 2009

	Less than 1 year	1 to 3 years	Older than 3 years	Total
	R'000	R'000	R'000	R'000
Claims receivable	1,137,982	418,984	-	1,556,966
Recoverable expenditure	90,117	39,651	-	129,767
Debtors accommodation	359,375	-	-	359,375
Debtors operating lease	180,338	-	-	180,338
Provision for impairment	(90,820)	(39,651)	-	(130,471)
Total	1,676,992	418,984	-	2,095,975



4.2 PROVISION FOR IMPAIRMENT

	2010	2009 (Restated)
	R'000	R'000
Opening Balance	130,471	63,414
Movement for the period	166,017	67,057
Closing Balance	296,488	130,471

5. CASH & CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balance with banks:

	2010	2009 (Restated)
	R'000	R'000
Bank overdraft	(1,675,445)	(1,546,275)
Balance with bank	8,997	6,567
Total	(1,666,448)	(1,539,708)

6. TRADE AND OTHER PAYABLES

	2010	2009 (Restated)
	R'000	R'000
Trade creditors	578,113	417,247
Accruals	352,468	304,949
Total	930,581	722,196

7. DEFERRED INCOME

	2010	2009 (Restated)
	R'000	R'000
Opening balance at beginning of year	1,674	6,960
Received during the year	9,523	9,683
Paid during the year	(5,170)	(14,969)
Closing balance	6,027	1,674

8. REVENUE

	2010	2009 (Restated)
	R'000	R'000
Rent received	3,234,454	2,466,858
DPW augmentation	588,411	528,000
Management fees	93,631	79,019
Total	3,916,496	3,073,877

OPERATING EXPENSE

	2010	2009 (Restated)
	R'000	R'000
Operating lease rentals – Buildings	2 431, 249	2 036, 286
Maintenance, repairs and running costs – Buildings	626, 821	511, 167
Transfers and subsidies paid	549, 499	409, 647
Debtors Impairment	166, 017	67, 057
Cleaning & security costs	139, 679	104, 409
Rent on land	47, 710	17, 105
Other miscellaneous expenses	13, 144	26, 419
Total	3, 974, 119	3, 172, 090

9. DEFICIT FOR THE YEAR

	2010	2009
	R'000	R'000
Deficit for the year is arrived at after taking the following item into account:		
Finance income	241	2,787



10. RESTATEMENT OF COMPARATIVES

	Previously reported	Adjustment	Restated amount
	2009	2009	2009
	R'000	R'000	R'000
Accounts receivable	1,505,861	590,114	2,095,975
Accounts payable	236,909	485,287	722,196
Revenue	4,283,244	(1,209,367)	3,073,877
Operating expenses	4,411,277	(1,239,187)	3,172,090
	Previously reported	Adjustment	Restated amount
	2008	2008	2008
	R'000	R'000	R'000
Accounts receivable	1,183,880	(259,886)	923,994
Accounts payable	108,776	(144,467)	(253,243)
Retained	(130,812)	61,424	(69,388)

The adjustment resulted from PMTE's change in accounting framework from modified cash basis to SA GAAP. Prior year figures were restated as indicated above.

11. CASH FLOW FROM OPERATING ACTIVITIES

	2010	2009 (Restated)
	R'000	R'000
Deficit for the year	(57,623)	(98,213)
Deficit before working capital changes	(57,623)	(98,213)
Working capital changes in		
Increase in trade and other receivables	(777,021)	(713,371)
Increase in trade and other payables	533,937	401,109
Increase in debtors impairment	166,017	67,057
Increase in provisions	7,950	4,140
Cash utilised in activities	(126,740)	(339,278)

12. LOSSES THROUGH CRIMINAL CONDUCT OR UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

12.1 RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE

	2010	2009
	R'000	R'000
Opening balance	7,952	7,952
Less: Amounts condoned	(7,952)	-
Current	(7,952)	-
Fruitless and wasteful expenditure awaiting condonement	-	7,952
Analysis of awaiting condonement per economic classification		
Current	-	7,952
Total	-	7,952

12.2 IRREGULAR EXPENDITURE RECONCILIATION OF IRREGULAR EXPENDITURE

	2010	2009
	R'000	R'000
Opening balance	-	-
Add: Irregular expenditure -relating to current year	264,180	1,943
Less: Amounts condoned	-	(1,943)
Irregular expenditure awaiting condonation	264,180	-

13. LEASE COMMITMENTS

	2010	2009
	R'000	R'000
Not later than 1 year	1,960,446	1,650,071
Later than 1 year & not later than 5 years	3,851,890	2,987,424
Later than 5 years	2,427,208	1,753,408
Total	8,239,544	6,390,903



14. OPERATING LEASE INCOME

	2010	2009
	R'000	R'000
Not later than 1 year	1,908	1,737
Later than 1 year & not later than 5 years	2,022	3,931
Total	3,930	5,668

15. CONTINGENT LIABILITIES

	2010	2009
	R'000	R'000
Claims against the department	70,276	144,340
Other departments (interdepartmental unconfirmed balances)	320,728	-
Total	391,004	144,340

16. FINANCIAL RISK MANAGEMENT

16.1 Liquidity risk:

Liquidity risk is the risk that the Entity will be unable to service payment obligations timeously or fund asset growth.

The Entity's exposure to liquidity is as a result of the funds available to cover future commitments. The Entity manages liquidity risk through an ongoing review of future commitments and budget process to ensure sufficient cash resources are raised to fund the Entity's operations.

16.2 Credit risk:

Credit risk is the risk of potential loss from the failure of customers, clients or counter parties to fulfill obligations to the Entity. *Credit risk consists mainly of cash deposits, cash equivalents and trade debtors.*

Trade receivables are mainly balances with other government departments, with a low risk of default as they receive transfers from the National Treasury to pay for services rendered by the Entity.

The entity is not exposed to guarantees for financing facilities.

16.3 Interest rate risk:

Interest rates risk refers to the potential adverse impact on earnings as a result of changes in interest rates.

The entity is not currently exposed to interest rate risk as it is in a net overdraft with the Reserve Bank.

17. RELATED PARTIES

The following are the related parties of the Entity:

National Department of Public Works

Other National Departments and Public Entities reporting to the National Departments because they are subject to common control. National Departments operate together to achieve common objectives determined by Cabinet / Provincial Legislature

17.1 Government grant

	2010	2009
	R'000	R'000
Department of Public Works	588,326	528,000



17.2 Related party outstanding balance

OUTSTANDING DEBT AS AT 31 MARCH 2010						
DEPARTMENT	Accommodation charges	Private leases	Municipal services	PACE	CA	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Agriculture, Forest and Fish	-	778	35,977	5,195	119	42,070
Arts and Culture	-	2,391	7,423	7,953	15	17,782
BCIP	-	-	-	-	912	912
Communications	93	7,962	2,482	-	33	10,570
Correctional Services	-	31,019	161,072	16,904	119	209,114
Defence	-	14,140	137,312	15,137	82,966	249,556
Coop Govt and Traditional Affairs	-	2,012	2,043	-	-	4,055
Education	77	6,952	1,331	-	875	9,234
Environmental Affairs & Tourism	1,862	6,715	746	-	3,793	13,116
Inter Relation and Coop	10,402	368	8,789	-	36,406	55,965
Inter Relations and Coop (Gallagher Estate)	-	-	-	-	-	-
Pan African Parliament	-	2,610	-	-	-	2,610
Gender Equality Commission	-	2,768	687	-	14	3,468
Government Communications	-	2,235	235	-	-	2,470
Government Printing	-	-	-	-	9,247	9,247
Health	1,629	9,266	2,911	2,400	-	16,206
Home Affairs	24,500	23,305	16,547	8,903	104	73,358
Human Settlement	148	12,929	2,290	2,290	813	18,471
Human Rights Commission	152	1,645	274	-	-	2,071
Independent Complaints Directorate	-	4,556	(88)	-	393	4,860
Justice and Constitutional Dev	47,566	21,160	82,097	97,045	-	247,868
Labour	-	6,909	11,886	7,985	2,577	29,357
Land Affairs	2,546	-	3,463	2,101	129	8,240
Minerals and Energy	10,016	26,494	6,183	-	-	42,692
National Procecuting Authority	3,970	16,468	6,291	-	1,047	27,776

OUTSTANDING DEBT AS AT 31 MARCH 2010

DEPARTMENT	Accommodation charges	Private leases	Municipal services	PACE	CA	Total
	R'000	R'000	R'000	R'000	R'000	R'000
National Treasury	541	12,462	10,982	-	-	23,985
National Treasury SARS	-	-	9,483	-	10,336	19,818
Parliament	-	1,439	386	-	3,701	5,527
Public Enterprises	-	-	2,593	-	-	2,593
Public Protector	-	4,151	591	-	67	4,810
Public Service and Administration	-	-	742	-	-	742
Public Service Commission	-	3,700	679	-	-	4,380
Public Works	-	4,968	1,013	172,887	45,928	224,796
SAMDI/PALAMA	-	1,598	1,422	-	-	3,021
SA Police Services	75	24,873	188,938	312,417	5,155	531,459
SASSA	-	56,235	2,422	-	-	58,657
Science and Technology	1,336	77	96	-	-	1,509
Social Development	-	14,409	424	-	-	14,833
Sports and Recreation	842	7,653	5,138	-	-	13,633
Statistics SA	130	51,637	1,863	-	-	53,630
Trade and Industry	7	5,266	822	-	-	6,095
Transport	-	977	(1,421)	-	-	(444)
Water and environmental Affairs	-	-	4,118	-	-	4,118
Financial and Fiscal Commission	-	647	863	-	-	1,510
SAMAF	-	-	-	-	-	-
Presidency	-	-	-	-	725	725
Total	105,892	392,778	721,105	651,217	205,474	2,076,466



OUTSTANDING DEBT AS AT 31 MARCH 2009

DEPARTMENT	Accommodation charges	Private leases	PACE	CA	Municipal services	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Agriculture	14,430	-	3,836	-	18,300	36,566
Arts	-	2,604	23,996	-	9,005	35,605
Communications	-	-	-	-	2,575	2,575
Correc serv	-	3,622	-	1,215	104,109	108,946
Defence	-	102	4,305	114,719	95,959	215,085
DPLG	-	-	-	-	1,410	1,410
Education	-	-	-	1,042	445	1,487
Foreign Affairs	10,402	27,477	-	-	3,817	41,696
GCIS	2,682	365	-	-	140	3,187
Gender Equality	-	939	-	14	186	1,139
Health	9,063	-	3,238	-	2,909	15,210
Home Affairs	3,517	5,972	2,315	-	4,120	15,924
HRC	-	794	-	-	70	864
Justice	-	11,787	41,626	-	56,937	110,350
Labour	-	440	20,120	-	8,990	29,550
Minerals and Energy	10,564	649	-	-	2,643	13,856
NPA	-	1,412	-	310	2,450	4,172
National Treasury	-	551	-	-	10,025	10,576
Presidency	-	-	-	-	23,255	23,255
Public Protector	-	1,015	-	67	500	1,582
Public Service Admin	-	-	-	-	469	469
Public Service Comm	-	203	-	-	679	882
Public Works	45,963	-	176,901	3,862	50,172	276,898
SAPS	-	23,275	338,443	-	139,732	501,450
SASSA	-	22,017	-	-	1,270	23,287
SARS	-	-	-	10,160	10,686	20,846
Science and technology	719	-	-	-	96	815
Sports	1	-	-	-	4,517	4,518
Stats	-	3,442	-	-	3,205	6,647
Transport	-	-	-	-	115	115

OUTSTANDING DEBT AS AT 31 MARCH 2009						
DEPARTMENT	Accommodation charges	Private leases	PACE	CA	Municipal services	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Water Affairs	-	1,301	-	-	5,748	7,049
ICD	1,374	130	-	-	-	1,504
Enviro Affairs	-	90	-	3,726	4,230	8,046
Land Affairs	-	4,849	1,058	396	7,180	13,483
Parliament	-	686	-	45,459	99	46,244
Public Enterprise	-	-	-	-	985	985
Social Development	-	11,732	-	-	-	11,732
Trade and Industry	1,354	673	-	-	-	2,027
Financial and Fiscal	-	-	-	-	512	512
BCIP	-	-	-	912	-	912
Total	100,069	126,127	61, 838	181,882	577,540	1,601,456



17.3 Management fees transactions

Department	2010	2009
	R'000	R'000
Agriculture	1,115	1,016
Arts and Culture	821	682
Communications	62	56
Correctional Services	22,757	20,553
Defence	23,540	17,669
Education	138	131
Environmental Affairs & Tourism	689	623
Financial & Fiscal Commission	17	15
International Relations	558	427
Gender Equality Commission	25	15
Government Communications (GCIS)	50	28
Health	428	289
Home Affairs	1,761	1,270
Human Settlements (Housing)	116	152
Human Rights Commission	15	15
Independent Complaints Directorate	40	27
Justice and Constitutional Development	6,898	5,645
Labour	1,143	685
Rural Development and Land Reform (Land Affairs)	875	635
Minerals Resources (MINERALS & ENERGY)	232	201
National Prosecuting Authority	232	87
National Treasury	445	398
Parliament	4	-
Cooperate Gov & Trade Affairs (PROVINCIAL AND LOCAL GOVERNMENT)	246	179
Public Enterprises	75	83
Public Protector	72	49
Public Service & Administration	137	110
Public Service Commission	-	-
Public Works	6,620	5,266
SA Man Development Institute (PALAMA)	79	31
South African Revenue Services	346	322
South African Social Security Services	244	115
Social Development	73	25

Department	2010	2009
	R'000	R'000
South African Police Services	22,025	19,036
Sport & Recreation South Africa	149	61
Statistics South Africa	478	330
The Presidency	335	206
Trade and Industry	36	26
Transport	20	-
Water Affairs and Forestry	739	561
Total	93,633	77,021

17.4. Accommodation State Owned Revenue

Department	2010	2009
	R'000	R'000
Agriculture	36,449	28,861
Arts and Culture	14,833	11,745
Communications	370	293
Correctional Services	531,981	421,227
Defence	932,966	738,729
Education	232	245
Environmental Affairs & Tourism	7,447	5,897
Foreign Affairs	6,996	7,386
Government Communications	11	9
Health	5,757	4,558
Home Affairs	8,885	14,069
Housing	94	149
Independent Complaints Directorate	198	156
Justice and Constitutional Dev	166,480	150,653
Labour	20,878	16,531
Land Affairs	10,181	8,062
National Treasury	1,622	1,713
National Treasury - SARS	12,239	-
Public Service and Administration	110	88
Public Works	23,169	18,291
SA Police Services	629,425	537,076
Social Development	201	159
Sports and Recreation	1	3
Statistics SA	389	411
Trade and Industry	15	11
Water Affairs and Forestry	49,365	39,088
Minerals and Energy	-	914
Total	2,460,295	2,006,325



17.5 Private Leases

Department	2010	2009
	R'000	R'000
Agriculture	10,946	9,252
Arts and Culture	17,270	22,834
Communications	12,638	4,060
Correctional Services	83,921	57,334
Defence	172,704	169,094
Provincial and Local Government	25,159	23,489
Education	28,466	17,886
Environmental Affairs & Tourism	64,354	36,521
Financial & Fiscal Comm	647	-
Foreign Affairs	76,938	96,751
Gender Equality Commission	1,598	939
Government Communications	11,186	13,553
Health	37,023	31,705
Home Affairs	149,420	89,674
Human Settlements	17,371	6,966
Human Rights Commission	792	449
Independent Complaints Directorate	7,416	6,647
Justice and Constitutional Dev	217,551	156,799
Labour	99,434	67,258
Land Affairs	86,857	41,469
Minerals and Energy	25,172	21,513
National Prosecuting Authority	15,674	1,416
National Treasury	33,786	17,935
Public Enterprises	4,712	4,115
Public Protector	2,507	1,015
Public Service and Administration	25,249	8,780
Public Service Commission	10,369	7,205

Department	2010	2009
	R'000	R'000
Public Works: Prestige	-	1,390
Public Works	93,072	168,786
PALAMA	12,948	-
SA Police Services	760,370	566,526
SAMAF	1,487	1,346
SARS	-	-
SASSA	70,976	37,688
Science and Technology	103	2,877
Social Development	17,843	21,174
Sports and Recreation	8,811	1,263
Statistics SA	80,365	32,617
Trade and Industry	5,590	5,668
Transport	14,691	12,296
Water Affairs and Forestry	99,451	77,147
Total	2,404,867	1,843,435



Chapter 5 | Human Resources Management



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA

Chapter 5

Human Resources Management

5.1 Public Service Regulations

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

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

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

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

The tables in this report are revised on a regular basis by the Department of Public Service and Administration (DPSA).

5.2 Expenditure

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

TABLE 2.1 – Personnel costs by programme, 2009/2010

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Personnel cost as a percent of total expenditure %	Employees per programme	Average personnel cost per employee (R)
Programme 1: Administration	773,429	154,186	19.94	511	301,734
Programme 2: Provision of Land & Accommodation	4,175,051	761,245	18.23	4,513	168,678
Programme 3: National Public Works Programme	693,462	60,670	8.75	2,390	25,385
Programme 4: Auxiliary & Associated Services	46,207	-	-	-	-
Total	5,688,149	976,101	17.16	7,414	131,656



In table 2.1 average personnel cost was calculated in relation to employees per programme and not as per filled post as per table 3.1. Table 2.1 and 2.2 include learners, NYS and periodical appointment (relief cleaners)

TABLE 2.2 – Personnel costs by salary bands, 2009/2010

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Number of Employees
Lower skilled (Levels 1-2)	116,014	119	102,486	1,132
Skilled (Levels 3-5)	114,795	11.8	86,118	1,333
Highly skilled production (Levels 6-8)	231,611	23.7	188,149	1,231
Highly skilled supervision (Levels 9-12)	350,972	36	374,970	936
Senior management (Levels 13-16)	89,570	9.2	716,558	125
Contract (Levels 1-2)	3,960	0.4	172,174	23
Contract (Levels 3-5)	21,223	2.2	173,955	122
Contract (Levels 6-8)	7,709	0.8	214,150	36
Contract (Levels 9-12)	29,468	3	373,012	79
Contract (Levels 13-16)	5,691	0.6	632,328	9
Periodical Appointments (relief cleaners)	1,693	0.2	10,994	154
Learners & NYS	3,395	0.3	1,520	2,234
Total	976,101	100	131,656	7,414

The following tables provide a summary per programme (Table 2.3) and salary bands (Table 2.4), of expenditure incurred as a result of basic salaries, overtime, home owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items. Total Personnel Cost includes salaries, overtime, home owner allowance, employer's contribution to medical, employer's contribution to Government Employee Pension Fund, leave gratuity, etc.

TABLE 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2009/2010

Programme	Basic Salaries (R'000)	Basic 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 (R'000)
Programme 1: Administration	125,583	81.4	553	0.4	4,827	3.1	4,855	3.1	154,186
Programme 2: Provision of Land & Accommodation	559,854	73.5	4,027	0.5	24,421	3.2	41,992	5.5	761,245
Programme 3: National Public Works Programme	49,144	81	-	-	1,347	2.2	1,603	2.6	60,670
Total	734,581	75.3	4,580	0.5	30,595	3.1	48,450	5	976,101

TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2009/2010

Salary bands	Basic Salaries (R'000)	Basic 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 Salary Band (R'000)
Lower skilled (Levels 1-2)	77,864	67.1	556	0.5	7,561	6.5	11,317	9.8	116,014
Skilled (Levels 3-5)	78,365	68.3	1,939	1.7	6,289	5.5	9,203	8	114,795
Highly skilled production (Levels 6-8)	169,157	73	1,199	0.5	6,330	2.7	14,270	6.2	231,611



Salary bands	Basic Salaries (R'000)	Basic 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 Salary Band (R'000)
Highly skilled supervision (Levels 9-12)	268,386	76.5	852	0.2	5,912	1.7	11,840	3.4	350,972
Senior management (Levels 13-16)	72,874	81.4	-	-	3,835	4.3	1,558	1.7	89,570
Contract (Levels 1-2)	3,929	99.2	-	-	-	-	-	-	3,960
Contract (Levels 3-5)	21,130	99.6	31	0.1	2	-	-	-	21,223
Contract (Levels 6-8)	7,370	95.6	3	-	7	0.1	34	0.4	7,709
Contract (Levels 9-12)	27,723	94.1	-	-	235	0.8	183	0.6	29,468
Contract (Levels 13-16)	4,478	78.7	-	-	425	7.5	48	0.8	5,691
Periodical Remuneration	-	-	-	-	-	-	-	-	1,693
Abnormal Appointment	3,306	97.4	-	-	-	-	-	-	3,395
Total	734,582	75.3	4,580	0.5	30,596	3.1	48,453	5	976,101

5.3 Employment and vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: - programme (Table 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). Departments have identified critical occupations that need to be monitored. Table 3.3 provides establishment and vacancy information for the key critical occupations of the department. The vacancy rate reflects the percentage of posts that are not filled.

TABLE 3.1 – Employment and vacancies by programme, 2009/2010

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Programme 1: Administration	652	511	21.6	40
Programme 2: Provision of Land & Accommodation	5,314	4,359	18	109

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Programme 3: National Public Works Programme	193	156	19.2	30
Total	6,159	5,026	18.4	179

TABLE 3.2 – Employment and vacancies by salary bands, 2009/2010

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	1,351	1,133	16.1	1
Skilled (Levels 3-5), Permanent	1,521	1,333	12.4	1
Highly skilled production (Levels 6-8), Permanent	1,595	1,230	22.9	2
Highly skilled supervision (Levels 9-12), Permanent	1,258	936	25.6	3
Senior management (Levels 13-16), Permanent	165	125	24.2	2
Contract (Levels 1-2)	23	23	-	2
Contract (Levels 3-5)	122	122	-	109
Contract (Levels 6-8)	36	36	-	21
Contract (Levels 9-12)	79	79	-	34
Contract (Levels 13-16)	9	9	-	4
Total	6,159	5,026	18.4	179

Positions filled additional to the establishment are positions that is created for a specific period of time. The information in each case reflects the situation as at 31 March 2010.

TABLE 3.3 – Employment and vacancies by critical occupation 2009/2010

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Architects town and traffic planners, Permanent	40	31	22.5	1
Civil engineering technicians, Permanent	18	11	38.9	1
Engineers and related professionals, Permanent	369	256	30.6	29
Quantity surveyors & related professionals not class elsewhere, Permanent	45	35	22.2	16
Senior managers, Permanent	174	134	23	5



5.4 Job Evaluation

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

The following table (Table 4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded. 17 posts on level 3-5 were upgraded as a result of Job Evaluation completed in the previous financial year.

TABLE 4.1 – Job Evaluation, 1 April 2009 to 31 March 2010

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Posts Evaluated	Number of Posts Downgraded	% of Posts Evaluated
Lower skilled (Levels 1-2)	1,351	-	-	-	-	-	-
Contract (Levels 1-2)	23	-	-	-	-	-	-
Contract (Levels 3-5)	122	-	-	-	-	-	-
Contract (Levels 6-8)	36	-	-	-	-	-	-
Contract (Levels 9-12)	79	1	1.3	1	100	-	-
Contract (Band A)	6	-	-	-	-	-	-
Contract (Band B)	2	-	-	-	-	-	-
Contract (Band C)	1	-	-	-	-	-	-
Skilled (Levels 3-5)	1,521	-	-	17	-	-	-
Highly skilled production (Levels 6-8)	1,595	5	0.3	8	160	-	-
Highly skilled supervision (Levels 9-12)	1,269	14	1.1	6	42.9	4	28.6
Senior Management Service Band A	103	5	4.9	1	20	-	-
Senior Management Service Band B	42	2	4.8	-	-	-	-
Senior Management Service Band C	6	-	-	-	-	-	-
Senior Management Service Band D	3	-	-	-	-	-	-
Total	6,159	27	0.4	33	122.2	4	14.8

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

Beneficiaries	African	Asian	Coloured	White	Total
Female	11	-	1	1	13
Male	8	-	2	13	23
Total	19	-	3	14	36
Employees with a Disability	1	-	-	-	1

Table 4.1 reflects the jobs evaluated (27) and Table 4.2 is about employees who were affected and absorbed in the jobs that were upgraded (36).

5.5 Employment changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 5.1) and by critical occupations (Table 5.2). These “critical occupations” should be the same as those listed in Table 3.3.

TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2009 to 31 March 2010

Salary Band	Employment at Beginning of Period (April 2009)	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	1,406	10	37	2.6
Lower skilled (Levels 1-2), Temporary	1	-	-	-
Skilled (Levels 3-5), Permanent	1,205	6	98	8.1
Highly skilled production (Levels 6-8), Permanent	1,291	22	33	2.6
Highly skilled supervision (Levels 9-12), Permanent	981	12	48	4.9
Senior Management Service Band A, Permanent	84	1	4	4.8
Senior Management Service Band B, Permanent	36	1	-	-
Senior Management Service Band C, Permanent	6	-	1	16.7
Senior Management Service Band D, Permanent	2	1	1	50
Other, Permanent	12	-	-	-
Contract (Levels 1-2)	14	62	82	585.7
Contract (Levels 3-5)	292	213	307	105.1
Contract (Levels 6-8)	40	32	35	87.5



Salary Band	Employment at Beginning of Period (April 2009)	Appointments	Terminations	Turnover Rate
Contract (Levels 9-12)	80	21	22	27.5
Contract (Band A)	2	6	2	100
Contract (Band B)	1	1	-	-
Contract (Band C)	1	1	1	100
Contract (Band D)	-	-	1	-
Total	5,454	389	672	12.3

Turnover rate was calculated as follows: terminations as a percentage of employment at the beginning of the period.

TABLE 5.2 - Annual Turnover Rates by Critical Occupation for 2009/2010

Occupation	Employment at Beginning of Period (April 2008)	Appointments	Terminations	Turnover Rate
Architects town and traffic planners, Permanent	14	3	2	14.3
Civil engineering technicians, Permanent	7	1	1	14.3
Engineers and related professionals, Permanent	129	39	34	26.4
Quantity surveyors & related professionals not classified elsewhere, Permanent	77	3	8	10.4
Senior managers, Permanent	132	11	9	6.8

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

TABLE 5.3 – Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Terminations	Percentage of Total Employment at the beginning of the period
Death, Permanent	35	5.2	0.6
Resignation, Permanent	119	17.7	2.2
Expiry of contract, Permanent	396	58.9	7.3

Termination Type	Number	Percentage of Total Terminations	Percentage of Total Employment at the beginning of the period
Transfers, Permanent	4	0.6	0.1
Discharged due to ill health, Permanent	13	1.9	0.2
Dismissal-misconduct, Permanent	8	1.2	0.1
Retirement, Permanent	97	14.4	1.8
Total	672	100	12.3

Total terminations as % of total employment	12.3
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TABLE 5.4 - Promotions by Critical Occupation

Occupation	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
Architects town and traffic planners	14	-	-	4	28.6
Civil engineering technicians	7	-	-	10	142.9
Engineers and related professionals	129	7	5.4	64	49.6
Quantity surveyors & related professionals not classified elsewhere	77	1	1.3	20	26
Senior managers	132	12	9.1	41	31.1

TABLE 5.5 - Promotions by Salary Band (includes pay progression to notch within salary level)

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	1,406	-	-	833	59.2
Lower skilled (Levels 1-2), Temporary	1	-	-	-	-
Skilled (Levels 3-5), Permanent	1,205	-	0.4	982	81.5
Highly skilled production (Levels 6-8), Permanent	1,291	25	1.9	883	68.4



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
Highly skilled supervision (Levels 9-12), Permanent	981	39	4	668	68.1
Senior management (Levels 13-16), Permanent	128	17	13.3	60	46.9
Contract (Levels 1-2)	14	-	-	3	21.4
Contract (Levels 3-5)	292	11	3.8	4	1.4
Contract (Levels 6-8)	40	2	5	7	17.5
Contract (Levels 9-12)	80	1	1.3	15	18.8
Contract (Levels 13-16)	4	1	25	-	-
Total	5,454	101	1.9	3,455	63.3

5.6 Employment equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, No 55 of 1998.

TABLE 6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2010

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	37	5	2	44	12	33	2	3	38	6	100
Professionals, Permanent	205	30	19	254	139	145	5	1	151	30	574
Technicians and associate professionals, Permanent	392	22	6	420	41	507	35	14	556	75	1,092
Clerks, Permanent	132	32	2	166	28	267	24	11	302	112	608
Service and sales workers, Permanent	57	10	-	67	6	21	1	-	22	-	95
Craft and related trades workers, Permanent	107	56	10	173	87	21	1	-	22	1	283

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
Plant and machine operators and assemblers, Permanent	23	12	1	36	1	2	1	-	3	-	40
Elementary occupations, Permanent	821	284	10	1,115	27	925	157	3	1,085	6	2,233
Other, Permanent	1	-	-	1	-	-	-	-	-	-	1
Total	1,775	451	50	2,275	341	1,921	226	32	2,179	230	5,026

Total is calculated as the sum of the total black male, white male, total black female and white female.

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

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	2	1	-	3	-	3	-	-	3	-	6
Senior Management, Permanent	43	3	2	48	14	46	2	4	52	5	119
Professionally qualified and experienced specialists and mid-management, Permanent	372	50	32	454	182	228	15	9	252	46	934
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	324	65	4	393	81	538	40	12	590	166	1,230
Semi-skilled and discretionary decision making, Permanent	596	230	7	833	29	387	78	1	466	5	1,333



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
Unskilled and defined decision making, Permanent	348	100	5	453	6	585	87	3	675	2	1,136
Contract (Top Management)	-	1	-	1	-	-	-	-	-	-	1
Contract (Senior Management)	4	-	-	4	1	1	-	1	2	1	8
Contract (Professionally qualified)	19	1	-	20	27	27	1	-	28	4	79
Contract (Skilled technical)	14	-	-	14	-	22	-	-	22	-	36
Contract (Semi-skilled)	52	-	-	52	1	64	1	2	67	1	121
Contract (Unskilled)	1	-	-	1	-	20	2	-	22	-	23
Total	1,775	451	50	2,276	341	1,921	226	32	2,179	230	5,026

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

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	-	-	1	-	1
Senior Management, Permanent	2	-	-	2	-	-	-	-	-	-	2
Professionally qualified and experienced specialists and mid-management, Permanent	9	-	-	9	-	3	-	-	3	-	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	3	1	-	4	-	18	-	-	18	-	22

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
Semi-skilled and discretionary decision making, Permanent	3	-	-	3	-	3	-	-	3	-	6
Unskilled and defined decision making, Permanent	2	-	-	2	-	8	-	-	8	-	10
Contract (Top Management)	-	1	-	1	-	-	-	-	-	-	1
Contract (Senior Management)	2	-	-	2	1	2	-	1	3	1	7
Contract (Professionally qualified)	9	-	-	9	1	11	-	-	11	-	21
Contract (Skilled technical)	9	-	-	9	-	21	-	-	21	2	32
Contract (Semi-skilled)	81	-	-	81	1	126	1	3	130	2	214
Contract (Unskilled)	25	-	-	25	-	34	2	-	36	-	61
Total	145	2	-	147	3	227	3	4	234	5	389

TABLE 6.4 – Promotions and pay progression for the period 1 April 2009 to 31 March 2010

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
Senior Management, Permanent	26	2	1	29	12	30	2	1	33	3	77
Professionally qualified and experienced specialists and mid-management, Permanent	264	42	26	332	152	158	13	6	177	45	706



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
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	231	48	4	283	69	353	37	11	401	155	908
Semi-skilled and discretionary decision making, Permanent	448	155	6	609	26	296	51	1	348	4	987
Unskilled and defined decision making, Permanent	248	71	4	323	4	450	52	3	505	2	834
Contract (Senior Management)	1	-	-	1	-	-	-	-	-	-	1
Contract (Professionally qualified)	6	-	-	6	-	10	-	-	10	-	16
Contract (Skilled technical)	4	-	-	4	-	4	-	-	4	1	9
Contract (Semi-skilled)	6	-	-	6	-	9	-	-	9	-	15
Contract (Unskilled)	-	-	-	-	-	3	-	-	3	-	3
Total	1,234	318	41	1,593	263	1,313	155	22	1,490	210	3,556

This table includes promotion and progression to the next notch as per table 5.5

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

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	2	-	-	2	-	-	-	-	-	-	2
Senior Management, Permanent	2	1	-	3	-	1	-	-	1	-	4

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
Professionally qualified and experienced specialists and mid-management, Permanent	25	1	1	27	12	8	-	-	8	1	48
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	7	1	1	9	5	10	2	-	12	7	33
Semi-skilled and discretionary decision making, Permanent	41	12	1	54	5	36	3	-	39	-	98
Unskilled and defined decision making, Permanent	9	5	1	15	-	22	-	-	22	-	37
Contract (Top Management)	2	-	-	2	-	-	-	-	-	-	2
Contract (Senior Management)	1	-	-	1	-	-	-	1	1	-	2
Contract (Professionally qualified)	14	-	-	14	-	8	-	-	8	-	22
Contract (Skilled technical)	14	-	-	14	-	19	-	-	19	2	35
Contract (Semi-skilled)	119	-	-	119	-	186	-	1	187	1	307
Contract (Unskilled)	47	-	-	47	-	35	-	-	35	-	82
Total	283	20	4	307	22	325	5	2	332	11	672



	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	2	2	-	4	-	-	-	-	-	-	4

TABLE 6.6 – Disciplinary action for the period 1 April 2009 to 31 March 2010

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	29	9	-	4	14	1	-	2	59

TABLE 6.7 - Skills development for the period 1 April 2009 to 31 March 2010

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
Legislators, Senior Officials and Managers	36	5	2	11	33	2	3	5	97
Professionals	221	31	21	142	164	5	1	33	618
Technicians and Associate Professionals	461	24	6	42	601	36	14	75	1,259
Clerks	142	34	3	30	278	27	10	118	642
Service and Sales Workers	66	10	-	9	21	1	-	-	107
Craft and related Trades Workers	141	57	10	94	28	1	-	1	332
Plant and Machine Operators and Assemblers	27	12	1	1	2	-	1	-	44
Elementary Occupations	869	302	12	33	972	160	3	8	2,359
Total	1,963	475	55	362	2,099	232	32	240	5,458
Employees with disabilities	11	11	1	17	7	2	-	7	56

Information in this table is in relation to the Workplace Skills Plan.

5.7 Performance rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 7.1), salary bands (table 7.2) and critical occupations (Table 7.3).

TABLE 7.1 – Performance Rewards by race, gender, and disability, 1 April 2009 to 31 March 2010

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	1,033	1,916	53.9	4,478	4,335
African, Male	880	1,762	50	4,353	4,946
Asian, Female	20	32	62.5	136	6,777
Asian, Male	37	49	75.5	293	7,922
Coloured, Female	103	224	46	522	5,071
Coloured, Male	179	440	40.7	792	4,423
Total Blacks, Female	1,156	2,172	53.2	5,136	4,443
Total Blacks, Male	1,096	2,251	48.8	5,437	4,961
White, Female	167	223	74.9	1,218	7,293
White, Male	178	324	54.9	1,834	10,304
Employees with a disability	32	56	57.1	175	5,475
Total	2,629	5,026	52.3	13,801	5,249

Number beneficiaries per race and gender as a percentage (%) of employment



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

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	657	1,132	58	1,509	2,297
Skilled (Levels 3-5)	770	1,333	57.8	2,097	2,723
Highly skilled production (Levels 6-8)	638	1,231	51.8	3,549	5,563
Highly skilled supervision (Levels 9-12)	543	936	58	6,445	11,869
Contract (Levels 1-2)	2	23	8.7	5	2,500
Contract (Levels 3-5)	-	122	-	-	-
Contract (Levels 6-8)	4	36	11.1	21	5,250
Contract (Levels 9-12)	12	79	15.2	120	10,000
Periodical Remuneration	-	154	-	-	-
Abnormal Appointment	-	2,234	-	-	-
Total	2,626	7,280	36.1	13,746	5,235

This table excludes SMS, hence the difference in beneficiary numbers. Only three SMS members received the benefit as per table 7.3. Total employment in table 7.2 includes periodical appointments as well as NYS and learners.

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

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Architects town and traffic planners	8	15	53.3	129	16,125
Civil engineering technicians	6	11	54.5	43	7,167
Engineering science related	62	104	59.6	729	11,758
Engineering and related professionals	77	191	40.3	871	11,312
Quantity surveyors and related professionals	13	40	32.5	166	12,769
Senior Managers	3	134	2.2	55	18,333

No SMS was paid performance bonus for 2008/09 cycle. The three reflected is employees for who requests was received from their former Departments for payment. The payment is then claimed from the former Department.

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	2	89	2.2	23	11,500	0.039	58,300
Band B	1	38	2.6	32	32,000	0.108	29,577
Band C	-	5	-	-	-	-	-
Band D	-	2	-	-	-	-	-
Total	3	134	2.2	55	18,333	0.001	87,877

5.8 Foreign workers

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

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

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total
Lower skilled (Levels 1-2)	3	6.5	3	7	-	-
Highly skilled supervision (Levels 9-12)	4	8.7	3	7	-1	33.3
Senior management (Levels 13-16)	3	6.5	3	7	-	-
Contract (Levels 9-12)	36	78.3	34	79.1	-2	66.7
Total	46	100	43	100	-3	100

Contract Level 9 -12 includes the Cuban Technical Professionals



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

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total
Elementary occupations	3	6.5	3	7	-	-
Professionals and managers	43	93.5	40	93	-3	100
Total	46	100	43	100	-3	100

5.9 Leave utilization for the period 1 January 2009 to 31 December 2009

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

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

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification
Lower skilled (Levels 1-2)	5,507	83.2	729	19.5	8	1,062	4,580
Skilled (Levels 3-5)	6,168	80.2	866	23.1	7	1,454	4,947
Highly skilled production (Levels 6-8)	8,550	75.7	1,056	28.2	8	4,019	6,476
Highly skilled supervision (Levels 9-12)	5,745	77.9	768	20.5	7	6,226	4,477
Senior management (Levels 13-16)	559	79.1	88	2.4	6	1,421	442
Contract (Levels 1-2)	70	80.9	22	0.6	3	15	57
Contract (Levels 3-5)	522	53.4	150	4	3	143	279
Contract (Levels 6-8)	97	48.5	24	0.6	4	48	47
Contract (Levels 9-12)	231	68.4	36	1	6	258	158
Contract (Levels 13-16)	2	-	2	0.1	1	5	-
Total	27,452	78.2	3,741	100	7	14,651	21,463

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

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
Lower skilled (Levels 1-2)	480	100	23	26.7	21	92	480
Skilled (Levels 3-5)	265	100	17	19.8	16	59	265
Highly skilled production (Levels 6-8)	609	100	33	38.4	18	271	609
Highly skilled supervision (Levels 9-12)	290	100	12	14	24	374	290
Contract (Levels 9-12)	134	100	1	1.2	134	112	134
Total	1,778	100	86	100	21	908	1,778

Table 9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

TABLE 9.3 – Annual Leave, 1 January 2009 to 31 December 2009

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	23,600	21	1,138
Skilled (Levels 3-5)	33,656	24	1,395
Highly skilled production (Levels 6-8)	29,087	22	1,339
Highly skilled supervision (Levels 9-12)	22,956	23	1,016
Senior management (Levels 13-16)	2,873	22	128
Contract (Levels 1-2)	752	15	51
Contract (Levels 3-5)	2,396	9	256
Contract (Levels 6-8)	606	13	45
Contract (Levels 9-12)	850	17	49
Contract (Levels 13-16)	115	10	11
Total	116,890	22	5,428



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

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2009	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2009	Number of Employees as at 31 December 2009
Lower skilled (Levels 1-2)	194	6	44	32	18,179	410
Skilled (Levels 3-5)	956	7	72	145	77,335	1,074
Highly skilled production (Levels 6-8)	477	7	43	73	19,348	449
Highly skilled supervision (Levels 9-12)	382	6	56	69	23,572	421
Senior management (Levels 13-16)	43	5	51	8	3,210	63
Total	2,052	6	59	327	141,644	2,417

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

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

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2009/10 due to non-utilization of leave for the previous cycle	59	2	29,500
Capped leave payouts on termination of service for 2009/10	1,634	322	5,075
Current leave payout on termination of service for 2009/10	641	122	5,254
Total	2,334	446	5,233

5.10 HIV and AIDS & health promotion programmes

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

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
NONE	

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

Question	Yes / No
<p>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.</p>	<p>Yes, Director: Organizational Development, Ms Lindiswa Skhosana</p>
<p>2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.</p>	<p>Yes The department has established two sub directorates under Organisational Development to manage workplace interventions and sector-wide programmes:</p> <ul style="list-style-type: none"> • Employee Health and Wellness and • Advocacy and Support <p>1 professional dealing with mainstreaming HIV and AIDs in DPW development programmes</p> <p>Budget for 2009/10 R450 000</p>
<p>3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.</p>	<p>Yes.</p> <ul style="list-style-type: none"> • Employee Health and Wellness (4 wellness professionals health and wellness managing 12 Regions) • Addressing psycho-social health and wellness issues (responsive programs) • Mainstreaming HIV and AIDS in departmental development programmes • Change Management interventions



Question	Yes / No
<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>Yes Committees are established in 6 Regions</p> <p>NELSPRUIT REGIONAL OFFICE Mr. Paul Luhlanga Mr. DD Ngwenyama Ms. PatienceNkosi Ms. Silindile Ntshangase</p> <p>PRETORIA REGIONAL OFFICE Mr. V Phephenyani Ms. E Storbeck Mr M Mosadi Ms. M Lamane</p> <p>WELLNESS COMMITTEE MEMBERS: KIMBERLEY OFFICE Mr J Zitha Ms C Abrahams Mr F Ningi Mr D Smith Mr I Ismail</p> <p>MMABATHO REGIONAL OFFICE Ms Boitumelo Bolokwe Mr Nico Lekoko Ms Louisa Roolvink Mr Mpho Legote Ms Gadifele Ndamane</p> <p>MTHATHA REGIONAL OFFICE Mr Vuyolwethu Bulu Mr Mlamli Hoboyi Ms Nomaxabiso Tyusha Ms Noncedo Livi</p> <p>CAPE TOWN REGIONAL OFFICE Mr Ernest Louw Ms Ilse Swart Ms Nomathemba Gusha</p> <p>Mr. Sam Mthimunye Mr. Evans Nguyuzza Ms. Sonto Sambo Ms. Portia Mbedzi</p> <p>Mr. J Mabena Mr. M Mabala Mr. T Mashilo</p> <p>Ms L Motlhalo Ms N Dlela Ms C Gordon Mr N Riley Mr S Madibela</p> <p>Mr Harry Chepape Ms Salma Ortell Ms Molebogeng Sekoto Mr Sello Mthhole Ms Mmatshupo Mafafo</p> <p>Mr Vumile Bakubaku Mr Sivuyile Dantile Ms Nwabisa Nakumba Ms Lungakazi Geca</p> <p>Ms Carmen Rossouw Ms Debbie du Plooy</p>
<p>5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.</p>	<p>Yes, the Department's employment policies are not unfairly discriminatory. The policies to be reviewed again in 2010/11</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 The departmental HIV and AIDS Policy addresses human rights issues Awareness and Education programmes are intended to address amongst others issues of discrimination, stigma and workplace relationships</p>

Question	Yes / No
7. Does the department encourage its employees to undergo Voluntary Counseling and Testing? If so, list the results that you have achieved.	Yes The department collaborates with the Department of Health and NGOs in providing in house opportunities for Voluntary Counseling and Testing. The number of employees who participated in the VCT 931
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes The following is being used <ul style="list-style-type: none">• Number of employees utilization of Health and Wellness services• Number of employees attending wellness events• Number of seminars, workshops and training conducted• Sick leave utilization trends• Number of employees living openly with HIV

5.11 Labour relations

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

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

Total collective agreements	None
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

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

Disciplinary hearings	Number	% of total
Total	59	100%



TABLE 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	Percentage of Total
Absent from work without reason or permission	15	25%
False statement/evidence in execution of duty	4	7%
Steal, bribe or commits fraud	20	35%
Use of abusive language	2	3%
Failure to disclose financial interest	2	3%
Abuse of state vehicle	4	7%
Gross negligence of duty	2	3%
Failure to comply with provisions of the PMDS	1	2%
Failure to carry out reasonable instructions	3	5%
Insurbordination	2	3%
Drinking on duty	3	5%
Late coming	1	2%
Total	59	100

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

	Number	% of Total
Number of grievances resolved	40	56%
Number of grievances not resolved	28	44%
Total number of grievances lodged	68	100%

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

	Number	% of Total
Number of disputes upheld	7	58%
Number of disputes dismissed	2	17%
Number of disputes not finalized	3	25%
Total number of disputes lodged	12	100%

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

Total number of person working days lost	NONE
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TABLE 11.7 – Precautionary suspensions for the period 1 April 2009 to 31 March 2010

Number of people suspended	12
Number of people whose suspension exceeded 30 days	6
Average number of days suspended	60
Cost of suspensions	R 922,459.00

5.12 Skills development

This section highlights the efforts of the department with regard to skills development. The perspectives that human capacity building programmes focused on during the year under review were as follows:

- Formal linking of comprehensive training programmes with the construction programme;
- Learning, development and growth perspectives;
- Transformation perspective;
- Support for scarce skills;
- Mentorship being a means of developing capacity through structured transfer of knowledge and experience and
- Training that promoted career progression.

Cognizance was taken to focus on expansion, strengthening of network and supporting national goals. Through consultative forums and the emergence of partnership arrangements with consulting firms, trainees were helped to acquire professional registration and attain qualifications as a formal recognition of skills and knowledge acquired through this experience. The added value of networks was the link established between employment and training institutions. Such networks provided integrated services by ensuring that training needs target the requirements of the labour market. This allows for the design of measures that respond to the requirements of the industry. Interactions were strengthened with other government departments and stakeholders that are responsible for similar programmes across the country. The department will still continue to strengthen these initiatives and ensure that the Youth Agenda of the country is realized.



12.1 Planned beneficiaries of training per occupational category, by gender, population group, disability status and age groups

Code	Occupations	Male				Female				Total	People with Disability				Age group		
		A	C	I	W	A	C	I	W		A	C	I	W	<35	35-55	>55
111	Senior Managers & Legislatures	5	-	-	3	6	-	1	-	15	-	-	-	-	6	8	1
211	Professionals	46	3	1	7	19	1	1	1	79	-	-	-	-	17	40	22
311	Technicians & Associate Professionals	16	7	-	18	10	3	-	1	54	-	-	-	1	26	21	7
411	Clerks	49	7	-	6	76	5	1	21	165	-	-	-	-	65	94	6
511	Service & Sales Workers	9	-	-	1	7	6	-	1	24	-	-	-	-	6	17	1
611	Craft & Related Trade	16	1	-	1	4	-	-	-	22	-	-	-	-	1	18	3
711	Plant & Machine Operator Assembler	8	5	-	2	1	-	-	-	16	-	-	-	-	-	7	9
811	Elementary Workers	35	-	-	1	71	-	-	-	107	-	-	-	-	8	63	36
Total		184	22	1	39	194	15	3	24	483	-	-	-	1	129	268	86

12.1.1. Planned training- employees of the entity

Code	Occupational category	Learning area	Type of learning programme	NQF Level	Number to be trained
111	Senior Managers & Legislatures	Policy Development and Implementation, Property Management & Valuation, Computer Skills, Risk Management	Short Course, Workshop, Skills Programs, Learnership, Conference & Seminar.	5,6,7	15
211	Professionals	Budgeting, Expenditure Management, HR Planning, Coaching and Mentoring, SDF, PERSAL, Accounting Skills, Development, HR Strategy, Policy, Processes & Procedures, PFMA, Quantity Survey, DC Codes	Short Course, Workshop, Skills Programs, Learnership, Conference & Seminar.	5,6,7	79
311	Technicians & Associate Professionals	IT Project Management, Information Security, Data Communication and Networking, Quality Assurance, Civil & Technical Knowledge, Procurement Processes & Procedures, Architectural Legislation, Advanced SAMTRC, Incidents Investigation Techniques, Hazard Identification, ITIL Version, LINUX,	Short Course, Workshop, Skills Programs, Learnership, Conference & Seminar.	4,5,6,7	54
411	Clerks	Logis, BAS, PIMS, Provisioning & Office Administration, Procurement Standards, Report Writing, Tender Procedures, Customer Care, Computer Skills, Time Management, Finance Skills, Construction Regulations.	Short Course, Workshop, Skills Programs, Learnership, Conference & Seminar.	3,4,5,6,7	165
511	Service & Sales Workers	Communication Skills, Service Delivery, Batho Pele, Interpersonal Skills.	Short Course, Workshop, Skills Programs, Learnership, Conference & Seminar.	3,4,5,6,7	24



Code	Occupational category	Learning area	Type of learning programme	NQF Level	Number to be trained
611	Craft & Related Trade	Gardening Services, Pest Control, Record Keeping, Mechanical Engineering, Construction Law, Town Planning, Machine Operation, Health and Safety, Facilities Management, Planting, Plumbing, Tilling, Welding.	Short Course, Workshop, Skills Programs, Learnership, Conference & Seminar.	3,4,5,6,7	22
711	Plant & Machine Operator Assembler	Advanced Driving Skills, Client Care, ABET, Life & Business Skills, Professional & Gardening Skills.	Short Course, Workshop, Skills Programs, Learnership, Conference & Seminar, ABET.	2,3,4,5,6,7	16
811	Elementary Workers	Communication Skills, Basic Numeracy and Literacy Skills.	Short Course, Workshop, Skills Programs, Learnership, Conference & Seminar, ABET.	1,2,3,4,5	107
	Total				482

12.2 – Training provided 1 April 2009 to 31 March 2010

Occupational Categories	Gender	Employees trained	Traineeships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	82	-	Supply Chain Management, Project Management Principles, Assessment, Assessor , Customer Care, Communications, Facilitator, Government Tenders, Persal Introductory, Programme in Project Management, Project Assistant, Project Khaedu, Project Management for Office Prof, Property Law, Air Conditioning, AMDP, Asset Management, Boiler Inspection, Drafting of Contracts, Facilities Management, Intelligence Profiling, Introduction to SAMTRAC, Management Report, Ms Projects, Practical Project Management, Property Management, Property Valuation, Strategic People Management, Supply Chain Management	2nd Samea Evaluation Conference, Gender Mainstreaming, Map Africa 2009 Conference, Labour Law, Cooperative Governance Managing People in the Workplace, Statistics Knowledge, Paper trail Property Exhibition 2009, Pan African Monitoring & Evaluation, Contract Management Managing People with Disability, Procure process	143
	Male	61	-	Performance Audit, AMDP, BAS, Best Practices in Managing Accounts Payable, Business Writing, Caddie Basic , Certificate in Public Management, Communication and Presentation, Cross Examination, Diversity Management, Excel, Group, Job Evaluation: Follow-up, Job Evaluation: Initial, Labour Relations Management, Minute Taking, Modern Supervisory, Persal Admin, Practical Work School, Practices for Educators & Trainees, Project Khaedu, , SCOA, Structural Designs, Succession Planning, Train the Trainer, Assessor Training, Contract Law, Project Management, Service Delivery, Advanced and Intermediate Project Management, Energy Efficiency, Boiler Supervision & Management, Programme in Engineering Management, Safety Earthing, Switchgears, Lightning Protection, Diversity Management, Project Management, SAMTRAC, Documenting the System, Internal Auditing Laboratory Systems, First Aid, Network (NE - 6421), New Electrical Installations Regulations, Pest Control Operations	Fighting Fraud, ISACA, Annual Labour Law, Green Building Council of SA Convention, JBCC Principles, Paper trail, Indaba for Disabled Persons, Procurement process, Project Management Professional Exam, Public Sector , Trainers Forum, Structural Designs, Solar Water System, Transformer Operation & Maintenance, HR Convention, Gov-Tech, Green Star SA, Training course in Seminar on Labour - Management Relations Policy Development, SAIA Client Architect Agreement 2008	296
Professionals, Technicians and associate professionals	Female	96	49			
	Male	126	25			



Occupational Categories	Gender	Employees trained	Traineeships	Skills Programmes & other short courses	Other forms of training	Total
	Female	182	109	Advance Meeting and Minutes Taking, Advanced and Intermediate, Project Management, Advanced Project Management, Asset Miscellaneous, AutoCAD, Automated Cost Centre Manager, BAS, Business Writing, Business Writing & Minutes taking, Caddie 3 D, Computer Training, Core and Job Description, Customer Care Communications, Diplomacy, Etiquette and Protocol, Educatory Electro, Effective Business Writing Effective Time Management and Minute Taking, Excel Spread Sheet, First Aid, Fleet Transport, Government Tenders, Labour Relations Management, Leadership Skills for PA` s, Logis, Logis Assets Management, Logis Literacy, Logis Payment, Minute Taking & Report Writing, Modern Supervisory, Ms Excel: Advance Formulas, NEC Engineering & Construction Contract, Office Administration, Peral Introductory, PFMA, Programme in Procurement & Supply Management, Project Assistant, Project Management for Office Prof, Project Management for PA` s, Quotations (RFQ), She Rep Functions, Supply Chain Management, End User Computing, Fleet Management, Applying She Principles & Procedures, Asset Miscellaneous, AutoCAD, Business Writing, Caddie Basic, Computer Training, Office Administration, Orders, Practitioners of Land Reform, Principle Building Agreement, Programme in Project Management, Project Management, Project Management for Office Prof, Property Law, SCOAV3, She Rep Functions Solar Water System	Contract Management, Paper trail, Procure process, Solar Water System, Information Protection Awareness, Employment Equity	510
	Male	69	150			
Service and sales workers	Female	2	89	She Rep Functions, Minute Taking, Applying She Principles & Procedures, Excel Spread Sheet, Security Management		132
	Male	3	38			

Occupational Categories	Gender	Employees trained	Traineeships	Skills Programmes & other short courses	Other forms of training	Total
Skilled agriculture and fishery workers	Female	-	-			0
	Male	-	-	-		
Craft and related trades workers	Female	-	5	Admin Office ,Computer training, Diversity Management		42
	Male	13	24			
Plant and machine operators and assemblers	Female	-	-			1
	Male	1	-	Computer Training		
Elementary occupations	Female	164	-	Computer Training, N4, Carpentry, Chainsaw Operator, Computer Training, N5, Painting, Project Assistant, Pruning, Tree-felling, Weed-eater, ABET		350
	Male	186	-			
Gender sub totals	Female	526	252			
	Male	459	237			
Total		985	489	Total		1,474



5.13 Injury on duty

The following tables provide basic information on injury on duty.

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

Nature of injury on duty	Number	% of total
Required basic medical attention only	24	75
Temporary Total Disablement	8	25
Permanent Disablement	-	-
Fatal	-	-
Total	32	100

5.14 Utilization of consultants

TABLE 14.1 – Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Asset verification and Bas/Logis reconciliation and training	19	1,537.7 Days	R3,361,500.00
Technical Financial assistance and support for the DPW	20	280 Days	R14,829,557.00
Training of supervisors and senior managers on initiating and presiding over disciplinary hearings	1	3 Days	R190,000.00
Training Providers capacity building Project	1	180 Days	R350,000.00
Training Providers capacity building Project	1	180 Days	R276,029.00
Training Providers capacity building Project	1	180 Days	R186,950.00
Training Providers capacity building Project	1	180 Days	R316,065.00

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Training Providers capacity building Project	1	180 Days	R399,000.00
Training Providers capacity building Project	1	180 Days	R397,038.00
Request for approval to appoint Magau properties Valuations CC to conduct an investigation on Market Related Value of rental prices of the private owned house occupied by the commissioner of Correctional Service Department	1	7 Days	R17,100.00
Appointment of Service Provider to Develop Commercial Property funding for the Property Incubator Programme: National Department of Public Works	1	7 Days	R0.00
Asses Register update on PMIS	2	1 Year	R310,000.00
Appointment of Consultant to facilitate a workshop held with construction stakeholders	1	7 Days	R9,800.00
Appointment of Consultant to develop a Policy/Guideline for Persons living with disabilities	1	180 Days	R195,454.00
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
14	52	3,466.7	R20,838,493.00



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

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Asset verification and Bas/Logis reconciliation and training	100%	100%	19
Technical Financial assistance and support for the DPW	100%	100%	20
Training Providers capacity building Project	100%	100%	1
Training Providers capacity building Project	100%	100%	1
Training Providers capacity building Project	100%	100%	1
Training Providers capacity building Project	100%	100%	1
Training Providers capacity building Project	100%	100%	1
Training Providers capacity building Project	100%	100%	1
Training of supervisors and senior managers on initiating and presiding over disciplinary hearings	100%	100%	1
Request for approval to appoint Magau properties Valuations CC to conduct an investigation on Market Related Value of rental prices of the private owned house occupied by the commissioner of Correctional Service Department	100%	100%	1
Appointment of Service Provider to Develop Commercial Property funding for the Property Incubator Programme: National Department of Public Works	100%	100%	1
Appointment of Consultant to facilitate a workshop held with construction stakeholders	100%	100%	1
Appointment of Consultant to develop a Policy/Guideline for Persons living with disabilities	100%	100%	1
Assets register Update on PMIS	100% women	100% women	2

TABLE 14.3 – Report on consultant appointments using Donor funds

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

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

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



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